OIS HOLDINGS

CONSOLIDATING OUR STRENGTHS FOR SUCCESS

2023 ANNUAL REPORT











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

The contact person for the Sponsor is Ms. Audrey Mok (Tel: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542

CORPORATE PROFILE

The Group's vision is to develop a growing portfolio of established consumer brands and to become an innovative market leader in the region.



Left - right:
Mr. Ong Bee Song
(Sales Director of Golden Bridge and Ellaziq Singapore)

Mdm. Ong Chew Yong
(Executive Director)

Mr. Ong Bee Chip
(Managing Director)

Established in 1993, OTS Holdings Limited is a brand builder and food manufacturing group in the consumer industry with a strong niche in ready-to-eat and ready-to-cook meat products with key markets in Singapore and Malaysia.

Targeting both halal and non-halal consumer segments, the Group has more than 1,100 SKUs across 13 main product types under its 7 house brands and notably the Group's flagship brands, "Golden Bridge" and "Kelly's" have become established household names within the ready-to-eat and ready-to-cook meat products market in Singapore and Malaysia.

In June 2022, the Group launched its 7th and latest house brand, ANEW, a plant-based, ready-to-eat food brand that aims to deliver quality, nutrition and convenience to consumers with a taste of heritage.

From challenging ourselves to improve our recipes to exploring technological innovations to enhance efficiency and quality in our manufacturing processes, we continue to push new boundaries as food innovators.

Supported by our in-house research and development team, we take pride in our commitment to continuously reinvent ourselves and create better products to respond swiftly and in a timely manner to market trends and support the diverse tastes of our customers.

The Group owns and operates three modern food manufacturing facilities, two in Singapore and one in Bulan Island, Indonesia. In Singapore, its integrated food manufacturing facilities with in-house research and development team span across around 9,131 square metres with an average annual production of around 2,500 tonnes of ready-to-eat and ready-to-cook meat products.

The Group's food products are sold in major supermarkets, convenience stores, provision shops, hotels and restaurants in Singapore and Malaysia. The Group also has direct market access to Indonesia and the Philippines markets via its overseas subsidiaries.

Having built an established sales and distribution network over the past few decades, the Group's food products are also marketed and sold overseas, in countries such as Australia, Hong Kong, India, Indonesia, Brunei and Philippines.

For more information, please visit the Company's website at www.ots-holdings.com.

CORPORATE PROFILE

MODERN FOOD MANUFACTURING FACILITIES



Our modern food manufacturing facilities at 30 Senoko South Road Singapore 758088

We own and operate three modern food manufacturing facilities, two in Singapore and one in Bulan Island, Indonesia.

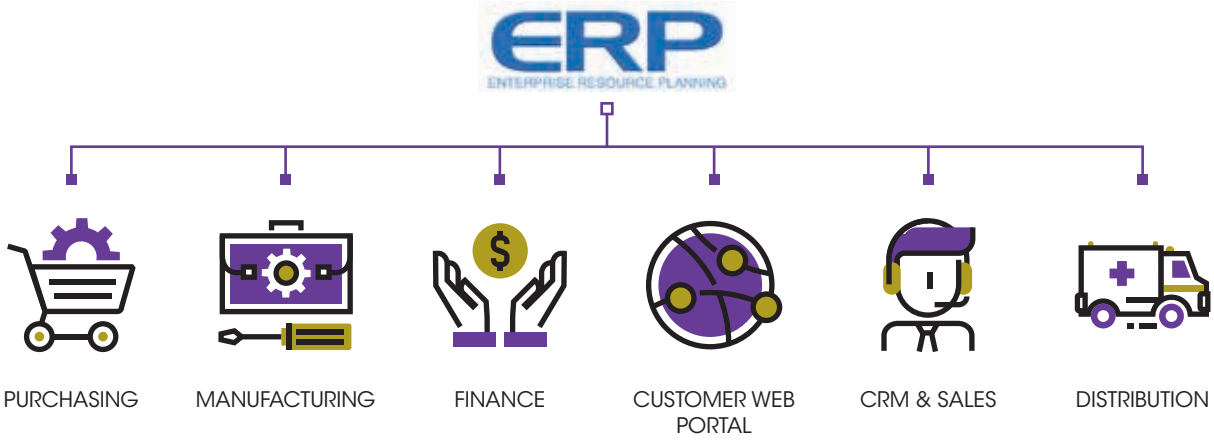
In Singapore, our integrated food manufacturing facilities span across approximately 9,131 sq m with an average annual production of approximately 2,500 tonnes of ready-to-eat and ready-to-cook meat products.

We have the capability to manage and process as many as four product categories - chilled, frozen, dried and shelf-stable ready-to-eat and ready-to-cook meat products.

TECHNOLOGY DRIVEN MANUFACTURING CAPABILITIES

Recognising the importance of technology in increasing productivity and efficiency, we believe we were among the first in our industry in Singapore to adopt certain modules of an enterprise resource planning ("ERP") system in 2003.

Made several upgrades and improvements leading eventually to the implementation of an ERP system today, which connects every step of the manufacturing process, thereby enabling us to track and monitor every aspect of our process and products with speed, accuracy and ease.



CORPORATE PROFILE

QUALITY ASSURANCE & CERTIFICATIONS

Knowing how important safety and quality standards are to consumers, especially in the food business, we are dedicated to ensuring our culture embodies these key beliefs in our processes.

Since 2015, the food safety management systems of our production facilities in Singapore have received the FSSC 22000 Food Safety System Certification, which demonstrates that our production facilities have robust food safety management systems in place.



We have been achieving Grade 'A' status for excellence in food hygiene and food safety standards from the Singapore Food Agency or the Agri-Food & Veterinary Authority of Singapore (as the case may be) for certain types of processing such as retort canning, sausage and ham processing since 2010 for Golden Bridge Foods Manufacturing Pte Ltd and since 2011 for Ellaziq Private Limited.

HALAL SINGAPORE
C6054

We have obtained halal certification from Majlis Ugama Islam Singapura in Singapore for the products that are manufactured at this production facility. In Malaysia, the manufacturing of our products is outsourced to a contract manufacturer, which has also obtained the requisite halal certification from the Department of Islamic Development Malaysia (JAKIM) in Malaysia.

In addition, our two production facilities in Singapore are the only two out of the three meat processing plants in Singapore which have obtained approval for the export of meat products from Singapore to the European Union.

ESTABLISHED DISTRIBUTION CHANNELS

We have built an established sales and distribution network over the past few decades and our brands have been widely marketed and sold in major supermarkets (such as NTUC Fairprice, Sheng Siong, Giant), convenience stores, provision shops, hotels and restaurants in Singapore and Malaysia. In addition, we intend to strengthen our presence on e-commerce platforms and via our websites.



Our food products have been marketed and sold in more than 25 countries, including Brunei, Hong Kong, Myanmar, India and countries in the European Union.

OUR BRANDS

Our "Golden Bridge" brand was created by our late founder, Mr. Ong Tuan Seng and it symbolises our belief to serve as a connection to consumers' preferences with our quality F&B products.

Since then, the "Golden Bridge" brand has grown progressively with a comprehensive range of new products, ranging from Taiwanese-style sausages, meat floss to a variety of luncheon meats, becoming an established household name within the ready-to-eat consumer market in Singapore and across Asia.

Launched in 2013, the GB GoldenLion brand is specially developed and targeted at food service businesses (such as hotels, restaurants, airlines, caterers, quick service restaurants, ship chandlers, bakeries, clubs, cafes and pubs) in Singapore and Asia.

The tradition of excellence is carried on with the GB GoldenLion brand with a wide range of high-quality oriental and western products that are made in Singapore.

Responding to growing consumer needs for halal lifestyles, our El-Dina brand specialises in offering a wide range of exquisite quality and gourmet halal food catered for the discerning end-consumer with iconic tastes of the world.

El-Dina has grown to be a prominent halal retail brand that is known for quality and gourmet taste with its extensive range of premium quality ambient, chilled, frozen halal meat products and meat floss.

Symbolising the motherly love and care for food preparation, the Kelly's brand was born in 2004 to serve the sophisticated tastes of modern consumers with an extensive range of Western-style meats and products.

From classic tastes to bold flavours, we have developed portion sized products under the Kelly's brand to cater to the growing trend of smaller families and convenient eating on the go.

As the national flower of Singapore, Orchid is closely identified with Singapore and it is the namesake for our overseas brand.

Produced with comprehensive quality and strict food safety standards, the Orchid brand has a wide range of ready-to-eat meat products that are specially developed to suit the palates of the local communities in our overseas markets.

The Kizmiq brand is targeted at the food service businesses in the halal F&B industry, providing a wide range of halal meat products and meat floss for better value.

Kizmiq serves various categories of food service businesses (such as hotels, restaurants, airlines, caterers, quick service restaurants, ship chandlers, bakeries, clubs, cafes and pubs).

With the tagline "Better Food Forward", ANEW is our plant-based, ready-to-eat food brand that aims to deliver quality, nutrition and convenience to consumers with a taste of heritage.

CORPORATE MILESTONES

The history of our Group can be traced back to August 1993 when Golden Bridge was established by Mr. Ong Tuan Seng and Mr. Ang Tik Bee (who are the father and brother-in-law respectively of our Executive Directors, Mr. Ong Bee Chip and Mdm. Ong Chew Yong, and our Controlling Shareholder, Mr. Ong Bee Song) primarily to produce premium Chinese sausages.

Mr. Ong Tuan Seng first came up with the innovative idea of creating XO special lean Chinese sausages, recognising that the aroma of XO brandy would be popular with the market.

Since then, the Group has grown progressively over the past two decades with a vision to develop a growing portfolio of established consumer brands and to become an innovative market leader in the region.

2019



Business expansion into Indonesia

2021

Incorporation of subsidiary in the Philippines

Successfully completed our IPO listing on 17 June 2021

2022



Launch of plant-based, ready-to-eat brand "ANEW"

Incorporation of OTS International Pte Ltd, to further streamline operations

2017



Business expansion into Malaysia

2010



Expansion of our Singapore integrated facilities to include halal production

2009



Start of our canning operations

1993



Beginning of a heritage

1999



Product range expansion with innovation and technologies

2004

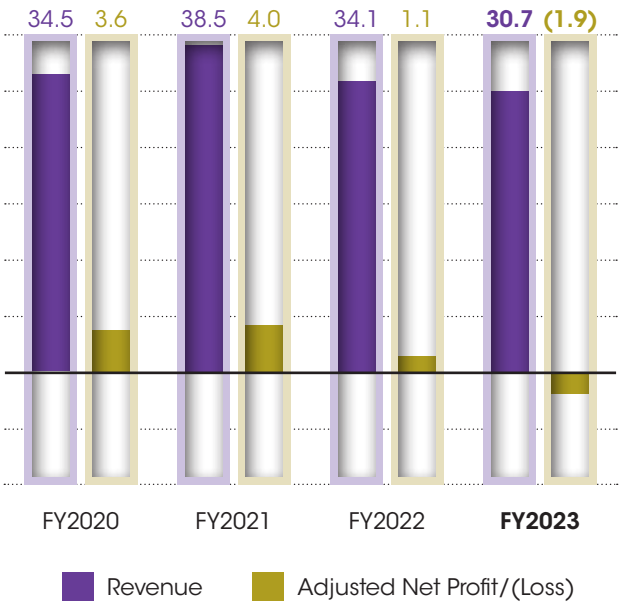


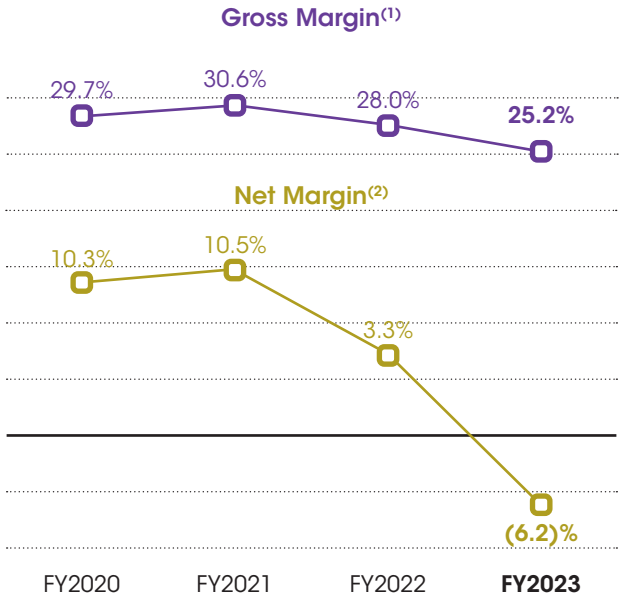
Catering to new consumer trends

FINANCIAL HIGHLIGHTS

(Financial year ended: 30 June) Profit & Loss	FY2019 S$'000	FY2020 S$'000	FY2021 S$'000	FY2022 S$'000	FY2023 S$'000
Revenue	26,283	34,535	38,506	34,136	30,664
Gross profit	6,737	10,248	11,787	9,558	7,742
Net profit/(loss)	1,585	3,551	2,989	1,120	(1,902)
Adjusted net profit/(loss)*	1,585	3,551	4,045	1,120	(1,902)

** Excluding IPO expenses of approximately S$1.06 million, of which S$0.9 million was recognised during 2H2021*





Balance Sheet	FY2019 S$'000	FY2020 S$'000	FY2021 S$'000	FY2022 S$'000	FY2023 S$'000
Total current assets	11,692	21,324	30,209	23,664	21,930
Total current liabilities	4,063	8,082	8,002	4,580	3,803
Total net current assets	7,629	13,242	22,207	19,084	18,127
Total assets	23,855	36,295	45,183	38,896	35,847
Total liabilities	6,893	16,311	15,543	9,570	8,949
Total shareholder's equity	16,962	19,984	29,640	29,326	26,898
Financial Statistics					
Gross margin(1)	25.6%	29.7%	30.6%	28.0%	25.2%
Net margin(2)	6.0%	10.3%	10.5%	3.3%	(6.2)%
Earnings/(losses) per share (Singapore cents)(3)	0.89	1.99	1.66	0.52	(0.89)
Net debt to equity ratio(4)	4.1%	18.8%	Net cash	Net cash	Net cash

(1) *Gross profit/revenue*
(2) *Adjusted net profit (loss)/revenue*
(3) *Net profit (loss)/total issued ordinary shares.*
(4) *Total borrowings including lease liabilities less cash and cash equivalents/total equity*

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors, I would like to present OTS Holdings Limited's ("OTS" or the "Company", and together with its subsidiaries, the "Group") Annual Report for the financial year ended 30 June 2023 ("FY2023").

FY2023 holds a special place in OTS's history as it marks the 30th year of our business roots in Singapore.

While there is much cause to celebrate this significant milestone, we were gripped by the sombre fact of a rapid rise in interest rates amid an inflationary environment globally over the past 12 months.

The dual impact of high interest rates and inflationary environment and the appreciation of the Singapore dollar has directly eroded purchasing power for both consumers and businesses as well as affected their purchasing behaviour particularly in the export sector.

As a brand owner and food manufacturer in Singapore, majority of our brands have a premium positioning, particularly our flagship brands, "Golden Bridge" and "Kelly's", which are established household names in Singapore and Malaysia. As a result, demand for our retail products were affected as consumers switched to lower priced products.

In addition, Indonesia reported an outbreak of African Swine Fever on a farm on the Riau Islands near Singapore and subsequently the African Swine Fever was detected in pigs in Bulan, Indonesia that resulted in the Group's Indonesian manufacturing plant in Bulan, Indonesia to temporarily shut down during the year due to the shortage of raw material.

Affected by these external headwinds and higher operating costs in FY2023, the Group posted lower revenue of S$30.66 million and we registered a loss for the very first time since the Group was listed.

In view of the challenging and uncertain market environment, there is a stronger need to conserve our cash resources towards our strategic priorities in strengthening our core business activities.

More details of our operational and financial highlights in FY2023 can be found in the next few sections of this annual report.

Preserving Traditions, Inspiring Generations

For more than two decades, OTS's flagship brands and products has been a part of food tradition in many households across Singapore and Malaysia. We have also built up a rich heritage as one of the largest meat product manufacturing companies in Singapore with technologies at the core of our entire operations.

Capitalising on the long-standing F&B brands within our Group, we are supported by our in-house research and development team to expand our multi-brand, multi-product portfolio, so as to cater to new market trends and support the diverse tastes of our customers.

In total, OTS has more than 1,100 SKUs across 13 main product types targeting both halal and non-halal consumer segments. In addition, we produce seasonal food products (such as roast meats, hams and pork knuckles) during festive periods such as Chinese New Year and Christmas.

Besides having established sales channels in Singapore, OTS has built up a strong network for overseas markets, where our food products are marketed and sold in more than 25 countries, including Brunei, Hong Kong, Myanmar, India and countries in the European Union.

Moving forward, we will continue to re-assess our business model, drive improved efficiency and further fine-tune our multi-brand, multi-product portfolio across our operating markets to reposition ourselves for greater business resilience and growth.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Acknowledgements

With rising standard of living and urbanisation, consumers will generally expand their diets and buy more ready-to-eat and ready-to-cook products, especially meat and seafood. We are seeing the eating habits of people in developed and developing nations converge, and with this trend progressing steadily, we believe that there are much more opportunities ahead in our targeted markets across Asia.

As we continue to chart a clearer path towards a better future, our strategy will be based on investing in our core businesses, expanding into complementary value chains, and building more business resiliency and strategically moving to a low-cost production model.

We will be selective in the growth areas that we pursue, maintaining our focus on cost optimisation with our resources being deployed effectively and efficiently, minimising wastage and duplication.

With a resolute belief in our future and our industry's long-term fundamentals, we remain committed to our credo to connect consumers' preferences with our quality food products for years to come.

On behalf of the Board of Directors, I would like to thank all our stakeholders, in particular our customers, suppliers, business partners, and bankers for their steadfast support, trust and confidence in us, and cooperation throughout the years.

To our employees, I would like to extend the Board's appreciation for your commitment, efforts and dedication over the past year despite the challenges faced.

I would like to express my sincere gratitude to my fellow Board members for your insights and counsel throughout the external headwinds experienced during the year.

To our shareholders, we thank you for your support and the confidence you place in us despite the unpredictable volatility over the past year.

As OTS forges ahead, we reaffirm our commitment to create meaningful value for our shareholders and stakeholders as a brand builder and food innovator.

Thank You!

DR. YU LAI BOON
Non-Executive Chairman and Independent Director

MESSAGE FROM MANAGING DIRECTOR

Dear Shareholders,

As highlighted by our Chairman, FY2023 is a monumental milestone for our Group as we mark our 30th year anniversary, after our founder, Mr Ong Tuan Seng, first came up with the innovative idea of creating XO special lean Chinese sausages, recognising that the aroma of XO brandy would be popular with the market.

Since then, OTS Holdings has grown progressively and achieved various milestones as we build up our brand portfolio with multi-product non-halal and halal offerings. Aligned with our vision, we expanded to be one of the largest meat product manufacturing companies in Singapore that are technology-driven.

With unpredictable external headwinds having a direct impact in our financial results in FY2023, there is a need to remind ourselves to always look at our vision and core fundamentals, reinforcing the resolve to maintain our strategic course for the future.

Notably, the revenue contribution from the Group's four business segments may vary from year to year with different brands targeting different consumer price points and market segments.

In FY2023, the Group registered overall revenue of S$30.66 million as compared to S$34.14 million in FY2022. Our established presence and track record in Singapore have created a strong foundation for our business and demand in Singapore has remained resilient in FY2023.

However, revenue from Malaysia declined considerably by S$3.18 million to S$5.52 million in FY2023, as compared to S$8.70 million in FY2022. As our flagship retail brands and products are generally marketed and sold at a premium, there was much lower demand in Malaysia due to slow product offtake in Malaysia and increased market competition during FY2023.

Of the Group's four business segments, only our Food Services segment posted revenue growth in FY2023 due to higher sales to existing and new customers in Singapore as the food and beverage (F&B) sector in the domestic market continued to experience growth in sales.

Amid an inflationary environment that resulted in lower demand for our flagship retail brands and products, revenue from the Group's General Trade and Modern Trade dipped lower with sales of S$11.68 million and S$8.11 million respectively in FY2023, as compared to S$15.40 million and S$9.02 million respectively in FY2022.

For General Trade, the decline in revenue was mainly due to the weakening consumer spending power in Malaysia while for Modern Trade, the decrease was a result of lower product sales in Singapore and Malaysia. Revenue from the Group's Others segment remained relatively stable in FY2023.

In FY2023, the Group's gross profit margin decreased by 2.8 percentage points, from 28.0% in FY2022 to 25.2% in FY2023, mainly due to higher unit cost of production attributable to raw materials, labour, energy and depreciation costs.

With foreign exchange adjustment of S$0.43 million and allowance for impairment of trade receivables of S$0.49 million, the Group recognised higher other losses of S$0.99 million in FY2023, as compared to others losses of S$0.12 million in FY2022.

In addition, the Group also recognised a higher share of loss from joint venture, from S$0.23 million in FY2022 to approximately S$0.52 million in FY2023, due to certain impairment charges in relation to Delta Bridge Pte. Ltd. recognised as the Group's manufacturing facility on Bulan Island, Indonesia, which is operated by our joint-venture company Delta Bridge Pte. Ltd., was temporarily shut down due to a shortage of raw material caused by the African Swine Fever detected in pigs on the island.

MESSAGE FROM MANAGING DIRECTOR

FY2023 should be a joyous occasion to celebrate our 30th year anniversary, hence it is with a heavy heart to share that the Group has posted a loss of S$1.90 million in FY2023.

Notwithstanding the persisting headwinds in our operating environment, OTS had ridden through various economic cycles over the past 30 years. Through all these cycles, good or bad, we have proved our resilience and robustness in tough times and our ability to capitalise on growth opportunities in good times.

We believe that there is much more to do to deliver better performance with our multi-brand, multi-product portfolio. At the same time, we aim to improve our efficiency and tightly managed our cost base to mitigate inflationary cost pressures.

For our overseas markets, we will be selective in the growth areas that we pursue, maintaining our focus on prudency and re-balancing our product mix to suit local taste buds.

Moving into the new financial year, OTS's focus will be to re-position ourselves for a turnaround, allocating resources toward building value in our existing businesses.

Concluding on this note, I wish to highlight again that as brand builders with a long-term focus, OTS Holdings will continue to forge ahead with an entrepreneurial mindset that has taken us this far 30 years ago.

Thank You!

MR. ONG BEE CHIP
Managing Director

FINANCIAL REVIEW

PROFIT & LOSS HIGHLIGHTS

OTS Holdings' business activities are generally subject to seasonal fluctuations in the demand for our products, which increases during festive periods.

The Group's revenue comprised the following:

(a) sales generated from major supermarkets ("**Modern Trade**");

(b) sales generated from convenience stores, provision shops and wholesalers ("**General Trade**");

(c) sales generated from hotels, restaurants, hawker centres, food courts, food and beverage stores, and caterers ("**Food Services**"); and

(d) sales that are mainly generated from e-commerce platforms and the export markets, and other income such as vehicle rental income and miscellaneous income ("**Others**").

Geographically, the Group's key markets are in Singapore and Malaysia.

Revenue

The Group's revenue decreased by approximately S$3.48 million or 10.2%, from approximately S$34.14 million in FY2022 to approximately S$30.66 million in FY2023, mainly due to decrease in sales from Modern Trade and General Trade, offset by an increase in sales from Food Services segment. Revenue for Others segment was relatively unchanged.

Revenue from the Modern Trade segment decreased by approximately S$0.91 million or 10.1%, from approximately S$9.02 million in FY2022 to approximately S$8.11 million in FY2023, mainly due to muted consumer demand amidst increased product varieties in the market.

Revenue from the General Trade segment decreased by approximately S$3.71 million or 24.1%, from approximately S$15.39 million in FY2022 to approximately S$11.68 million in FY2023, mainly due to slow product offtake because of fierce market competition and weaker consumers' spending power in Malaysia.

Revenue from the Food Services segment increased by approximately S$1.25 million or 20.2%, from approximately S$6.17 million in FY2022 to approximately S$7.42 million in FY2023, mainly due to higher demand for the Group's products as a result of the lifting of COVID-19 restrictions that allowed operators in this segment to resume their capacities.

Revenue from the Others segment was relatively stable at approximately S$3.55 million for FY2022 and approximately S$3.45 million for FY2023.

The breakdown of the Group's revenue by business segments and geographical locations is as follows:

Revenue by Business segment	FY2023 S$'000	FY2022 S$'000	FY2023 vs FY2022 Increase/(decrease) S$'000	%
Modern Trade	8,108	9,018	(910)	(10.1)
General Trade	11,683	15,396	(3,713)	(24.1)
Food Services	7,422	6,175	1,247	20.2
Others	3,451	3,547	(96)	(2.7)
Total	**30,664**	**34,136**	**(3,472)**	**(10.2)**

Revenue by Geographical segment	FY2023 S$'000	FY2022 S$'000	FY2023 vs FY2022 Increase/(decrease) S$'000	%
Singapore	22,996	23,656	(660)	(2.8)
Malaysia	5,519	8,700	(3,181)	(36.6)
Others	2,149	1,780	369	20.7
Total	**30,664**	**34,136**	**(3,472)**	**(10.2)**

FINANCIAL REVIEW

Revenue from the Singapore segment decreased by approximately S$0.66 million or 2.8%, from approximately S$23.66 million in FY2022 to approximately S$23.00 million in FY2023, mainly due to lower sales to Modern Trade customers, offset by an increase in sales from customers in the Food Services segment.

Revenue from the Malaysia segment decreased by approximately S$3.18 million or 36.6%, from approximately S$8.70 million in FY2022 to approximately S$5.52 million in FY2023, mainly due to slow product offtake from customers in the General Trade segment.

Revenue from Others segment increased by approximately S$0.37 million or 20.7%, from approximately S$1.78 million in FY2022 to approximately S$2.15 million in FY2023, mainly due to sales generated by the Philippines subsidiary to various new customers during the financial year.

Cost of sales

Cost of sales decreased by approximately S$1.66 million or 6.7%, from approximately S$24.58 million in FY2022 to approximately S$22.92 million in FY2023, relatively in line with the decrease in revenue.

Gross profit & gross profit margin

As a result of the above, the Group's gross profit decreased by approximately S$1.82 million or 19.0% from approximately S$9.56 million in FY2022 to approximately S$7.74 million in FY2023; mainly due to a decrease in revenue. Gross profit margin decreased by 2.8 percentage points, from 28.0% in FY2022 to 25.2% in FY2023, mainly due to higher unit cost of production attributable to raw materials, labour, energy and depreciation costs.

Other income and gains

Other income and gains decreased by approximately S$0.31 million or 37.0%, from approximately S$0.83 million in FY2022 to approximately S$0.52 million in FY2023; mainly due to lower government grants and rebates recognised of approximately S$0.31 million including the absence of one-off grant for Equity Market Singapore Scheme and Jobs Support Scheme.

Expenses

The Group's marketing and distribution costs increased by approximately S$0.15 million or 6.1%, from approximately S$2.36 million in FY2022 to approximately S$2.51 million in FY2023, mainly due to higher advertising and promotional expenses.

The Group's administrative expenses decreased marginally by approximately S$28,000 or 0.5%, from approximately S$5,900,000 in FY2022 to approximately S$5,872,000 in FY2023, mainly due to a decrease in professional fees, partially offset by an increase in payroll-related costs.

Finance cost

The Group's finance costs decreased by approximately S$21,000 or 9.1%, from approximately S$232,000 in FY2022 to approximately S$211,000 in FY2023, as the Group continues to repay on the loans and borrowings during the financial year.

Other losses

The Group's other losses increased by approximately S$0.87 million or 698.4%, from approximately S$0.12 million in FY2022 to approximately S$0.99 million in FY2023, mainly due to impairment of trade and other receivables of approximately S$0.49 million, which was largely in relation to our joint-venture company, and translation loss on foreign exchange as a result of the weakening of the Malaysian Ringgit against the Singapore Dollar of approximately S$0.43 million.

Share of loss from joint venture

The Group's share of loss from joint venture increased by approximately S$0.29 million or 128.8%, from approximately S$0.23 million in FY2022 to approximately S$0.52 million in FY2023. During the year, the manufacturing site on Bulan Island, operated by our joint-venture company Delta Bridge Pte. Ltd., was temporarily shut down due to a shortage of raw material caused by the African Swine Fever detected in pigs on the island. As a result of the shutdown, certain impairment charges in relation to Delta Bridge Pte. Ltd. were recognised.

FINANCIAL REVIEW

Income tax expense

The Group's income tax expenses decreased by approximately S$0.36 million or 86.0%, from approximately S$0.42 million in FY2022 to approximately S$0.06 million in FY2023, mainly due to deferred tax recognised.

Loss for the year

The Group incurred a loss after tax of approximately S$1.90 million for FY2023 compared to a profit after tax of S$1.12 million for FY2022.

BALANCE SHEET HIGHLIGHTS

Non-current assets

Non-current assets decreased by approximately S$1.31 million from approximately S$15.23 million as at 30 June 2022 to approximately S$13.92 million as at 30 June 2023. Property, plant and equipment ("PPE") decreased by approximately S$0.23 million from approximately S$11.37 million as at 30 June 2022 to approximately S$11.14 million as at 30 June 2023, mainly due to additions of PPE of approximately S$1.02 million, offset by depreciation charges of approximately S$1.29 million. Right-of-use assets decreased by approximately S$0.35 million from approximately S$3.13 million as at 30 June 2022 to approximately S$2.78 million as at 30 June 2023, mainly due to depreciation charges. Investment in joint venture decreased by approximately S$0.53 million from approximately S$0.53 million as at 30 June 2022 due to share of losses during the financial year. There was an absence of non-financial assets amounting to S$0.21 million due to deposit for purchase of plant and equipment utilised.

Current assets

Current assets decreased by approximately S$1.73 million from approximately S$23.66 million as at 30 June 2022 to approximately S$21.93 million as at 30 June 2023, mainly due to a decrease in cash and cash equivalents by approximately S$0.57 million, decrease in non-financial assets of approximately S$0.49 million, decrease in trade and other receivables of approximately S$0.54 million and decrease in inventories of approximately S$0.14 million. The decrease in cash and cash equivalents will be explained under the Cash Flows Statement section. The decrease in other non-financial assets was mainly due to fewer advances made to suppliers for raw materials. The decrease in trade and other receivables was mainly due to impairment of trade and other receivables of approximately S$0.49 million, which was largely in relation to the impairment of receivables in our joint venture company. The decrease in inventories was mainly due to lower production levels.

Non-current liabilities

Non-current liabilities increased by approximately S$0.16 million from approximately S$4.99 million as at 30 June 2022 to approximately S$5.15 million as at 30 June 2023, mainly due to increase in other non-financial liabilities of approximately S$0.80 million, offset by decrease in lease liabilities of approximately S$0.32 million, decrease in deferred tax liabilities of S$0.21 million and decrease in loans and borrowings of approximately S$0.17 million. The increase in other non-financial liabilities was due to government grant received during the current financial year, which will be amortised in accordance with the Group's accounting policy. The decrease in loans and borrowings and lease liabilities were due to repayments made during the financial year. The decrease in deferred tax liabilities was mainly in relation to the capital allowances and losses incurred in the current financial year.

Current liabilities

Current liabilities decreased by S$0.78 million from S$4.58 million as at 30 June 2022 to S$3.80 million as at 30 June 2023, mainly attributable to decrease in trade and other payables of approximately S$0.56 million due to the decrease in trade payables which was in line with the decrease in purchases, and the decrease in loans and borrowings of approximately S$0.29 million was due to repayments during the financial year.

Total Equity

Net asset value of the Group decreased by approximately S$2.43 million from approximately S$29.33 million in FY2022 to approximately S$26.90 million in FY2023 due to the reasons set out above.

FINANCIAL REVIEW

CASHFLOW HIGHLIGHTS

As at 30 June 2023, the Group generated approximately S$1.93 million of cash inflows from operating activities. This was due to operating cash inflow before working capital changes of approximately S$0.28 million and net working capital inflows of approximately S$1.87 million, reduced by tax payment of approximately of S$0.23 million.

The net working capital inflows was mainly due to an increase in other non-financial liabilities of approximately S$0.97 million, decrease in trade and other receivables of approximately S$0.84 million, decrease in inventories of approximately S$0.14 million, decrease in other non-financial assets of approximately S$0.49 million, offset by a decrease in trade and other payables of approximately S$0.56 million.

Net cash used in investing activities amounted to approximately S$0.74 million, mainly due to purchase of plant and equipment of approximately S$1.02 million, offset by utilisation of deposit paid of approximately S$0.21 million and interest income of approximately S$0.07 million.

Net cash flows used in financing activities amounted to approximately S$1.76 million, mainly due to repayment of loan and borrowings of approximately S$0.46 million, dividend paid to shareholders of approximately S$0.47 million, net movements in amount due to related parties of approximately S$0.3 million and payment of lease liabilities of approximately S$0.50 million.

As a result of the above, there was a decrease in cash and cash equivalents of approximately S$0.57 million to S$8.95 million as at 30 June 2023 compared with S$9.52 million as at 30 June 2022.

BOARD OF DIRECTORS



Dr. Yu Lai Boon

Non-Executive Chairman and Independent Director

Dr. Yu Lai Boon was appointed to our Board on 19 May 2021. He has over 26 years of experience in sovereign wealth fund management, private equity investment, fund management, real estate development and real estate-related consultancy work. Dr. Yu Lai Boon has also been involved in the food and beverage industry since 2018.

Dr. Yu Lai Boon joined the Department of Real Estate, School of Design and Environment at National University of Singapore as a Post-Graduate Researcher, Research Assistant and Teaching Assistant between March 1988 and September 1997. He subsequently joined Jones Lang Wootton as an Associate Director for the period from October 1997 to March 1999. He was appointed as the National and Regional Director and Asia Pacific Head of Consultancy and Research in Jones Lang LaSalle Property Consultants Pte Ltd and was subsequently appointed as the Managing Director and Country Head during the period from March 1999 to March 2006. Between August 2000 and December 2000, he was appointed as a focus group member for the Ministry of National Development and was involved in the provision of expert advice on urban land economics in the formulation of the Concept Plan of the Urban Redevelopment Authority for the development of Singapore.

From June 2003 to December 2005, he was appointed as the Honorary Real Estate Consultancy Advisor of the Real Estate Developers' Association of Singapore. He was employed as the Chief Financial Officer and Chief Investment Officer of Nakheel PJSC in Dubai, the developers of the Palm Islands and the World Islands, from April 2006 to July 2006, and was subsequently employed as the Group Chief Investment Officer of Dubai World from July 2006 to April 2010.

He acted as a Member of the Advisory Panel within the Singapore Land Authority from July 2014 to July 2016. He was also an Adjunct Associate Professor of the Department of Real Estate, School of Design and Environment at the National University of Singapore between March 2014 and December 2015.

Dr. Yu Lai Boon graduated from the National University of Singapore with a Bachelor of Science (Estate Management) (Honours) in 1988 and a Master of Science (Estate Management) in 1991. He went on to obtain a Doctor of Philosophy from the University of Aberdeen in Scotland, United Kingdom in 1997.

Dr. Yu Lai Boon has also been a member of the Singapore Institute of Surveyors and Valuers since April 2001.

BOARD OF DIRECTORS



Mr. Ong Bee Chip

Managing Director

Mr. Ong Bee Chip was appointed to our Board on 3 March 2015. He is responsible for overseeing the overall Group's business and strategic planning, including the Group's overseas operations, expansion plans and sourcing for investment opportunities to promote the growth and development of the Group's business. Mr. Ong Bee Chip is also responsible for the overall management of the Group's facilities and maintenance.

Mr. Ong Bee Chip joined our Group as managing director of Golden Bridge in May 2006, and has more than 17 years of experience in the ready-to-eat and ready-to-cook meat manufacturing business. Mr. Ong Bee Chip has also been the managing director of Ellaziq Singapore since August 2018.

Prior to joining our Group, Mr. Ong Bee Chip was a sales manager at Chen Hock Heng Textile Printing Pte Ltd from January 1983 to April 2006, where he was responsible for overseeing the sales and marketing department and facilities management.

Mr. Ong Bee Chip obtained his Singapore-Cambridge General Certificate of Education Ordinary Level in December 1980. He has since completed the Nanyang International Chinese Advanced Management Program certified by Nanyang Business School, Nanyang Technological University, Singapore in 2010; Advanced Management Program certified by Haas School of Business, University of California Berkeley, USA in 2010 and Scale-up SG Stanford Executive Programme certified by Graduate School of Business, Stanford University, USA in 2021.

He was appointed by the Ministry of Education to serve on the Qihua Primary School Advisory Committee for a period of two (2) years from May 2020 to May 2022.



Mdm. Ong Chew Yong

Executive Director

Mdm. Ong Chew Yong was appointed to our Board on 3 March 2015. She is responsible for overseeing our Group's general operations including human resources, procurement, general management and administration. She also plays a vital role in the overall implementation of information technology initiatives within our Group to improve our production and efficiency.

Mdm. Ong Chew Yong joined our Group as the operations director of Golden Bridge in May 2005, and has more than 18 years of experience in the ready-to-eat and ready-to-cook meat manufacturing business. Mdm. Ong Chew Yong has also been the operations director of Ellaziq Singapore since August 2018.

Prior to joining our Group, Mdm. Ong Chew Yong was an operations senior manager at Chen Hock Heng Textile Printing Pte Ltd from January 1976 to April 2005, where she was responsible for overseeing the operations of the company. Mdm. Ong Chew Yong received formal education up to Secondary 2 level in 1975 and has obtained the Advanced Professional Qualification in Global Business Leadership and International Relations certified by McDonough School of Business, Georgetown University, United States in 2015.

BOARD OF DIRECTORS



Mr. Chan Hiang Tiak

Independent Director

Mr. Chan Hiang Tiak was appointed to our Board on 19 May 2021. He started his career in DBS Bank Ltd as an assistant treasurer for the period from May 1984 to December 1988, where he was responsible for, among other things, planning and conducting information technology audits on the bank's computer systems. Mr. Chan Hiang Tiak joined Standard Chartered Bank (Singapore) Limited as a senior inspector from January 1989 to December 1989. He subsequently joined PricewaterhouseCoopers LLP in January 1990 and was admitted to partnership with the title of director in July 1998 and was re-designated as a partner in January 2009. Whilst in PricewaterhouseCoopers LLP, he was responsible for providing information technology audit, internal audit, consulting and control assurance services. Mr. Chan Hiang Tiak retired from PricewaterhouseCoopers LLP in June 2020.

Mr. Chan Hiang Tiak has been engaged as a senior advisor to provide quality management review services to PricewaterhouseCoopers LLP on a part-time basis.

Mr. Chan Hiang Tiak graduated from the National University of Singapore with a Bachelor of Science in 1984. He went on to obtain a Master of Business (Information Technology) from the Royal Melbourne Institute of Technology, Australia in 1991, and a Master of Business Administration (Accountancy) from the Nanyang Technological University in 1997.

Mr. Chan Hiang Tiak has been a director of the Singapore Children's Society since August 2020 and a director of The Children's Charities Association of Singapore since September 2020. He also sits on the Audit Committee of the Children's Museum Singapore from August 2022 and on the Audit Committee of the Tsao Foundation from October 2022.

Mr. Chan Hiang Tiak has completed the Executive Certificate in Directorship programme, which is a joint programme by the Singapore Management University and the Singapore Institute of Directors, in 2017.



Ms. Tan Poh Hong

Independent Director

Ms. Tan Poh Hong was appointed to our Board on 19 May 2021. She was the chief executive officer of the then Agri-Food and Veterinary Authority ("AVA") from March 2009 to September 2017 and was responsible for ensuring that AVA achieves its mission and vision, which includes, among others, ensuring food safety and security for Singapore. Prior to her appointment with AVA, Ms. Tan Poh Hong was the deputy chief executive officer of the Housing and Development Board ("HDB") from September 2004 to March 2009 where she was responsible for overseeing the operations, sales, policy research and development and corporate development of HDB.

Ms. Tan Poh Hong holds a Bachelor of Science (Honours) in Estate Management from the National University of Singapore and a Master of Business Administration (with Distinction) from New York University.

EXECUTIVE OFFICERS

Mr. Teh Chong Piow

General Manager, Malaysia

Mr. Teh Chong Piow is our General Manager, Malaysia and is responsible for managing the overall operations of our Group's business in Malaysia.

Mr. Teh Chong Piow first joined our Group in September 2018 as the Country Manager of GB Global (Malaysia) Sdn Bhd, and was subsequently promoted to the position of General Manager of GB Global (Malaysia) Sdn Bhd in July 2020. He is also the General Manager of Ellaziq (Malaysia) Sdn Bhd.

Prior to joining our Group, Mr. Teh Chong Piow was employed as a Sales Director of Torto Marketing Sdn Bhd for the period from January 2017 to July 2018, and was also employed as a Director of CP Smart Global Trading for the period from May 2018 to July 2018. He was employed as a Sales Director of Dr. Oetker Nona Malaysia Sdn Bhd for the period from December 2013 to January 2017, where he was responsible for managing the overall sales and marketing functions of the company. He held various positions in DKSH Malaysia Sdn Bhd for the period from July 2007 to November 2013, his last held position being national sales manager where he was responsible for managing the overall division sales and product management with brand principals. Prior to joining DKSH Malaysia Sdn Bhd, he was employed as a trainee in Sharp Roxy Malaysia Sdn Bhd for the period from September 2006 to July 2007.

Mr. Teh Chong Piow graduated from Universiti Putra Malaysia with a Diploma in Human Development in 2002, and subsequently graduated from Universiti Utara Malaysia with a Bachelor in Business Administration in 2006.

Mr. Ho Chor Yau

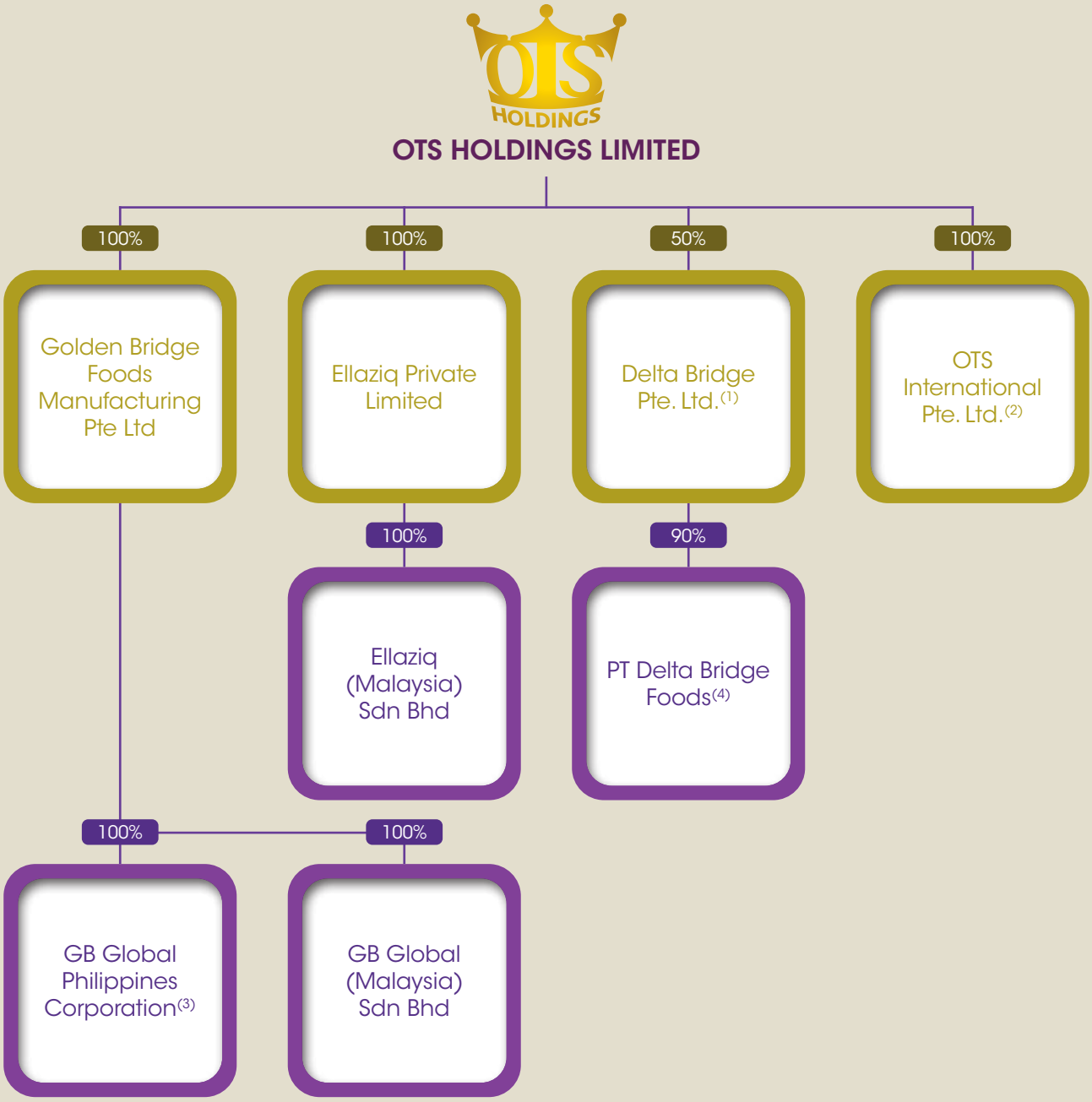
Group Financial Controller

Mr. Ho Chor Yau is our Group Financial Controller and is responsible for the overall finance, accounting and taxation functions across the Group's businesses. He heads the finance team and also supports the senior management team on investments made by the Group.

Mr. Ho Chor Yau has more than 20 years of broad-based financial management and internal audit experience. Prior to joining our Group in September 2022, he had held managerial positions in several privately-held and public-listed companies, where he handled financial, taxation, corporate secretarial, mergers and acquisitions, initial public offering and SGX-ST reporting matters.

Mr. Ho Chor Yau holds a Bachelor of Arts (Hons.) in Accountancy Studies from the University of Portsmouth and a Master of Business Administration from the University of Adelaide. He is a Fellow of the Association of Chartered Certified Accountants and the Institute of Singapore Chartered Accountants. He is also a member of the Chartered Secretaries Institute of Singapore.

CORPORATE STRUCTURE



Notes:

(1) The remaining 50.0% of Delta Bridge Pte Ltd is held by Hogsworld Pte Ltd, an unrelated third party. Neither our Group nor Hogsworld Pte Ltd has control over, including control over the board of directors of, Delta Bridge Pte Ltd..

(2) Incorporated in the Republic of Singapore on 1 January 2022.

(3) The total number of issued common shares of GB Global Philippines Corporation is 100,000 common shares. Due to local requirements in the Philippines, two (2) of the common shares of GB Global Philippines Corporation are held by two (2) individuals as nominees for Golden Bridge Foods Manufacturing Pte Ltd. The remaining 99,998 common shares of GB Global Philippines Corporation are directly held by Golden Bridge Foods Manufacturing Pte Ltd. The two (2) individuals are Danny Chan and Ong Yekai. Danny Chan is not related to any of our Directors or Controlling Shareholders. Ong Yekai is the son of our Managing Director, Ong Bee Chip.

(4) The remaining 10.0% of PT Delta Bridge Foods is held by PT Agro Green Asia, an unrelated third party. Neither our Group nor PT Agro Green Asia has control over, including control over the board of directors of, PT Delta Bridge Foods.

SUSTAINABILITY REPORT

1. BOARD STATEMENT

We affirm our commitment to sustainability with the publication of our sustainability report ("**Report**"). In this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance ("**ESG**") factors, economic performance and customer experience (collectively, "**Sustainability Factors**").

Whilst mindful of our overall profit-oriented objective, we are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure a long-term future for the Group. This commitment is reflected in our sustainable business strategy and the material Sustainability Factors shown in this Report.

A sustainability reporting policy ("**SR Policy**") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we monitor, review and update our material Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, and organisational and external developments.

We are committed to support the United Nations' Sustainable Development Goals ("**SDGs**"), also known as Global Goals and is primarily driven by the concerns of our key stakeholders. We work closely with stakeholders in our value chain and their inputs drive our sustainability focus on our material Sustainability Factors and the relevant SDGs[1] as follows:



[1] Each of our material Sustainability Factors is mapped to the relevant SDG icon(s), where applicable, in the overview above.

SUSTAINABILITY REPORT

A summary of our key sustainability performance in FY2023 is as follows:

Sustainability pillar	Performance indicator	Sustainability performance	
		FY2023	FY2022
Customer experience	House brand portfolio	7 house brands	7 house brands
	Market standards adopted	Relevant market standards[2] have been adopted in our operations	Relevant market standards[2] have been adopted in our operations
Economic	Economic value generated[3]	S$29.57 million	S$33.94 million
	Operating costs[4]	S$21.76 million	S$23.63 million
	Employee benefits expense	S$7.90 million	S$7.67 million
	Payments to providers of capital[5]	S$0.68 million	S$1.73 million
	Income taxes paid to governments	S$0.23 million	S$0.70 million
Environmental[6]	Total Greenhouse Gas ("**GHG**") emissions (tonnes CO_2e)	1,639	1,643
	GHG emissions intensity (tonnes CO_2e/revenue S$'000)	0.06	0.05
	Water consumption intensity[7] (m^3/revenue S$'000)	1.11	1.54
	Effluent intensity (m^3/revenue S$'000)	0.62	0.86
	Percentage of used cooking oil generated from operations that is properly disposed	100%	100%
Social	Number of food safety incidents[8] which results in regulatory non-compliance and penalty	–	–
	Number of incidents of non-compliance concerning product labelling[9]	–	–
	Number of workplace fatalities	–	–
	Number of high-consequence work-related injuries[10]	–	–
	Number of recordable work-related injuries	1	3
	Number of recordable work-related ill health cases	–	–
	Number of incidents of unlawful discrimination[11] against employees	–	–
	Average training hours per employee	16 hours	9 hours
	Turnover rate	17%	20%
Governance	Number of whistle-blowing incident[12] and serious offence[13] (including corruption) raised	–	–

We expect that inflationary pressure coupled with a high interest rate environment will continue to weigh on consumers' spending patterns, and market competition will remain intense. In light of these challenges, we will continue to control our cost structure tightly, improve the efficiency of production and product distribution, and engage in marketing activities to increase product awareness.

2 The market standards adopted or certifications attained by the Group include FSSC 22000 Food Safety System certification, Singapore Food Agency ("**SFA**") grade "A" and Halal certification.

3 Economic value generated includes revenue, other income and gains and (other losses), share of loss from joint venture, net of government grants and unrealised gains/(losses).

4 Operating costs include cost of sales, marketing and distribution costs, administrative expenses, net of depreciation expenses and employee-related costs.

5 Payments to providers of capital include dividends to ordinary shareholders and finance costs.

6 In FY2023, we changed the denominator used to compute intensity. The change in denominator is meant to align with the industry practices and provide a more accurate representation of our environmental impacts.

7 Water is mainly consumed by our production facilities in Singapore.

8 A food safety incident is defined as an incident whereby customers are affected from consuming our products due to product contamination caused by foreign object, foodborne pathogen, allergen or chemical agents.

9 An incident of non-compliance with regulations concerning product labelling is defined as an incident whereby the relevant authority has commenced investigation and resulted in a penalty to an entity covered in this Report.

10 High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.

11 Unlawful discrimination refers to an incident of employee discrimination whereby the relevant authority has commenced investigation and resulted in a penalty to an entity covered in this Report.

12 A whistle-blowing incident refers to a verified major concern of major wrongdoing within the Group relating to unlawful conduct, financial malpractice or dangers to the public and environment that has taken place.

13 A serious offence is defined as one that involves fraud or dishonesty and is being or has been committed against the Company by its officers or employees. Such serious offence is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than S$100,000.

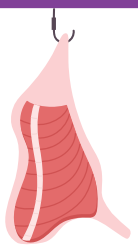
SUSTAINABILITY REPORT

2. OUR BUSINESS

2.1 Value chain

We are principally involved in the manufacturing and distribution of chilled, frozen, dried and shelf-stable meat products targeting both halal and non-halal consumers.

Sourcing



Traders, distributors, manufacturers of raw materials such as raw meats, food ingredients and packaging materials

Operations



- Manufacturing of food products in our production facilities
- Distribution of food products in various geographical markets

Sales



Sale of food products to customers in the following key business segments:

- Major supermarkets ("**Modern Trade**");
- Convenience stores, provision shops and wholesalers ("**General Trade**");
- Hotels, restaurants, hawker centres, food courts, food and beverages stores, and caterers ("**Food Services**"); and
- E-commerce platforms, export markets and other income ("**Others**").

2.2 People

As a responsible organisation, the Group is committed to respecting human rights across all our business operations. We believe that responsible business conducts improve productivity and promotes a healthy working culture. As at 30 June 2023, the Group has a workforce of 173 permanent full-time and part-time employees (FY2022: 177 permanent full-time and part-time employees) and most of our employees are based in Singapore with breakdown as follows:

	Singapore	Malaysia	Total
Overall[14]			
	156	17	173
Full-time			
	156	15	171
Part-time[14]			
	–	2	2

[14] The number of part-time employees constitute to approximately 1.16% of the Group's headcount, which is deemed immaterial as a proportion of the Group's total headcount and thus excluded from the tabulation of human resource related metrics. We have no non-guaranteed hours employees.

SUSTAINABILITY REPORT

3. REPORTING FRAMEWORK

This Report has been prepared in accordance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the guidance set out in SGX-ST's sustainability reporting guide under Practice Note 7F of the Catalist Rules. This Report is prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards for the period from 1 July 2022 to 30 June 2023. We have chosen to report using the GRI framework as it is an internationally recognised reporting standard that covers a comprehensive range of sustainability disclosures. The GRI content index can be found in Section 11 of this Report.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 ("**UN Sustainability Agenda**"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries - developed and developing - in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

We are also guided by the recommendations of Task Force on Climate-related Financial Disclosures ("**TCFD**") in our climate-related disclosures.

Internal review on the sustainability reporting process has been incorporated as part of our internal audit review cycle.

4. REPORTING SCOPE

This Report is applicable for OTS Holdings Limited and its subsidiaries (the "**Group**")'s financial year ended 30 June 2023 ("**FY2023**" or "**Reporting Period**"). A sustainability report will be published annually in accordance with our SR Policy.

This Report covers the following key operating entities within the Group based in Singapore and Malaysia which contributed approximately 93% (FY2022: 95%) of the total revenue for the Reporting Period.

S/N	Entity	Country
1	OTS Holdings Limited	Singapore
2	OTS International Pte Ltd	Singapore
3	Golden Bridge Foods Manufacturing Pte Ltd ("**GB**")	Singapore
4	GB Global (Malaysia) Sdn Bhd	Malaysia
5	Ellaziq Private Limited	Singapore
6	Ellaziq (Malaysia) Sdn Bhd	Malaysia

5. FEEDBACK

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback via email address: enquiry@ots-holdings.com.

SUSTAINABILITY REPORT

6. STAKEHOLDER ENGAGEMENT

Through an internal stakeholder mapping exercise, we identified key stakeholder groups which we prioritise our engagements with. These include entities or individuals that have an interest that is affected or could be affected by our activities.

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders, which comprise communities, customers, employees, regulators, shareholders and suppliers. Key stakeholders are identified for each material Sustainability Factor identified.

We actively engage our key stakeholders through the following channels:

S/N	Stakeholder	Engagement channel	Frequency of engagement	Key concerns raised
1	Communities	Annual sustainability report	Ongoing	▪ Corporate social responsibility ▪ Environmental initiatives
2	Customers	▪ Advertisements ▪ Customer feedback ▪ Email queries ▪ Hotline ▪ Marketing or promotional activities ▪ Social media platforms ▪ Digital commerce channels set up by food exhibition organisers	Regularly	▪ Food quality and safety ▪ Customer service standards
3	Employees	▪ Emails ▪ Staff meetings	Daily	▪ Career development and training ▪ Job security ▪ Remuneration ▪ Equal employment opportunities ▪ Occupational health and safety
		Townhall meetings	Half-yearly	
		Networking sessions	When required	
4	Regulators	Consultations and briefings organised by key regulatory bodies such as Singapore Stock Exchange, Singapore Food Agency, National Environment Agency ("**NEA**"), Ministry of Manpower ("**MOM**"), Islamic Religious Council of Singapore ("**MUIS**"), Building and Construction Authority ("**BCA**") and other relevant government agencies/ bodies	When required	▪ Corporate governance ▪ Food safety and hygiene ▪ Occupational health and safety ▪ Environmental compliance
5	Shareholders	Annual report	Annually	▪ Sustainable business performance ▪ Market valuation ▪ Dividend payment ▪ Corporate governance ▪ Environmental initiatives
		Annual general meeting	Annually	
		Results announcements	Half-yearly	
		Corporate announcements/press release	When required	
6	Suppliers	▪ Email communications ▪ Face-to-face meetings ▪ Phone calls	Regularly	Order volatility

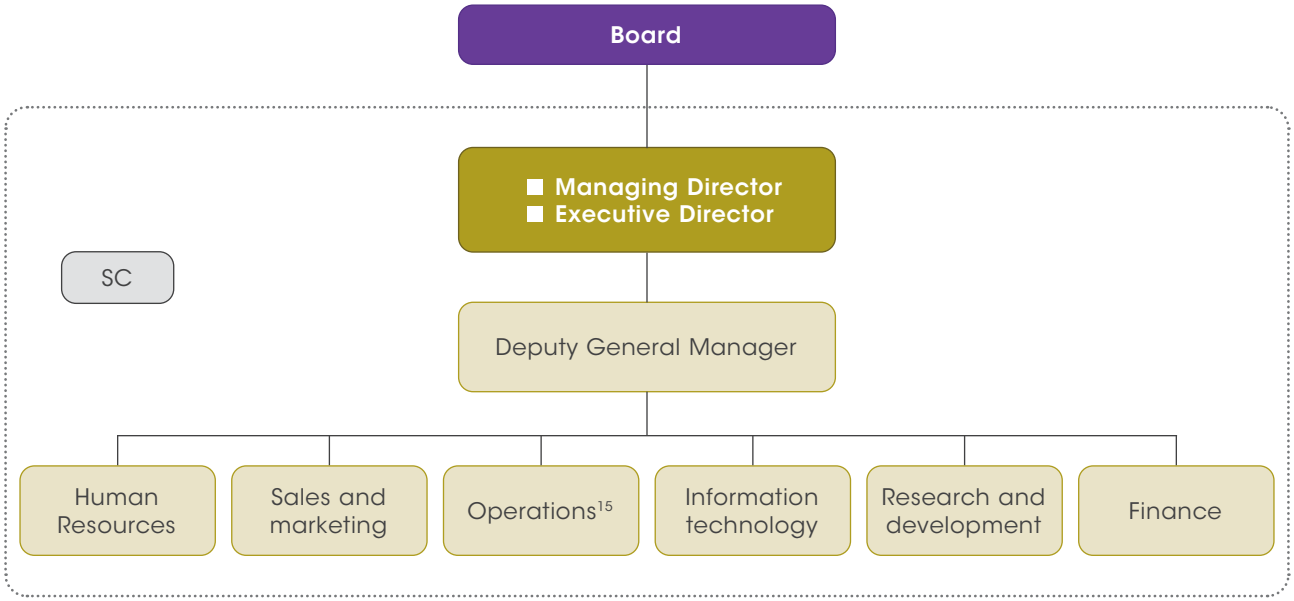
Through the above channels, we seek to understand the views of our key stakeholders, communicate effectively with them and respond to their concerns.

SUSTAINABILITY REPORT

7. POLICY, PRACTICE AND PERFORMANCE REPORTING

7.1 Reporting structure

The Board of Directors ("**Board**") advises and supervises the development of our sustainability strategy and performance targets. Our sustainability strategy is spearheaded by the Sustainability Committee ("**SC**") which is led by our Managing Director and Executive Director. The SC includes senior management executives and key managers from various functions and is tasked to develop the sustainability strategy, perform materiality assessment, consider stakeholders' priorities, set goals and targets, as well as collect, verify, monitor and report performance data for this Report.



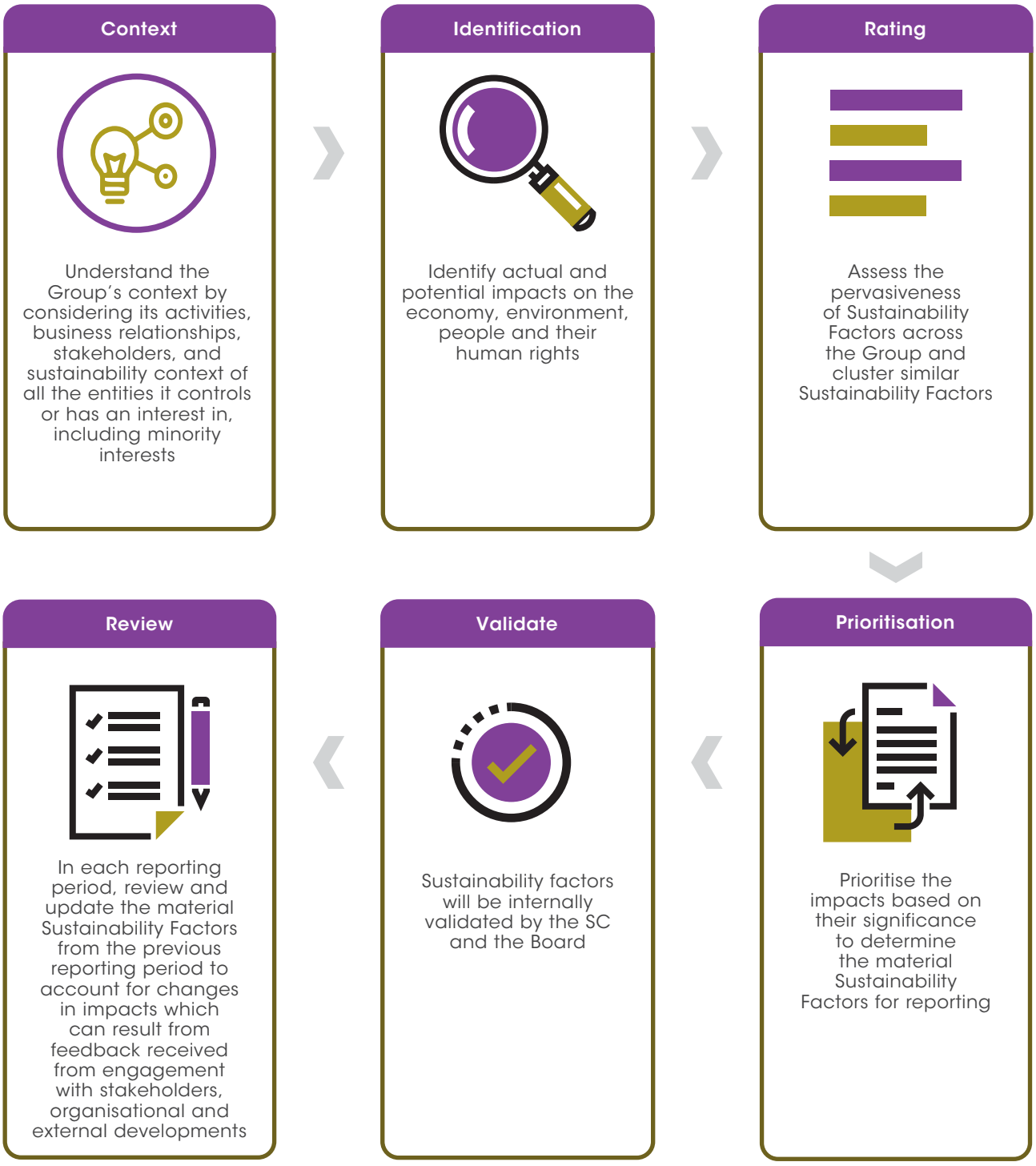
[15] Operations include procurement, warehouse and shipping, production, quality assurance, engineering, facility, occupational health, safety and security functions.

SUSTAINABILITY REPORT

7.2 Sustainability reporting processes

Our sustainability process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's business impacts on environment, economic and social aspects including impact on human rights. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.

Processes involved are shown in the chart below:



SUSTAINABILITY REPORT

7.3 Materiality assessment

We constantly refine our management approach to adapt to the changing business landscape. The Group performs an annual materiality assessment to ensure that issues disclosed in our sustainability reports remain current, material, and relevant. From the assessment, we identify key areas that impact our ability to create value for our stakeholders.

Impacts, positive and negative, actual and potential, are assessed based on: (i) the likelihood of occurrence ("**Likelihood of Impact**"); and (ii) their significance on the economy, environment, people and their human rights and contribution to sustainable development ("**Significance of Impact**").

7.4 Performance tracking and reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points, measuring and monitoring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We shall consistently enhance our performance-monitoring processes and improve our data capturing systems.

8. MATERIAL FACTORS

In FY2023, a materiality assessment was conducted by the SC to understand the concerns and expectations of our stakeholders. Through the materiality assessment, factors with significant impacts on the economy, environment, people and their human rights were identified. In this Report, we have also reported our progress in managing these factors and set related targets to improve our sustainability performance.

Presented below is a list of material Sustainability Factors applicable to the Group:

S/N	Material Sustainability Factor	SDG	Key stakeholder
Customer Experience			
1	Total customer satisfaction	Decent work and economic growth	Customers
Economic			
2	Sustainable business performance	Decent work and economic growth	▪ Employees ▪ Regulators ▪ Shareholders ▪ Suppliers
Environmental			
3	Energy conservation and emissions reduction	Affordable and clean energy	▪ Communities ▪ Shareholders
4	Water conservation and effluent management	Clean water and sanitation	▪ Communities ▪ Regulators ▪ Shareholders
5	Responsible waste management	Responsible consumption and production	▪ Communities ▪ Shareholders ▪ Regulators

SUSTAINABILITY REPORT

S/N	Material Sustainability Factor	SDG	Key stakeholder
Social			
6	Commitment to consistent quality and food safety	Decent work and economic growth	▪ Customers ▪ Regulators ▪ Suppliers
7	Safe working environment	Good health and well-being	▪ Employees ▪ Regulators
8	Equality and diversity in the workplace	Reduced inequalities	Employees
9	Employee retention and development	Decent work and economic growth	Employees
10	Ongoing community engagement	Sustainable cities and communities	Communities
Governance			
11	Robust corporate governance framework	Peace, justice and strong institutions	▪ Regulators ▪ Shareholders

We will update the material Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends. Details of Sustainability Factors are presented in the following sections.

8.1 Total customer satisfaction

We are committed to building and retaining a loyal customer base for long-term sustainability by maximising customer's experience through the following:

Our brand portfolio

Multi-brand and multi-product portfolio

With an established track record of 30 years in the industry, we have grown in scale and possess the production capabilities to offer diverse products under our 7 house brands (FY2022: 7 house brands), comprising "Golden Bridge", "Kelly's", "GoldenLion", "Orchid", "El-Dina", "Kizmiq" and "ANEW". Our extensive product portfolio includes sausages, hams, meat floss, luncheon meats, halal products and a variety of seasonal meat products during festive periods such as Chinese New Year and Christmas.

SUSTAINABILITY REPORT

Product innovation and adopt technological solutions

We have an in-house research and development team that focuses on creating new product concepts and recipes to cavter to market trends and consumers' diverse, evolving tastes. "ANEW", our 100% plant-based, ready-to-eat proprietary brand, is a new brand that is developed by the team. It aims to deliver quality, nutrition and convenience to meet growing demand for plant-based food products and environmental consciousness.



Our plant-based, ready-to-eat luncheon "meat" and sauce packs

We also continuously explore and adopt technological solutions such as having an enterprise resource planning ("**ERP**") system in place to enhance our productivity and efficiency in manufacturing processes.

SUSTAINABILITY REPORT

Adoption of market standards

We adopt market standards in our operations to ensure quality and safety in our products. Compliance with standards and continual certifications are subject to audits or reviews by the relevant agencies and bodies. The market standards adopted or certifications achieved by us are as follows:

Standard/certification	Focus of relevant standard/certification
FSSC 22000 Food Safety System Certification	To ensure that our production facilities have a robust food safety management systems in place, our facilities are certified FSSC 22000, a Global Food Safety Initiative ("**GFSI**") recognised certification.
Grade "A" status for excellence in food hygiene and good safety standards	Observing of Good Manufacturing Practices ("**GMP**") to produce safe and wholesome quality food products allows us to maintain a Grade "A" status.
Halal certificate	Ensure that our operations comply with Islamic dietary requirements.
Vegan trademark[16]	Ensure that the manufacturing and development of relevant products do not involve animal products, animal testing, animal genes and preparation must be separate from non-vegan products.
Approved European Union ("**EU**") food establishments	Meat products intended for export to the EU market must be certified as an approved EU food establishment. Our GB and EL's meat processing plants are one of the four approved establishments in Singapore.

You may refer to section 8.6 for details on the food quality and safety management practices.

Proactively gather customer feedback for improvements and to develop strategies

We strongly encourage our customers to provide their feedback on our products and services via various touchpoints such as social media, website, email and phone calls. Customer feedback is analysed to gather valuable insights into current and future customer requirements and preference. Insights gathered are discussed during management meetings to drive product and service improvements, enhance operational level and provide inputs for strategies. Customer feedback is also recorded on customer complaint forms and corrective actions are taken to resolve customer complaints timely.

Maintain presence and proximity to our customers

Over the years, we have built an established sales and distribution network. Our brands are widely marketed and sold in major supermarkets, convenience stores, provision shops, hotels and restaurants in Singapore and Malaysia. We also export our products to more than 25 countries through distributors.

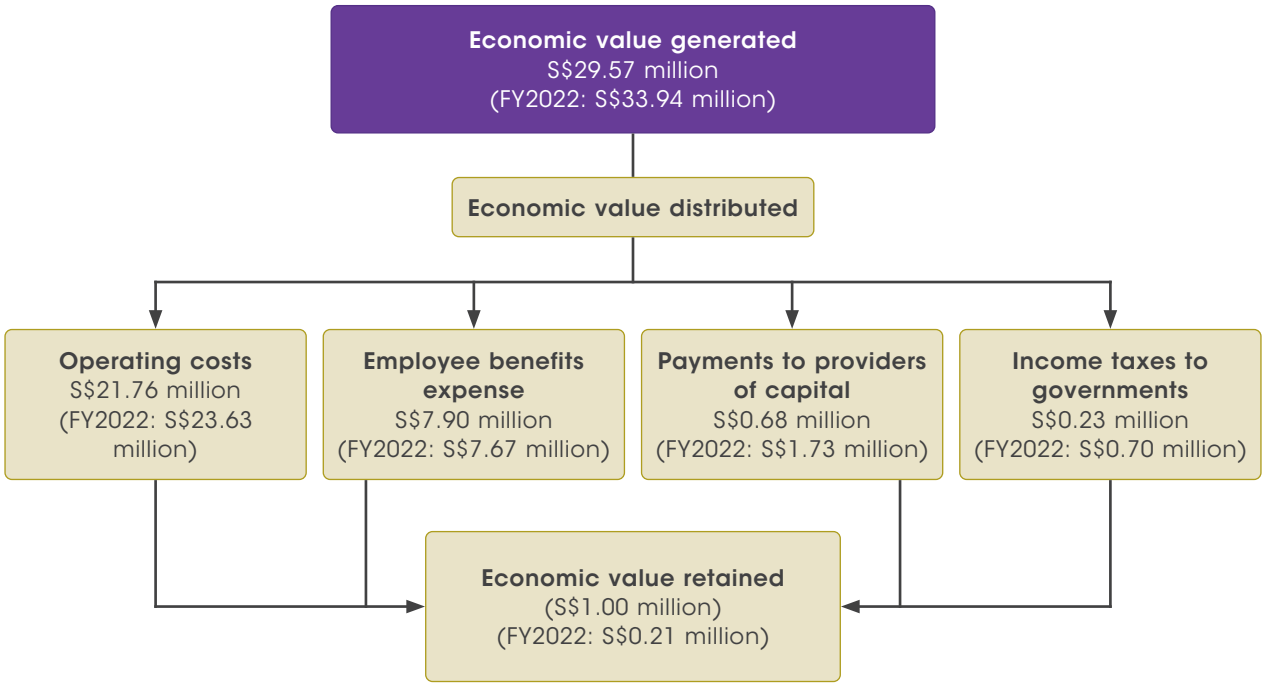
Target for FY2023	Performance in FY2023	Target for FY2024
▪ Adhere to market standards in operations ▪ Maintain or improve house brand portfolio	▪ Adhered to market standards in operations and obtained an internationally recognised vegan product certification, Vegan Trademark ▪ Maintained house brand portfolio	▪ Adhere to market standards in operations ▪ Maintain or improve house brand portfolio

[16] Applicable for selected plant-based products.

SUSTAINABILITY REPORT

8.2 Sustainable business performance

We believe in creating long-term value for our stakeholders through relevant and meaningful ways. In line with this commitment, economic value we generated in FY2023 is distributed as follows to achieve a more sustainable future:



Further details of our economic performance can be found in the financial contents and audited financial statements of our annual report for FY2023 (the "**Annual Report**").

Target for FY2023	Performance in FY2023	Target for FY2024
Improve or maintain total value created subject to market conditions	Decrease in economic value generated mainly due to muted consumer demand amidst increased product varieties in the market and slow product offtake because of fierce market competition and weaker consumers' spending power in Malaysia	Maintain or improve our economic value generated subject to economic conditions

8.3 Energy conservation and emissions reduction

We are committed to responsible usage of energy resources and emissions reduction through enhancing our energy usage efficiency.

To run our operations, we rely mainly on the following energy sources:

- Liquefied petroleum gas ("**LPG**") for operating cooking equipment;
- Diesel for boiler and motor vehicles; and
- Electricity for machinery and equipment, refrigeration, lighting, cooling and office work.

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Our key energy conservation initiatives are as follows:

- Track and review spending on energy consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns;
- Turn off lights, fans and air-conditioning when they are not in use;
- Switch to energy-efficient LED lighting whenever possible;
- Install light sensors in toilets and switch to appliances with limit switch where possible to reduce electricity consumption;
- Reuse hot water produced by our retort machine to feed the boiler in generating steam for our production. Such an arrangement reduces the amount of energy required to heat up water for the boiler; and
- Install solar panels at our Singapore plant to generate clean energy; and
- Develop plant-based food products as an alternative to meat-based products for our customers to reduce GHG emissions and impact of climate change.

Key statistics on our energy consumption and GHG emissions during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2023	FY2022
Energy consumption			
LPG consumption	kg	7,200	8,000
Diesel consumption	litre	216,403	214,452[17]
Purchased electricity consumption	kWh	2,495,458	2,527,181
Electricity generated by solar panels	kWh	34,766	–[18]
Energy consumption intensity			
LPG consumption intensity	kg/revenue S$'000	0.31[6]	0.34[6]
Diesel consumption intensity	litre/revenue S$'000	7.59[6]	6.63[6]
Purchased electricity consumption intensity	kWh/revenue S$'000	87.51[6]	78.10[6]
GHG emissions			
Direct GHG emissions (Scope 1)[19]	tonnes CO_2e	610	607[17]
Indirect GHG emissions (Scope 2)[20]	tonnes CO_2e	1,029	1,036
Total GHG emissions	tonnes CO_2e	1,639	1,643
GHG emissions intensity	tonnes CO_2e/revenue S$'000	0.06	0.05

17 Figure has been restated to include Malaysia operations for which the data was unavailable in the preceding Reporting Period.
18 No comparative data is available as the commissioning of solar panels was completed in April 2023.
19 GHG emissions from consumption of LPG and diesel (Scope 1) are calculated based on the Greenhouse Gas (GHG) Emissions Measurement and Reporting Guidelines published by the NEA.
20 GHG emissions from electricity purchased by the Company (Scope 2) are calculated using the market-based method which accounts for the reduction in emissions from the consumption of electricity from renewable sources. Using the location-based method based on the emissions factors published by the Energy Market Authority for Singapore operations and Institute for Global Environmental Strategies for our Malaysia operations, our Scope 2 emissions for FY2023 is 1,043 tonnes CO_2e.

SUSTAINABILITY REPORT

The increase in diesel consumption intensity is mainly attributable to the coupled effects of fixed quantity in usage for our boilers and the reduction in revenue for FY2023. The increase in electricity consumption intensity is mainly attributable to the purchase of two freezers in Malaysia.

We have started to track our Scope 3 emissions arising from purchased goods and services (category 1) for our subsidiary, GB:

Category	Key purchased goods	Unit of measurement	FY2023[21]
Category 1: Purchased goods and services	▪ Raw meat ▪ Aluminium and tin packaging[22]	tonnes CO_2e	24,227

Target for FY2023	Performance in FY2023	Target for FY2024
▪ Maintain or reduce GHG emissions intensity	▪ Slight increase in GHG emissions intensity	▪ Maintain or reduce GHG emissions intensity

8.4 Water conservation and effluent management

We are committed to implement checks and measures to reduce water wastage and manage the quality of effluent generated from our business operations.

We rely on water resources primarily for washing and cleaning during the production process and as an ingredient in our products. Water consumption trends are regularly tracked, analysed and corrective actions are taken when unusual consumption patterns are observed. We also reuse hot water produced by our retort machine to feed the boiler in generating steam for our production.

Effluent is mainly generated from washing and cleaning during the production process. Measures taken to manage effluent include setting up a grease interceptor for filtration purpose before it is released into the waterways and engaging accredited laboratories to inspect the content of effluent periodically.

Key statistics on water consumption and effluent generated during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2023	FY2022
Water consumption	m^3	25,452	36,318
Water consumption intensity	m^3/revenue S$'000	1.11[6]	1.54[6]
Effluent generated	m^3	14,253	20,338
Effluent generated intensity	m^3/revenue S$'000	0.62[6]	0.86[6]

21 No comparative data is available as we have only started tracking Scope 3 emissions in FY2023. Scope 3 emissions were calculated using a mix of emission factors published by DEFRA and Reducing Food's Environmental Impacts through Producers and Consumers peer-reviewed research article.

22 Total amount of aluminum and tin packaging purchased are derived on a calendar year basis and aligned with the packaging data submitted to NEA under the Mandatory Packaging Reporting ("**MPR**") scheme.

SUSTAINABILITY REPORT

The reduction in our water consumption and effluent generated intensities is mainly attributable to declined production output in FY2023.

Target for FY2023	Performance in FY2023	Target for FY2024
▪ Maintain or reduce water consumption intensity ▪ Maintain or reduce effluent generated intensity	Reduced water consumption and effluent generated intensities	▪ Maintain or reduce water consumption intensity ▪ Maintain or reduce effluent generated intensity

8.5 Responsible waste management

We believe that responsible waste management can help to preserve the environment in which we operate in. Accordingly, we are committed to improving the management of waste generated in operations.

Key waste generated in our value chain is non-hazardous and it includes:

- General waste (such as food waste and used cooking oil); and
- Packaging material (such as cans, labels and stickers, carton boxes and plastic packaging or bags).

We have in place various initiatives to minimise waste generated in our value chain. Such initiatives include:

- Monitoring waste generated through regular tracking of production variances and follow-up on significant variances to determine root causes and corrective actions; and
- Ensuring used cooking oil generated in our Singapore operations is collected by licensed waste collectors for proper disposal. During the Reporting Period, 100% of used cooking oil generated in operations is handled by licensed waste collectors (FY2022: 100%).

We are also aware of the environmental impacts arising from packaging materials used in our value chain. Singapore is working towards becoming a zero-waste nation by reducing the consumption of materials, reusing and recycling materials to give them a second lease of life. To achieve the zero-waste vision, NEA implemented the Mandatory Packaging Reporting ("MPR") scheme. The weight of packaging material used in our value chain amounts to 1,171 tonnes in calendar year 2022[23] (Calendar year 2021: 1,334 tonnes). The decline in the total weight is mainly due to decrease in product sales. To reduce the impact of the packaging materials on our environment, we procure FSC-certified carton boxes made of materials from verified sustainable sources. In addition, we will gradually switch to aluminium cans instead of tin cans as the recycling of aluminium is more energy efficient.

Target for FY2023	Performance in FY2023	Target for FY2024
Maintain the proportion of used cooking oil generated from operations that is properly disposed	Maintained 100% of used cooking oil generated in operations being handled by licensed waste collectors	Maintain the proportion of used cooking oil generated from operations that is properly disposed

[23] As part of Singapore's MPR, our subsidiary, GB is required to comply with MPR and have since submitted its packaging data to NEA for calendar years 2021 and 2022.

SUSTAINABILITY REPORT

8.6 Committed to consistent quality and food safety

We are committed to deliver the best to our customers by providing quality and safe products for long-term business sustainability. We adopt stringent food quality and safety management practices throughout our entire business process.

Quality and safe products

We uphold high standards in food safety, starting from the selection of quality raw materials from our suppliers to quality management in our operations. Key measures taken on quality control are as follows:

- Perform assessment for existing and new suppliers regularly to ensure that our ingredients are obtained from competent and reliable suppliers;
- A set of food safety management system procedures is in place to ensure compliance with food hygiene and safety standards and prevent contamination of food products by food safety hazards such as wooden, glass and plastic items;
- The quality control team ensures that the policies and procedures in place are adequate and effective and conduct regular checks on quality of raw materials and finished products;
- Training programmes on food safety procedures and refresher, good manufacturing practices, allergen controls and Halal concepts are in place for our employees;
- Monitor temperature in cold rooms to ensure food products are stored at appropriate temperatures; and
- Engage an accredited third-party laboratory to carry out independent tests to ensure that our food products are safe for human consumption.

During the Reporting Period, there was no food safety incident which resulted in regulatory non-compliance and penalty (FY2022: zero).

Product labelling and communication

Under our commitment to ensure that our products are safe and fit for consumption, we adopt practices to ensure that our product labels reflect accurate and complete product information. To help our customers make informed purchase decisions, we include information such as ingredients, allergen declaration, nutritional values, recommended storage conditions and sourcing of product on our product labels. We ensure that our product labels comply with relevant product labelling regulations and guidelines such as the Food Regulations and Sale of Food Act and guidelines set by SFA and Food Regulations 1985 of Malaysia.

To ensure good product quality, we keep ourselves abreast of customers' demands, preferences and explore ways to enhance the quality or improve our product content. During the Reporting Period, there was no incident of non-compliance with regulations concerning product labelling (FY2022: zero).

Target for FY2023	Performance in FY2023	Target for FY2024
▪ Maintain zero food safety incident and no regulatory non-compliance and penalty ▪ Maintain zero incident of non-compliance concerning product labelling	▪ Maintained zero food safety incident which resulted in regulatory non-compliance and penalty ▪ Maintained zero incident of non-compliance with regulations concerning product labelling	On-going and long-term target (up to FY2050) ▪ Maintain zero food safety incident and no regulatory non-compliance and penalty ▪ Maintain zero incident of non-compliance concerning product labelling

SUSTAINABILITY REPORT

8.7 Safe working environment

The health and safety of our employees are of great importance to us and we are committed to creating a workplace that allows employees to perform and develop in a safe and healthy environment. We believe that a safe working environment helps to build loyalty amongst our employees and support the sustainability of the Group. Our Singapore-based entities are bizSAFE 3 certified by the Workplace Safety and Health Council. Such certifications recognise our continuous efforts to embed safety in our operations.

During the Reporting Period, we recorded zero (FY2022: zero) workplace fatalities, zero (FY2022: zero) high-consequence work-related injuries, 1 (FY2022: 3) recordable work-related injuries and zero (FY2022: zero) work-related ill health cases. Lessons from the work-related injuries are shared across business units to prevent recurrence and we will continuously work towards formulating preventive actions to reduce both the occurrence and severity of workplace accidents.

Key measures adopted to manage health and safety in the workplace environment are as follows:

- A set of occupational health and safety procedures is in place;
- An emergency response plan is in place for fire safety;
- A safety committee is in place and meetings are conducted regularly to discuss about findings on workplace hazards and corrective actions;
- Monthly safety inspections are conducted, against inspection checklist guidelines and follow-up actions are taken;
- Safety audits are performed regularly, to identify good practices and evaluate the compliance with legal and applicable requirements;
- Workplace risk assessments are performed in line with our risk management procedures and reviewed at least once every three years or in the event where work-related ill-health, near misses or an accident occurs. A dedicated risk assessment team is set up to identify, evaluate and monitor the occupational health and safety hazards associated with work activities and processes;
- An occupational health programme is established at the beginning of every year and disseminated to responsible departments for implementation. There are three types of occupational health programmes which include hearing conservation programme for occupational health hazards arising from noise levels, respiratory protection programme for occupational health hazards arising from exposure to chemicals, cooling tower programme for occupational health hazards arising from debris in cooling tower;
- New employees are briefed on safety procedures during orientation;
- Employees are provided with workplace safety and health training; and
- Workplace accidents are tracked and monitored regularly and related corrective procedures are followed through.

Target for FY2023	Performance in FY2023	Target for FY2024
Reduce the number of workplace accidents and work-related ill health cases	Decrease in number of recordable work-related injuries	On-going and long-term target (up to FY2050) Maintain zero workplace fatalities, high consequence work-related injuries and ill health cases, reduce number of, recordable work-related injuries

SUSTAINABILITY REPORT

8.8 Equality and diversity in the workplace

We aim to provide a work environment for employees that fosters fairness, equality and respect for social and cultural diversity, regardless of their gender, age and educational background. Therefore, we are committed to the goals of diversity and equal opportunity in employment. As at 30 June 2023, 171 full-time employees in the Group are based in Singapore and Malaysia (FY2022: 174 full-time employees). During the Reporting Period, we maintain zero (FY2022: zero) incident of unlawful discrimination against employees. Demographics of our full-time employees are as follows:

Gender diversity (%)

On gender diversity, the percentage of female to total number of full-time employees is 27% (30 June 2022: 32%[24]) and 43% (30 June 2022: 44%[24]) of managers are females as at 30 June 2023. Due to the nature of our business, our workforce consists of male employees predominantly. We will continuously move towards a more balanced gender ratio. We also view diversity at the Board level an essential element in supporting sustainable development and have 2 (FY2022: 2) female Directors out of 5 (FY2022: 5) Directors or 40% (FY2022: 40%) female representation on the Board, with one being the Executive Director and the other being an Independent Director. Key statistics on gender diversity of our full-time employees are as follows:

	30 June 2023		30 June 2022	
Disclosure	**Male**	**Female**	**Male**	**Female**
Overall	73%	27%	68%[24]	32%[24]
Management level				
Management	57%	43%	56%[24]	44%[24]
Non-management	77%	23%	71%	29%

Age diversity (%)

In relation to age diversity, matured workers are valued for their experience, knowledge and skill. As at 30 June 2023, 27% of the workforce is above 50 years old (30 June 2022: 25%). Key statistics on age diversity of our full-time employees are as follows:

	30 June 2023			30 June 2022		
Disclosure	**Below 30**	**30 – 50**	**Above 50**	**Below 30**	**30 – 50**	**Above 50**
Overall	15%	58%	27%	16%	59%[24]	25%[24]
Management level						
Management	3%	49%	48%	3%	57%	40%
Non-management	18%	60%	22%	19%	60%	21%

Educational background diversity (%)

On diversity in educational background, we seek to create an inclusive environment for employees from different educational background. Due to the nature of our business, our workforce is predominantly non-tertiary educated and such employees contribute to 68% of our total workforce as at 30 June 2023 (30 June 2022: 58%). We invest continuously in our employees through training.

[24] Figure has been restated as a correction.

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Educational qualification	30 June 2023	30 June 2022
Tertiary	32%	42%
Non-tertiary	68%	58%
Total	**100%**	**100%**

Target for FY2023	Performance in FY2023	Target for FY2024
Maintain zero incident of unlawful discrimination against employees	Maintained zero reported incident of complaint on unlawful discrimination against employees	Maintain zero incident of unlawful discrimination against employees

8.9 Employee retention and development

We place a high priority on talent attraction and retention and competency development of our employees as we believe that well-trained employees are vital to the long-term success of our business.

During the Reporting Period, we conducted a total of 2,745 hours of training for our full-time employees (FY2022: 1,611 hours). These training programmes mainly focus on learning and development and familiarising our employees with job requirements including Halal Foundation training, trainings on food safety, workplace safety and cyber security awareness. Our employees received an average of 16 hours of training per employee (FY2022: 9 hours). The increase in the average training hours per employee is due to enhanced external training conducted for employees in FY2023. Key statistics on training hours are as follows:

Disclosure	FY2023	FY2022
Overall		
Total training hours	2,745	1,611
Average training hours per employee	16	9
Gender (Male)		
Total training hours	2,144	1,134
Average training hours per employee	17	10
Gender (Female)		
Total training hours	601	478
Average training hours per employee	13	9
Management		
Total training hours	381	551
Average training hours per employee	11	16
Non-management		
Total training hours	2,364	1,061
Average training hours per employee	17	8

As part of our continual efforts to enhance and upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of Singapore Exchange ("**SGX**") under Catalist Rule 720(6), we confirm that 100% of our directors have attended at least one of the approved sustainability training courses during the Reporting Period.

SUSTAINABILITY REPORT

In addition, a welfare committee is in place for our employees and we care for our employees' well-being through employee benefits and organising recreational activities. The employee benefits include medical insurance coverage, medical reimbursement, as well as pro-family benefits to eligible employees which include maternity leave and childcare leave.

Key statistics on new hires and turnover of full-time employees are as follows:

New hires

	FY2023		FY2022	
Disclosure	Number of new hires	Rate of new hires	Number of new hires	Rate of new hires
Gender				
Male	33	27%	24	21%
Female	7	14%	14	27%
Age				
Below 30 years old	11	42%	12	46%
30 to 50 years old	26	26%	19	19%
Above 50 years old	3	7%	7	16%
Overall new hires	40	23%	38	23%

Turnover[25]

	FY2023		FY2022	
Disclosure	Number of turnovers	Rate of turnover	Number of turnovers	Rate of turnover
Gender				
Male	23	19%	23	20%
Female	7	14%	10	19%
Age				
Below 30 years old	10	38%	4	15%
30 to 50 years old	16	16%	24	24%
Above 50 years old	4	9%	5	11%
Overall turnover	30	17%	33	20%

We will continuously work towards improving our turnover rate.

Target for FY2023	Performance in FY2023	Target for FY2024
Maintain or improve training hours for employees	Increase in average training hours per employee	Maintain or improve training hours for employees

[25] Employee turnover is computed based on confirmed employees and the statistics for employee turnover for FY2022 have been updated to use confirmed employees instead of full-time employees as the denominator.

SUSTAINABILITY REPORT

8.10 Ongoing community engagement

We recognise that the long-term success of our business is closely related to the health and prosperity of the communities that we operate in. Accordingly, we strive to constantly contribute to the community.



In June 2022, we collaborated with The Food Bank Singapore Ltd, a centralised coordinating organisation for food donations, to contribute a total of 4,354 kg of food to the needy individuals or families sheltered under The Helping Hands. Moving forward, we strive to be part of the efforts to ensure providence of food for the community.

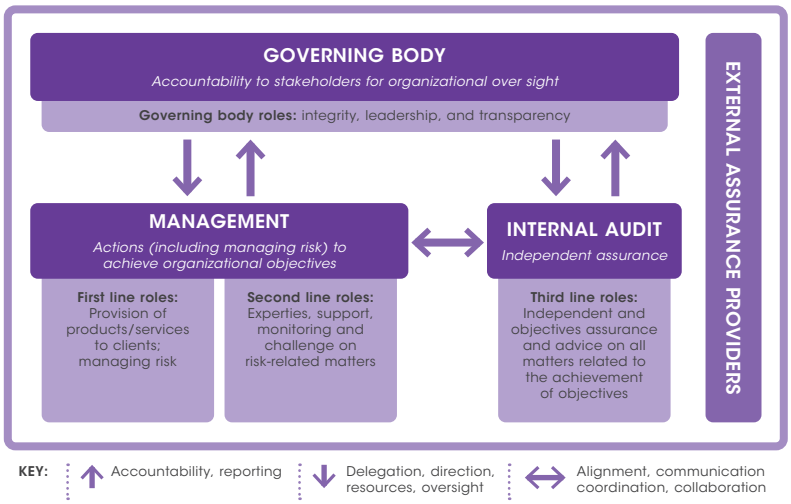
Starting June 2022, a group-wide blood donation initiative was organised for our employees to donate blood to save lives. Under this initiative, donors are granted time-off or one off-day if they donate blood regularly every 10-12 weeks and since the start of this initiative, a total of 5 employees have participated in donating blood.

Target for FY2023	Performance in FY2023	Target for FY2024
Initiate various campaigns to help the community	Organised blood donation and food donation initiatives to empower the communities in where we operate	Initiate various campaigns to help the community

8.11 Robust corporate governance framework

We are committed to high standards of corporate governance as it is integral in ensuring sustainability of our business as well as safeguarding shareholders' interest and maximising long-term shareholder value.

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors ("**IIA**"). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:



Source: Three Lines Model issued by the IIA

SUSTAINABILITY REPORT

We have implemented a whistleblowing policy which aims to provide an avenue for employees and external parties to raise concerns about misconduct or improprieties in the Group, and at the same time assure them that they will be protected from victimisation for whistleblowing in good faith. Details of the whistle-blowing policy are disseminated to the employees of the Group and are available on our corporate website. We also require our employees to acknowledge on the Employee Handbook and adhere to the standard of conduct and integrity stipulated in the Employee Handbook.

During the Reporting Period, there were no whistleblowing incident and serious offence (including corruption) raised (FY2021: none). In addition, there were no (FY2022: zero) incidents of non-compliance with laws and regulations during the Reporting Period for which fines and/or non-monetary sanctions were incurred.

You may refer to the Corporate Governance Report of the Annual Report for details on our corporate governance practices.

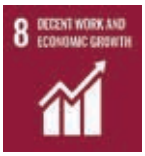
Target for FY2023	Performance in FY2023	Target for FY2024
Maintain zero incident of whistle-blowing incidents and serious offence	Maintained zero whistle-blowing incidents and serious offence (including corruption)	Maintain zero incident of whistle-blowing incidents and serious offence (including corruption)

9. SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We believe that everyone plays an important role in advancing sustainable development and in order to align our business objectives with the SDGs, we have identified a number of SDGs which we can contribute to through our business practices, products and services. The SDGs that we focus on and the related Sustainability Factors are as follows:

SDG		Our effort
	Ensure healthy lives and promote well-being for all at all ages	Section 8.7 Safe working environment We implement measures such as safety checks, safety training and job safety guidelines and procedures to provide a hazard-free workplace for our employees and ensure the well-being of both our employees and the working environment.
	Ensure availability and sustainable management of water and sanitation for all	Section 8.4 Water conservation and effluent management We implement checks and measures to reduce water wastage and manage the quality of effluent generated from our business operations, which in turn help us to work towards achieving sustainable management and efficient use of natural resources.
	Ensure access to affordable, reliable, sustainable, and modern energy for all	Section 8.3 Energy conservation and emissions reduction We constantly monitor and implement measures to improve our energy efficiency.

SUSTAINABILITY REPORT

SDG		Our effort
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Section 8.1 Total customer satisfaction We place heavy emphasis on customer satisfaction as we understand that a high level of customer satisfaction is essential to the continued success of our business. This also helps to contribute to economic growth as well as the protection and creation of jobs. Section 8.2 Sustainable business performance We contribute to economic growth through creating long-term value for our stakeholders. Section 8.9 Employee retention and development We offer our employees extensive on-the-job training and opportunities to attend internal and external workshops, as well as provide various employee benefits as we believe in creating a rewarding working environment, decent and fulfilling jobs for our employees which in turn contributes to economic growth.
	Reduce inequality within and among countries	Section 8.8 Equality and diversity in the workplace We ensure equal opportunity for all regardless of gender and age as well as educational background by establishing various human resource related policies to facilitate this goal.
	Make cities and human settlements inclusive, safe, resilient and sustainable	Section 8.10 Ongoing community engagement We initiate various campaigns to give back to the community we operate in and promote sustainable communities.
	Ensure sustainable consumption and production patterns	Section 8.5 Responsible waste management We implement measures and initiatives to help prevent and reduce waste that is generated from our business operations.
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels	Section 8.6 Commitment to consistent quality and food safety We adopt stringent food quality and safety management practices throughout our entire business process to maintain the continued success of our business and promote effective and accountable institutions. Section 8.11 Robust corporate governance framework We are committed to high standards of corporate governance as we believe that a high standard of corporate governance is integral in ensuring sustainability of our businesses as well as safeguarding shareholders' interests and maximising long-term shareholder's value. We maintain zero tolerance towards any form of corruption including bribery through measures such as our whistle-blowing policy.

SUSTAINABILITY REPORT

10. SUPPORTING THE TCFD

We are committed to support the recommendations by the TCFD and have disclosed our climate-related financial disclosures in the following key areas as recommended by the TCFD:

TCFD recommended disclosures
Governance
a. Describe the board's oversight of climate-related risks and opportunities.
The Board oversees the management and monitoring of the Sustainability Factors and considers climate-related issues in determining the Group's strategic directions and policies.
b. Describe management's role in assessing and managing climate-related risks and opportunities.
Our sustainability strategy is developed and directed by the Group's SC in consultation with the Board. The Group's SC, which includes senior management executives and key managers from various functions, is led by the Executive Director. The responsibilities of the SC include considering climate-related issues in the development of sustainability strategy, target setting, monitoring the implementation of climate-related action plans, as well as collection, monitoring and reporting of performance data.
Strategy
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. ***b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.***
The climate-related risks and opportunities identified by the Group during the enterprise risk management ("**ERM**") exercise includes the following: ▪ Weather disruption, rising temperature, global warming and water scarcity arising from climate change may lead to adverse impact on livestock farming and consequentially increase the costs of raw materials. This raises awareness amongst our employees to be more environmentally conscious and reduce our environmental impact through initiatives such as energy efficiency measures and operational optimisation to reduce energy use where practicable. ▪ With rising concerns over the effects of climate change, shifting consumer preferences for sustainable products that are less carbon intensive may arise, especially amongst younger consumers. A failure to adapt to shifting consumer preferences may adversely affect customer satisfaction, demand for our products and the Group's financial performance. In view of this development, the Group has identified the opportunity to develop new plant-based products through research and development. You may refer to Section 8.1 for further details. ▪ Changes in policy and regulations such as expansion in carbon tax coverage and increase in carbon tax rates which may lead to increased operating costs. On the other hand, increased operating costs raise climate awareness amongst our employees and with more defined job responsibilities and training, the Group will be in a better position to use energy resources responsibly and meet the rising needs and expectations of regulators and our customers on the environment.

SUSTAINABILITY REPORT

TCFD recommended disclosures

Strategy

The Group's assessment on potential implications of the above climate-related risks was undertaken based a range of climate scenarios using the Representative Concentration Pathway ("**RCP**") adopted by the Intergovernmental Panel on Climate Change ("**IPCC**"):

Scenario	Description
IPCC RCP 2.6/1.5°C	This scenario is in line with Paris Agreement to limit global warming to below 2°C by 2100 as a result of efficiency enhancements and behaviour changes as key mitigation strategy
IPCC RCP 8.5/4°C	The "business-as-usual" scenario assumes that emissions continue to rise with significant increases in global temperatures, as no concerted efforts are made to reduce emissions

We selected 1.5°C and > 4°C warming scenarios for the purpose of our inaugural qualitative climate scenario analysis. The impact of the above climate-related risks is analysed on group-wide activities in the short term (2025), medium term (2030) and long term (2050) with details as follows:

Warming scenario 1: 1.5°C warming (RCP 2.6)

Risk	Significance of financial impact[26]		
	Short term	Medium term	Long term
Key transition risk identified			
Changes in policy and regulations such as expansion in carbon tax coverage and increase in carbon tax rates which may lead to increased operating costs			
With rising concerns over the effects of climate change, shifting consumer preferences for sustainable products that are less carbon intensive may arise, especially amongst younger consumers.			
Key physical risk identified			
Weather disruption, rising temperature, global warming and water scarcity arising from climate change may lead to adverse impact on livestock farming and consequentially increase the costs of raw materials.			

SUSTAINABILITY REPORT

TCFD recommended disclosures			
Strategy			
Warming scenario 2: > 4°C warming (RCP 8.5)			
Risk	**Significance of financial impact[26]**		
	Short term	**Medium term**	**Long term**
Key transition risk identified			
Changes in policy and regulations such as expansion in carbon tax coverage and increase in carbon tax rates which may lead to increased operating costs	NA[27]	NA[27]	
With rising concerns over the effects of climate change, shifting consumer preferences for sustainable products that are less carbon intensive may arise, especially amongst younger consumers.	NA[27]	NA[27]	
Key physical risk identified			
Weather disruption, rising temperature, global warming and water scarcity arising from climate change may lead to adverse impact on livestock farming and consequentially increase the costs of raw materials.	NA[27]	NA[27]	

Legend

Major Moderate Minor

In terms of our business strategy and financial planning based on the scenarios above, the Group will continue to formulate adaptation and mitigation plans and explore allocating investments towards transitioning to low-carbon practices in near future in order to minimise climate risks associated with our business and seize the opportunities in an effective manner.

c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Through the above scenario analysis, we concluded that unmitigated climate risks (under warming scenario > 4°C warming) may result in a severe financial impact by 2050. Under the warming scenario 1.5, the vast majority of the impact will be attributable to transition risks from the combined effects of carbon tax increase, potential revenue loss and cost increase from product development. To address the risks and capitalise on opportunities associated with climate change, we will continuously build on our strategy to remain resilient as we progress in our sustainability journey.

[26] Significance of financial impact is determined based on the risk appetite established in accordance with the Group's ERM framework.

[27] Not applicable as this scenario is unlikely in the short and medium term.

SUSTAINABILITY REPORT

TCFD recommended disclosures

Risk management

a. Describe the organization's processes for identifying and assessing climate-related risks

b. Describe the organization's processes for managing climate-related risks.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Risks and opportunities identified under our ERM framework, including climate-related ones, are strategically assessed and managed through our risk management process. The framework also covers areas such as the implementation of risk treatment plans and continuous monitoring of risks.

Under the framework, business units and functions are responsible for identifying and documenting their relevant risk exposures that might hinder their progress towards contributing to the Group's business objectives. Climate-related risks and opportunities, together with their treatment plans, are reviewed and updated during the ERM exercise and are subsequently presented to the Audit and Risk Management Committee along with the other key enterprise risks. Climate-related risks are also monitored based on the trend of climate-related performance indicators and covered under our ERM framework which includes the implementation of climate-related action plans.

Metrics and targets

a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

We track, measure and report on our environmental performance, including energy, water and waste management and disclose related metrics in our sustainability reports. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

To support the climate change agenda, we disclose our Scope 1 and Scope 2 GHG emissions in our sustainability reports and set climate-related targets such as those related to GHG emissions, energy and water consumption and waste management. We recognise the importance of monitoring our indirect Scope 3 emissions and have since started tracking and disclosing indirect Scope 3 emissions from purchased goods and services (category 1). We aim to better disclose our material Scope 3 emissions by expanding the reporting coverage of our Scope 3 emissions on other categories relevant to the Group and where data is available.

c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

As a commitment towards mitigating climate change, we have set climate-related targets related to GHG emissions, energy consumption, water consumption, and waste generation. Refer to Sections 8.3 to 8.5 for further details.

SUSTAINABILITY REPORT

11. GRI CONTENT INDEX

Statement of use	OTS Holdings Ltd. has reported in accordance with the GRI Standards for the period 1 July 2022 to 30 June 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard	Disclosure	Location and Omissions
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	01 – 03, 23, 97, 146 – 147
	2-2 Entities included in the organisation's sustainability reporting	23
	2-3 Reporting period, frequency and contact point	23
	2-4 Restatements of information	32, 33, 37, 39
	2-5 External assurance	23
	2-6 Activities, value chain and other business relationships	01 – 04, 22
	2-7 Employees	22, 37
	2-8 Workers who are not employees	We have a monthly average of approximately 9 workers who are not employees in FY2023. They include sub-contractors and cleaners who assist in our operations.
	2-9 Governance structure and composition	15 – 17
	2-10 Nomination and selection of the highest governance body	60 – 63
	2-11 Chair of the highest governance body	15, 59
	2-12 Role of the highest governance body in overseeing the management of impacts	25
	2-13 Delegation of responsibility for managing impacts	25
	2-14 Role of the highest governance body in sustainability reporting	25
	2-15 Conflicts of interest	51 - 52
	2-16 Communication of critical concerns	41, 73
	2-17 Collective knowledge of the highest governance body	38, 52, 58
	2-18 Evaluation of the performance of the highest governance body	64
	2-19 Remuneration policies	65 – 68
	2-20 Process to determine remuneration	65 – 68

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GRI Standard	Disclosure	Location and Omissions
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	07 – 10, 20 – 21
	2-23 Policy commitments	40 – 46
	2-24 Embedding policy commitments	40 – 41
	2-25 Processes to remediate negative impacts	41, 73
	2-26 Mechanisms for seeking advice and raising concerns	41, 73
	2-27 Compliance with laws and regulations	37, 41
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	24
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	25 – 27
	3-2 List of material topics	27 – 28
Sustainable business performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	31
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	31, 92, 96
Robust corporate governance framework		
GRI 3: Material Topics 2021	3-3 Management of material topics	40 – 41
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	40 – 41
Energy conservation and emissions reduction		
GRI 3: Material Topics 2021	3-3 Management of material topics	31 – 33
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	32
	302-3 Energy intensity	32
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	32
	305-2 Energy indirect (Scope 2) GHG emissions	32
	305-3 Other indirect (Scope 3) GHG emissions	33
	305-4 GHG emissions intensity	32

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GRI Standard	Disclosure	Location and Omissions
Water conservation and effluent management		
GRI 3: Material Topics 2021	3-3 Management of material topics	33 – 34
GRI 303: Water and Effluents 2018	303-4 Water discharge	33
	303-5 Water consumption	33
Responsible waste management		
GRI 3: Material Topics 2021	3-3 Management of material topics	34
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	34
	306-2 Management of significant waste-related impacts	34
	306-3 Waste generated	34
Safe working environment		
GRI 3: Material Topics 2021	3-3 Management of material topics	36
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	36
	403-2 Hazard identification, risk assessment, and incident investigation	36
	403-4 Worker participation, consultation, and communication on occupational health and safety	36
	403-5 Worker training on occupational health and safety	36
	403-6 Promotion of worker health	36, 39
	403-9 Work-related injuries	36
	403-10 Work-related ill health	36
Employee retention and development		
GRI 3: Material Topics 2021	3-3 Management of material topics	38 – 39
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	39
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	39

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GRI Standard	Disclosure	Location and Omissions
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	38
	404-2 Programs for upgrading employee skills and transition assistance programs	38
	404-3 Percentage of employees receiving regular performance and career development reviews	We are currently looking to enhance our performance and career development reviews. We are committed to disclosing such review in the future to promote a high-performance culture.
Equality and diversity in the workplace		
GRI 3: Material Topics 2021	3-3 Management of material topics	37 – 38
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	37 – 38
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	37
Ongoing community engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	40
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	40
Commitment to consistent quality and food safety		
3-3 Management of material topics	3-3 Management of material topics	35
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	35
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	35

CORPORATE GOVERNANCE REPORT

The board of directors ("**Board**" or "**Directors**") of OTS Holdings Limited ("**Company**" and together with its subsidiaries, "**Group**") strongly support the principles of transparency, accountability and integrity as set out in the Code of Corporate Governance 2018 (the "**Code**"). This report describes the Company's corporate governance policies and practices which were in place during the financial year ended 30 June 2023 ("**FY2023**"), with specific reference to the principles and provisions of the Code and the accompanying practice guidance.

The Code aims to promote high levels of corporate governance by putting forth principles of good corporate governance and provisions with which companies are expected to comply. The practice guidance complements the Code by providing guidance on the application of the principles and provisions and setting out best practices for companies.

Pursuant to Rule 710 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), this Report sets out the Group's corporate governance practices for FY2023 with specific reference made to the principles and the provisions of the Code issued on 6 August 2018.

The Company was listed on the Catalist board of the SGX-ST since 17 June 2021, and the Board confirms that the Company and Group, have for FY2023 complied with the principles as set out in the Code. The Board also confirms that where there are deviations from the provisions of the Code, explanations for the deviation and how the Group's practices are consistent with the intent of the relevant principle are provided in the sections below:–

BOARD MATTERS

The Board's Conduct of Affairs

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

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

The Board is entrusted with the responsibility for the overall management of the Company.

The principal functions of the Board, in addition to carrying out its statutory responsibilities, *inter alia*, are as follows:

- overseeing and approving the formulation of the Group's overall long-term strategic objectives and directions, corporate strategy and objectives as well as business plans, taking into consideration sustainability issues;

- overseeing and reviewing the management of the Group's business affairs and financial controls, performance and resource allocation, including ensuring that the required financial and human resources are available for the Group to meet its objectives;

CORPORATE GOVERNANCE REPORT

- establishing a framework of prudent and effective controls to assess and manage risks and safeguard shareholders' interests and the Group's assets;

- to review the management ("**Management**")'s performance;

- to set the Group's values and standards and ensure that obligations to shareholders and other stakeholders are understood and met;

- to approve the release of the Group's financial results, annual reports and announcements to shareholders;

- to review and approve related party transactions and interested party transactions to ensure compliance with relevant rules and terms stated in shareholders' mandate; and

- to assume the responsibilities for corporate governance.

All Directors recognise that they have to discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board is a representation of the shareholders in the Company and is accountable to them through effective governance of the business. Although the Board has yet to adopt a Code of Conduct and Ethics, all Board members recognise the importance of conducting themselves and carrying out their duties in the best interest of the Company, setting the appropriate tone-from-the-top and desired organisational culture, ensure proper accountability within the Group and to avoid placing themselves in any situation where conflict of interest may arise.

Each Director is required to promptly disclose any actual, potential and perceived conflict of interest, in relation to a transaction or proposed transaction with the Group as soon as practicable after the relevant facts have come to his/her knowledge. On an annual basis, each Director is also required to submit details of his associates for the purpose of monitoring interested person transactions. Any Director facing a conflict of interest will recuse himself from the discussions and abstain from participating in any Board decisions and voting on resolutions regarding the matter and refrains from exercising any influence over other members of the Board, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion.

Provision 1.2

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

Newly appointed Directors will receive a formal letter explaining their duties and responsibilities, and will undergo orientation and be briefed on the business and governance practices of the Group as well as industry-specific knowledge. As stipulated under Rule 406(3)(a) of the Catalist Rules, Directors who are appointed and who have no prior experience as directors of a listed company in Singapore will have to attend the Listed Entity Director ("**LED**") courses organised by the Singapore Institute of Directors within one (1) year of his appointment. Briefings on the roles and responsibilities as directors of a listed company in Singapore will be conducted for the new appointees. They may also attend courses conducted by other training institutions in areas such as accounting, legal and industry specific knowledge, where appropriate, in connection with their duties. There were no new Directors appointed during FY2023.

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The Independent Directors may also arrange meetings with the Management to obtain updates on the Group's business operations. The Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and attendance of appropriate courses and seminars will be arranged and funded by the Company. The external auditors, during their presentation of the audit plan, will update the Directors on the new or revised financial reporting standards on an annual basis. Our Company's Catalist Sponsor, SAC Capital Private Limited, provides updates to the Board whenever there are changes to the listing rules or the Code of Corporate Governance.

The Board recognises the importance of ongoing training and development for the Directors so as to enable them to serve effectively and contribute to the Board. Every Director is provided with opportunities to attend additional training to further enhance their skills in performing their duties as a director, including attending appropriate courses and/or seminars at the Company's expense.

During FY2023, the external auditors briefed the Directors on developments in accounting standards and the Directors attended relevant courses and seminars held by the various agencies, including the Singapore Institute of Directors. All Directors have attended the sustainability training prescribed by the SGX-ST.

Provision 1.3

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

Although the day-to-day management of the Company is delegated to the Executive Directors, the Board has put in place internal guidelines for matters reserved for the Board's approval. Specifically, matters and transactions that require the Board's approval include, among others, the following:

- release of the half year and full year results announcements;
- annual report and financial statements;
- annual budgets and financial plans of the Company;
- business, strategy and capital expenditure budgets;
- convening of shareholders' meetings, circulars to shareholders and related announcements to be submitted to the SGX-ST;
- overall corporate strategy and changes to the corporate structure;
- acquisitions, investments and disposals of assets exceeding a certain threshold;
- share issuances;
- recommendation/declaration of dividends;
- appointment of Directors and key executives, Company Secretary of the Company and terms of reference for the Board Committees;
- review of Directors and key executives' performance and remuneration packages;

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- interested person transactions;
- material regulatory matters or litigation; and
- compliance matters associated with the Catalist Rules, Securities and Futures Act or other relevant laws and regulations.

The Board decides on matters requiring its approval and clearly communicates this to the Management in writing.

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

To assist the Board in discharging its oversight functions and execution of its responsibilities, the Board has established three Board Committees, comprising an Audit and Risk Management Committee (the "**ARMC**"), a Nominating Committee (the "**NC**") and a Remuneration Committee (the "**RC**") (collectively the "**Board Committees**"). As the Board retains the ultimate responsibility on all decisions made, all matters discussed at the Board Committee meetings are presented and reported to the Board for approval prior to its implementation. These Board Committees function within clearly defined written terms of reference and operating procedures. The terms of reference of the respective Board Committees, which are reviewed by the Board on a regular basis to enhance the effectiveness of these Board Committees. The terms of reference of the respective Board Committees, as well as other relevant information on the Board Committees can be found in the subsequent sections of this Report.

The composition of the Board Committees as at the date of this Report are as follows:

Name	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee
Dr. Yu Lai Boon	Chairman	Member	Member
Mr. Ong Bee Chip	–	–	–
Mdm. Ong Chew Yong	–	–	–
Ms. Tan Poh Hong	Member	Chairman	Member
Mr. Chan Hiang Tiak	Member	Member	Chairman

All the ARMC, NC, and RC comprise three (3) members, all of whom (including the Chairman) are independent.

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Provision 1.5

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

The Board meets regularly on a bi-annually basis and ad-hoc Board Committee or Board meetings are convened when they are deemed necessary. In between Board meetings, other important matters will be tabled for the Board's approval by way of circulating resolutions in writing.

The Constitution of the Company provides for meetings of the Board to be held by way of telephonic or video conference.

The number of Board meetings, NC, RC and ARMC meetings held during FY2023 as well as the attendance of each Board member at those meetings are set out below:

	Board	**Audit and Risk Management Committee**	**Nominating Committee**	**Remuneration Committee**
Number of Meetings Held	2	2	1	1
Name of Director	**Number of Meetings Attended**			
Dr. Yu Lai Boon	2	2	1	1
Mr. Ong Bee Chip	2	2*	1*	1*
Mdm. Ong Chew Yong	2	2*	1*	1*
Ms. Tan Poh Hong	2	2	1	1
Mr. Chan Hiang Tiak	2	2	1	1

** By invitation*

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The NC is of the view that the matter relating to multiple board representations should be left to the judgement of each Director given that time requirements for different board representations vary. As such, the NC and the Board have decided that there is no necessity to determine the maximum number of listed company board representations which a Director may hold.

Provision 1.6

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

The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Management provides the Board with key information that is complete, adequate and in advance to enable the Directors to make timely decisions, effectively discharge their duties and make a balanced and informed assessment of the performance, position and prospects of the Company. Key information comprises, among others, properly organised board papers (with background or explanatory information relating to the matters brought before the Board, where

CORPORATE GOVERNANCE REPORT

necessary), updates to Group operations and the markets in which the Group operates, budgets and/or forecasts, management accounts, external auditors' reports and reports on on-going or planned corporate actions. Management provides Directors with information whenever necessary and board papers are sent to Directors prior to each Board and Board Committee meeting. Such board papers usually include half-yearly management accounts, budgets, forecasts and periodic management accounts. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations. Management will also provide any additional material information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. All Directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary.

Provision 1.7

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

The Board has separate and independent access to the Group Financial Controller ("**GFC**") and other key persons of the Management ("**Key Management Personnel**") as and when they are appointed, external advisers (where necessary) and the Company Secretary at all times. The Board will have independent access to professional advice when required at the Company's expense, subject to the approval of the Chairman.

The responsibilities of the Company Secretary include advising the Board on corporate and administrative matters, as well as facilitating orientation and assisting with professional development as required, facilitating the process of appointment of new Directors and upon discretion of the Chairman in ensuring information flow within the Board and its Board Committees and between the Management and Non-Executive Directors. The Company Secretary and/or her representative(s) attends all meetings of the Board and Board committees and ensures that all Board procedures are followed and applicable rules and regulations are complied with. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Board Composition and Guidance

Principle 2

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

Provision 2.1

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

Provision 2.2

Independent directors make up a majority of the Board where the Chairman is not independent.

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

The Board comprises five (5) Directors, of whom three (3) are Independent and Non-Executive Directors and the Chairman of the Board is an Independent Director. As such, as at the date of this Report, the Company is in compliance with the Provisions 2.2 and 2.3 of the Code.

The independence of each Director is reviewed annually by the NC and the Board. Each Independent Director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code and the Catalist Rules. The NC adopts the Code's definition of what constitutes an "independent" director in its review. The NC takes into account, among other things, whether a Director has business relationships with the Company, its related companies, its substantial shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

Based on the confirmation of independence submitted by the Independent Directors of the Company, the NC has reviewed the independence of the Independent Directors and is satisfied that Dr. Yu Lai Boon, Mr. Chan Hiang Tiak and Ms. Tan Poh Hong are independent in accordance with the Provision 2.1 of the Code and Rule 406(3)(d) of the Catalist Rules having considered the following basis:

(a) The Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past three financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC.

(b) None of the Independent Directors have served on the Board beyond nine years as at 30 June 2023 since their initial appointment as Directors of the Company.

(c) Save as disclosed below, none of the Independent Directors and their immediate family members had in the current or immediate past financial year (i) provided or received significant payments or material services aggregated over any financial year in excess of S$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organisation which provided or received significant payments or material services aggregated over any financial year in excess of S$200,000 for services rendered.

(d) None of the Independent Directors are directly associated with a substantial shareholder of the Company.

Ms. Tan Poh Hong has been an independent director of Sheng Siong Group Ltd. ("**Sheng Siong**") since 5 January 2018. Sheng Siong purchases food products from the Group, and was a major customer of our Group for FY2023. Please refer to the section "General Information on our Group – Major Customers" of the Company's Offer Document dated 8 June 2021 for further information.

The Board and NC (in each case excluding Ms. Tan Poh Hong) having considered that (a) Ms. Tan Poh Hong is not involved in the management of the day-to-day operations of Sheng Siong; and (b) Ms. Tan Poh Hong does not personally receive any direct fees or payment or derive any other benefit arising from the transactions between Sheng Siong and our Group in the ordinary course of business, are satisfied that the relationship described above will not interfere, or be reasonably perceived to interfere, with the exercise of Ms. Tan Poh Hong's independent business judgement in the best interests of our Group.

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Ms. Tan Poh Hong will abstain from participating in the review and approval process at our Board, and also at the board of directors of Sheng Siong, relating to any matters or transactions to be entered into between our Group and Sheng Siong and its subsidiaries.

Save as disclosed, there is no Director who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code and the Catalist Rules that would otherwise deem him not to be independent.

Provision 2.4

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

The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Group and the requirements of the Group's business. The NC is of the view that no individual or small group of individuals dominate the Board's decision-making.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board as a group provides an appropriate balance of diversity of skills, experience, gender and knowledge of the Company, with core competencies in accounting and finance, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge. This enables the Management to benefit from the external and expert perspectives of the Directors who collectively possess the core competencies relevant to the direction and growth of the Group. The Board is committed to ensuring diversity on the Board to avoid groupthink and foster constructive debate.

The key information of the Directors, including their appointment dates, academic and professional qualifications, Board Committees served on, principal commitment(s) and directorships in other listed company(ies) are set out on pages 15 to 17 and page 63 of this Annual Report.

The Board has adopted a Board Diversity Policy to guide the NC and the Board in identifying prospective candidates for Directorship who meet the criteria as determined by the NC and to support the Board's diversity objectives. The Board Diversity Policy promotes diversity among the Directors in order to ensure all-rounded discussions, decision-making and governance of the Company and its business. This diversity includes the range of skills, business and industry experience, gender, age, ethnicity, geographic background, length of service, and other distinctive qualities of the Board members. The Company recognises that an effective Board requires Directors to possess not only integrity, commitment, relevant experiences, qualifications and skills in carrying out their duties effectively but also include diverse backgrounds towards promoting good corporate governance. Currently, there are two (2) female Directors on the Board. The Board did not set any specific Board diversity target but will work towards maintaining female representation and an appropriate mix of age groups on the Board.

CORPORATE GOVERNANCE REPORT

Provision 2.5

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

Where necessary or appropriate, the Independent Directors and Non-Executive Directors will meet without the presence of the Management and the Executive Directors. The Independent Directors communicate regularly to discuss concerns or matters related to the Group, including the performance and effectiveness of the Management. Where appropriate, Independent Directors provide feedback to the Board after such meetings.

During FY2023, the Independent Directors met once in the absence of the Management.

Chairman and Chief Executive Officer

Principle 3

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

Provision 3.1

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

Provision 3.2

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

Provision 3.3

The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent.

The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

There is no Chief Executive Officer in the Company but the Chairman, Dr. Yu Lai Boon and the Managing Director, Mr. Ong Bee Chip are separate persons and have no familial relationship with each other. The roles of the Chairman and the Managing Director are separate and distinct, each having their own areas of responsibilities. No lead independent director has been appointed.

Mr. Ong Bee Chip is responsible for overseeing our Group's business and strategic planning, and overall management of our Group's facilities and maintenance. He is also responsible for our Group's overseas operations and executing expansion plans for growth and development, including sourcing for investment opportunities to promote the growth of our Group's business.

The Board is of the view that as all major decisions are made in consultation with the Board and with the establishment of the three (3) Board Committees, there are adequate safeguards in place to ensure accountability and unfettered decision-making, as well as to prevent an uneven concentration of power and authority in a single individual.

CORPORATE GOVERNANCE REPORT

The Chairman, in consultation with the Management, ensures:

- that Board meetings are held as and when necessary to enable the Board to perform its duties responsibly, while not interfering with the flow of the Company's operations;
- that the agenda for Board meetings are prepared (with the assistance of the Company Secretary) and ensuring that adequate time is available for discussion of all agenda items;
- ensuring that all agenda items are adequately and openly debated at the Board meetings;
- the exercise of control over the quality, quantity and timeliness of information between the Management and the Board and the facilitation of effective contribution from the Independent Directors;
- effective communication with shareholders; and
- assisting in ensuring that the Group complies with the Code and maintains high standard of corporate governance.

Board Membership

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

Provision 4.1
The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to: (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors; (c) the review of training and professional development programmes for the Board and its directors; and (d) the appointment and re-appointment of directors (including alternate directors, if any).

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

The NC is responsible for making recommendations on all Board appointments and re-nominations, having regard to the contribution and performance of the Director seeking re-election.

As at the date of this Report, all members of the NC, including the Chairman, are independent and the NC comprises the following members:

Ms. Tan Poh Hong	(Chairman)
Mr. Chan Hiang Tiak	(Member)
Dr. Yu Lai Boon	(Member)

CORPORATE GOVERNANCE REPORT

The written terms of reference of the NC have been approved and adopted, and they include the following:–

(a) developing and maintaining a formal and transparent process for director appointments and re-nominations and making recommendations to the Board on director appointment and re-appointment (including the appointment of alternate Directors, if any), and recommending to the Board re-nominations of existing Directors for re-election in accordance with the Company's Constitution, having regard to their competencies, commitment, contribution and performance and taking into consideration the composition and progressive renewal of the Board;

(b) making recommendations to the Board on relevant matters relating to the review of succession plans for the Directors, in particular, for the Chairman and Managing Director as well as for Key Management Personnel;

(c) reviewing and approving any employment of person related to the Directors, Managing Director or substantial shareholders and the proposed terms of their employment;

(d) determining on an annual basis, and as and when circumstances require, whether or not a Director is independent;

(e) in respect of a Director who has multiple board representations on various companies, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;

(f) reviewing training and professional development programs for the Board;

(g) developing a process for evaluating the performance of the Board, its committees and the Directors and propose objective performance criteria, as approved by the Board, that allows comparison with its industry peers, and address how the Board has enhanced long-term shareholders' value; and

(h) assessing the effectiveness of the Board as a whole and its Board committees and the contribution by the Chairman and each individual Director to the effectiveness of the Board.

Provision 4.3

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

The Company does not have a formal criterion of selection for the appointment of a new Director to the Board. When the need for a new Director arises, or where it is considered that the Board would benefit from the services of a new Director with particular skills or to replace a retiring Director, the NC, in consultation with the Board, will determine the selection criteria and will select candidates with the appropriate expertise and experience for the position. In its search and nomination process for a new Director, the NC may rely on search companies, personal contacts and recommendations for the right candidates. The NC ensures that the newly appointed Director is aware of their duties and obligations.

CORPORATE GOVERNANCE REPORT

Board appointments are made by the Board after the NC has, upon reviewing the resume of the proposed Director and conducting appropriate interviews, recommended the appointment to the Board. The NC is also in charge of re- nominating the Directors, having regard to their contribution and performance. Pursuant to the Constitution of the Company, one-third (1/3) of the Directors shall retire from office at the Company's annual general meeting ("**AGM**") every year, provided that all Directors shall retire from office at least once every three (3) years (Regulation 96 of the Company' Constitution). A newly appointed Director by the Board is required to retire at the next AGM following his appointment (Regulation 95 of the Company's Constitution). Retiring Directors are eligible to offer themselves for re-election. Each member of the NC abstains from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his own performance or re-nomination as Director.

Pursuant to Rule 720(4) of the Catalist Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years.

At the forthcoming AGM, Ms. Tan Poh Hong and Mdm. Ong Chew Yong are to retire by rotation.

Re-election of Directors retiring at the forthcoming AGM:

Name	Designation	Pursuant to Constitution
Ms. Tan Poh Hong	Independent Director	96
Mdm. Ong Chew Yong	Executive Director	96

The NC has recommended Ms. Tan Poh Hong and Mdm. Ong Chew Yong for re-election and the Board has accepted the NC's recommendation. In recommending the re-election of these two (2) Directors, the NC has considered their overall contributions and performance. The details of the Directors seeking for re-election as required under Appendix 7F of the Catalist Rule are set out on pages 153 of 159 this Annual Report.

Provision 4.4

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

As described under Principle 2 of this Report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to complete a checklist to confirm his independence. Further, the NC determines annually, and as and when circumstances require, whether a Director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers and the checklist completed by each Independent Director. Having made its review, the NC is of the view that all Independent Directors have satisfied the criteria for independence.

CORPORATE GOVERNANCE REPORT

Provision 4.5

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

The NC ensures that the new Directors are aware of their duties and obligations. For re-nomination and re-appointment of Directors, the NC takes into consideration the competing time commitments faced by Directors and their ability to devote sufficient time and attention to the Group. Each Director is required to declare changes in listed company directorships or other principal commitments during the year to enable the on-going monitoring of the commitment of the Directors to the Company. Aside from taking into account of the number of listed company directorships and other principal commitments of the Directors, the NC also considers the results of the annual evaluation of each Director's effectiveness and the respective Director's conduct at the Board and Board Committees meetings to determine whether the Director is able to discharge his duties diligently. As described under Principle 2 of this Report, the NC and the Board have decided that there is no necessity to determine the maximum number of listed company board representations which a Director may hold.

In respect of FY2023, the NC and Board were of the view that each Director has discharged his duties diligently.

As at the date of this Report, the listed company directorships and principal commitments of each Director are set out below:

Name of Director	Position	Present directorships in other listed companies	Present Principal commitments*
Dr. Yu Lai Boon	Non-Executive Independent Chairman	TSH Corporation Limited	Nil
Mr. Ong Bee Chip	Managing Director	Nil	OTS Holdings Limited and its subsidiaries
Mdm Ong Chew Yong	Executive Director	Nil	OTS Holdings Limited and its subsidiaries
Ms. Tan Poh Hong	Independent Director	APAC Realty Limited VICOM Ltd Ann Aik Limited Centurion Corporation Limited Sheng Siong Group Ltd.	Nil
Mr. Chan Hiang Tiak	Independent Director	Nil	Nil

* *"Principal Commitments" as defined in the Code include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.*

The Board provides for appointment of alternate Director only in exceptional cases such as when a Director has a medical emergency. There is currently no alternate Director on the Board.

CORPORATE GOVERNANCE REPORT

Board Performance

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

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

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

The Board's performance is linked to the overall performance of the Group. The Board ensures that the Company is in compliance with the applicable laws, and members of the Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

The NC is responsible for assessing the effectiveness of the Board, the Board Committees and each individual Director.

The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC assesses the overall effectiveness of the Board and its committees by having all members of the Board complete an assessment checklist, which takes into consideration factors such as its structure, conduct of meetings, risk management and internal controls, strategic leadership and relationship with the Management. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators.

The NC assesses the individual Directors' performance by completing an individual Director assessment checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors. The evaluation of individual Directors aims to assess whether each Director continues to contribute effectively and demonstrate commitment to the role, including commitment of time for Board and Board Committee meetings, and any other duties. The Chairman will be briefed on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors, in consultation with the NC. Each member of the NC shall abstain from deliberating and voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

The Board and the NC have endeavoured to ensure that Directors appointed to the Board possess the background, experience, business and finance knowledge and management skills critical to the Group's business. They have also ensured that each Director, with his special contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

CORPORATE GOVERNANCE REPORT

The NC has assessed the current Board and its Board Committees' performance to-date and individual Director's contributions, and is of the view that the performance of the Board as a whole was satisfactory, the Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board. Accordingly, the Board has met its performance objectives for FY2023.

No external facilitator was engaged for the evaluation process for FY2023.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Provision 6.1
The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on: (a) a framework of remuneration for the Board and key management personnel; and (b) the specific remuneration packages for each director as well as for the key management.

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

The RC makes recommendations to the Board on the framework of remuneration and the specific remuneration packages for each Director.

As at the date of this report, all members of the RC, including the Chairman, are independent and the RC comprises the following members:

Mr. Chan Hiang Tiak	(Chairman)
Ms. Tan Poh Hong	(Member)
Dr. Yu Lai Boon	(Member)

The RC holds at least one meeting in each financial year.

The written terms of reference of the RC have been approved and adopted, and they include the following:–

(a) reviewing and recommending to the Board a framework of remuneration for the Directors and Key Management Personnel and determining specific remuneration packages of each Director. The RC shall cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, awards to be granted under the Company's performance share scheme, and benefits in kind;

(b) reviewing annually the remuneration, bonuses, pay increase and/or promotions of employees who are related to the Directors or substantial shareholders of the Company to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;

CORPORATE GOVERNANCE REPORT

(c) reviewing the Company's obligations arising in the event of termination of service contracts entered into between the Group and its Executive Directors or Key Management Personnel, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly onerous to the Group;

(d) if necessary, seeking expert advice within and/or outside the Company on remuneration matters, ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

(e) reviewing annually the remuneration package in order to maintain their attractiveness to retain and motivate the Directors and Key Management Personnel and to align the interests of the Directors and Key Management Personnel with the long-term interests of the Company; and

(f) to carry out such other duties in the manner that it deems expedient, subject always to any regulations or restrictions as may be conferred by the Board to the RC.

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

The RC considers all aspects of remuneration (including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments) in the review of remuneration packages for the Directors and executive officers with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board.

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board for approval by shareholders of the Company at the AGM. The Independent Directors did not receive any other remuneration from the Company in FY2023.

The Executive Directors have each entered into a service agreement with the Company ("**Service Agreements**"), under which the terms of their employment are stipulated, including a monthly base salary, annual wage supplement and benefits commensurate with the position. The Executive Directors also participate in a profit-sharing scheme that is pegged to the Group's profitability. The Executive Directors do not receive Directors' fees and there are no post retirement and severance benefits except the common practice of giving notice or salary in lieu of notice in the event of termination. The Service Agreements are valid for 3 years and automatically renewed annually.

Provision 6.4
The Company discloses the engagement of any remuneration consultants and their independence in the Company's annual report.

The members of the RC are familiar with executive compensation matters as they have prior experience in managing businesses and/or are holding other directorships. The RC has access to expert advice regarding executive compensation matters, if required. The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2023.

CORPORATE GOVERNANCE REPORT

Level and Mix of Remuneration

Principle 7
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

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

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

In setting remuneration packages, the Company takes into account the pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and Key Management Personnel. The remuneration package is designed to allow the Company to better align the interests of the Executive Directors and Key Management Personnel with those of shareholders, and link rewards to corporate and individual performance. The Company also ensures that the remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and Key Management Personnel to successfully manage the Company for the long term.

Remuneration for the Executive Directors and Key Management Personnel comprises a basic salary component and a variable component that is pegged to the performance of the Group as a whole. Having reviewed the variable component in the remuneration packages of the Executive Directors and Key Management Personnel, the RC is of the view that it is not necessary to institute contractual provisions to reclaim incentive components of remuneration from Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors and Key Management Personnel.

The Company does not offer any employee share scheme. The RC may consider other forms of long-term incentive schemes for Key Management Personnel when necessary.

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

The Independent Directors receive Directors' fees for their effort and time spent, responsibilities and contribution to the Board, subject to shareholders' approval at the AGMs. The Independent Directors are not over-compensated to the extent that their independence may be compromised.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

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

Provision 8.1
The Company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

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

The Board is of the view that full disclosure of the specific remuneration of the Executive Directors and Key Management Personnel is not in the best interests of the Company, taking into account the sensitive nature of the subject, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group.

Remuneration of the Executive Directors are stipulated in their respective Service Agreements with the Company. Under the provisions of the Service Agreements, the Executive Directors shall be paid a monthly base salary and annual wage supplement and be provided with benefits commensurate with the position. The Executive Directors participate in a profit-sharing scheme that is pegged to the Group's profitability. The Executive Directors do not receive Directors' fees and there are no post retirement and severance benefits except the common practice of giving notice or salary in lieu of notice in the event of termination.

The level and mix of remuneration paid or payable to the Executive Directors for FY2023 are set out as follows:

		% Breakdown of Remuneration		
Name of Director	**Remuneration band**	**Base salary**	**Bonus/Profit Sharing**	**Total Benefits in kind**
Mr. Ong Bee Chip	S$250,001 to S$500,000	92.9	7.1	–
Mdm. Ong Chew Yong	S$250,001 to S$500,000	92.9	7.1	–

CORPORATE GOVERNANCE REPORT

Independent Directors are paid only Directors' fees, subject to approval at the AGM. The fees paid to Independent Directors comprise a basic fee, a fee for chairing a committee and a fee for being a member of the committee. The fees paid to the Independent Directors for FY2023 are set out as follows:–

Name of Independent Director	Directors' fees
Dr. Yu Lai Boon	S$48,000
Ms. Tan Poh Hong	S$38,000
Mr. Chan Hiang Tiak	S$38,000

The Company only has 3 Key Management Personnel (who are not Directors) for FY2023 as set out below:–

		% Breakdown of Remuneration		
Name of Key Management Personnel	Remuneration band	Base Salary	Bonus/Profit Sharing	Total Benefits in kind
Mr. Teh Chong Piow	Below S$250,000	86.1	13.9	–
Mr. Ho Chor Yau	Below S$250,000	100.0	–	–
Mr. Toh Kiam Hwee#	Below S$250,000	100.0	–	–

 # Mr Toh Kiam Hwee has resigned as the Group Financial Controller with effect from 31 August 2022.

The aggregate remuneration paid to the above Key Management Personnel of the Group (excluding the Directors) in FY2023 amounted to S$277,230.

The Company does not offer any employee share scheme.

Provision 8.2

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

The Sales Director, Mr. Ong Bee Song, is a substantial shareholder of the Company in FY2023, and is the brother of Mr. Ong Bee Chip, the Managing Director and Mdm. Ong Chew Yong, the Executive Director. His remuneration for FY2023 exceeded S$100,000 and is set out as below:–

		% Breakdown of Remuneration		
Name of employee	Remuneration band	Base salary	Bonus	Total Benefits in kind
Mr. Ong Bee Song	S$100,001 to S$200,000	93.9	6.1	–

Save as disclosed above, there is no other employee who is a substantial shareholder of the Company or an immediate family members of a Director, the Managing Director or a substantial shareholder of the Company and whose remuneration exceeded S$100,000 in FY2023.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

Provision 9.1
The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Board and Management acknowledge that it is responsible for the overall risk management and internal control framework, but recognise that no cost-effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss, human error, fraud and lapse in judgement.

The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks and internal controls. The ARMC oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

Provision 9.2
The Board requires and discloses in the Company's annual report that it has received assurance from: (a) the CEO and the Chief Financial Officer ("CFO'') that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board has received assurance from (a) the Managing Director and the Group Financial Controller that the financial records have been properly maintained and the financial statements for FY2023 give a true and fair view of the Company's operations and finances; and (b) the Managing Director and Key Management Personnel regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the assurance from the Managing Director, the Group Financial Controller and Key Management Personnel referred to in the preceding paragraph, the various internal controls put in place by the Group, the work performed and reports submitted by the external and internal auditors of the Group and the reviews carried out by the Board and the ARMC, the Board, with the concurrence of the ARMC, is satisfied with the adequacy and effectiveness of the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls and risk management systems) as at 30 June 2023.

CORPORATE GOVERNANCE REPORT

Audit and Risk Management Committee

Principle 10
The Board has an Audit and Risk Management Committee ("ARMC") which discharges its duties objectively.

Provision 10.1
The duties of the ARMC include: (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance; (b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems; (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements; (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors; (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; and (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

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

Provision 10.3
The ARMC 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.

As at the date of this Report, all members of the ARMC, including the Chairman, are independent and the ARMC comprises the following members:

Dr. Yu Lai Boon	(Chairman)
Ms. Tan Poh Hong	(Member)
Mr. Chan Hiang Tiak	(Member)

No former partner or Director of the Company's existing audit firm or auditing corporation is a member of the ARMC. The members of the ARMC have sufficient accounting or financial management expertise, as interpreted by the Board in its business judgment, to discharge the ARMC's functions. The ARMC holds at least two (2) meetings in each financial year.

CORPORATE GOVERNANCE REPORT

The written terms of reference of the ARMC have been approved and adopted, and they include the following:–

(a) reviewing the audit plans and scope of work of the external auditors and the internal auditors, including the results of the external and internal auditors' review and evaluation of the Group's system of internal controls, the management letters on the internal controls and the Management's response, and monitoring the implementation of the internal control recommendations made by the external and internal auditors;

(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems, prior to the incorporation of such results in the Company's annual report;

(c) reviewing the interim financial results and annual consolidated financial statements and the external auditors' report on the annual consolidated financial statements, and discussing any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with Singapore financial reporting standards as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management to ensure the integrity of the financial statements of the Group and any announcements relating to the Company's financial performance, where necessary, before submission to the Board for approval;

(d) reviewing and discussing with the external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

(e) reviewing and ensuring the co-ordination between internal auditors, external auditors and the Management, including the assistance given by the Management to the auditors;

(f) reviewing the audit plan of the external auditor and the result of the external auditor's review and evaluation of the Group's system of internal accounting controls that are relevant to the statutory audit;

(g) making recommendations to the Board on the proposals to the shareholders with regard to the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(h) reviewing the audit plan of the internal auditor, including the results of the internal auditor's review and evaluation of the Group's system of internal controls;

(i) reviewing and ratifying where appropriate any interested person transactions;

(j) reviewing conflicts of interests (if any);

(k) reviewing the policy and arrangements by which employees of the Group and any other persons may, in confidence, report to the Chairman of the ARMC, concerns about possible improprieties in financial reporting or other matters and ensuring that there are arrangements in place for such concerns to be safely raised and independently investigated, and for appropriate follow-up action to be taken;

CORPORATE GOVERNANCE REPORT

(l) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

(m) reviewing the assurance from the Managing Director and the Group Financial Controller on the financial records and financial statements;

(n) reviewing the assurance from the Managing Director and Key Management Personnel regarding the adequacy and effectiveness of the Company's risk management and internal control systems; and

(o) undertaking such other reviews and projects as may be requested by the Board and reporting to the Board its findings from time to time on matters arising and requiring the attention of the ARMC.

The ARMC has full authority to investigate any matter within its terms of reference, full access to and cooperation from the Management, and full discretion to invite any Director, executive officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

The Group has implemented a whistle-blowing policy which aims to provide an avenue for employees and external parties to raise concerns about misconduct or improprieties in the Group and at the same time assure them that their identity will be kept confidential and they will be protected from victimisation for whistle-blowing in good faith. Cases that are significant will be reviewed by the ARMC for adequacy or investigation actions and resolutions. Details of the whistle-blowing policy are disseminated to the employees of the Group, and is available on the Company's website. All concerns about possible improprieties can be communicated directly to the ARMC.

As at the date of this Report, there were no complaints, concerns of issues and whistleblowing reports received through the whistle-blowing channel.

The external auditors update the ARMC on any changes in accounting standards impacting the financial statements of the Group before an audit commences. Significant matters that were discussed with the Management and the external auditors have been included as key audit matters in the Auditors' Report for FY2023 on pages 86 to 91 of this Report.

Significant matters	How does the Audit and Risk Management Committee address the matter
Assessment of expected credit loss allowance on trade receivables	Trade receivables amounted to S$4.60 million as at 30 June 2023. The ARMC considered management's approach, methodology and judgement pertaining to revenue recognition and the estimate of trade receivables impairment allowance. The ARMC also considered the observations and findings presented by the External Auditor with reference to the payment track records of trade debtors and adequacy of allowance for impairment of trade receivables. The above procedures provided the ARMC with the assurance and the ARMC concurred with the management's conclusion that allowance for impairment of trade receivables is adequately made as at 30 June 2023 and the related disclosures in the financial statements are appropriate.

CORPORATE GOVERNANCE REPORT

Significant matters	How does the Audit and Risk Management Committee address the matter
Assessment of impairment allowance of inventories	Inventories amounted to S$7.94 million as at 30 June 2023. The ARMC considered management's approach, methodology and judgement applied to the estimate of impairment allowance for slow-moving and obsolete inventories. The ARMC also considered the observation and findings presented by the External Auditor with reference to the adequacy of allowance for impairment of inventories. The above procedures provided the ARMC with the assurance and the ARMC concurred with the management's conclusion that allowance for impairment of inventories is adequately made as at 30 June 2023.

The ARMC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees paid to them. The ARMC received an audit report from the external auditors setting out the non-audit services provided and the fees charged for FY2023. A breakdown of the audit and non-audit fees paid to the Company's auditors is disclosed on page 118 of this Report.

Having undertaken a review of the non-audit services provided during FY2023, the ARMC is of the view that the objectivity and independence of the external auditors are not in any way impaired by reason of their provision of non-audit services to the Group.

The ARMC reviews the independence of the external auditor annually. In the selection of suitable auditing firms, the ARMC takes into consideration several factors such as the adequacy of the resources, experience of the accounting auditing firm, the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit and its ability to provide audit service to our foreign subsidiaries and associated companies. The selected auditing firm based in Singapore is engaged as auditors for the Company as well as our Singapore-incorporated subsidiaries.

Ms. See Ling Ling, Helen, the engagement partner-in-charge has been the audit partner from RSM Chio Lim LLP responsible for the audit of the Company since FY2022. Accordingly, the Company is in compliance with Rules 712, 713 and 715 of the Catalist Rules.

The aggregate amount of fees paid/payable to the external auditors for audit services rendered for the audit of the financial statements of the Group for FY2023 is S$129,000. The non-audit fees paid/payable to the external auditors for the FY2023 is S$11,900, for tax compliance services.

The ARMC has reviewed the non-audit services provided by the external auditors for FY2023 and is satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditors.

Having reviewed, amongst other factors, the scope and quality of the audit and independence of the external auditor, the ARMC has recommended and the Board has approved the nomination for re-appointment of RSM Chio Lim LLP as the external auditors of the Company at the forthcoming AGM.

A different auditing firm is engaged as auditors for one of its subsidiary companies for FY2023. The ARMC has considered the appointment of different auditing firm for one of the Group's subsidiaries and is satisfied that such appointment would not compromise the standard and effectiveness of the audit of these subsidiaries. The Company is thus in compliance with Rule 712 and 715 set out in Catalist Rules.

CORPORATE GOVERNANCE REPORT

Provision 10.4

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

The Company outsources the internal audit function to Yang Lee & Associates ("**YLA**" or "**IA**") to perform the review and test of controls of the Group's key processes. The IA reports directly to the Chairman of the ARMC, which also decides on the appointment, termination and remuneration of the IA. The IA has full access to the Company's documents, records, properties and personnel, including the ARMC, and has appropriate standing within the Company.

YLA is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food & beverage, trading, retail and property development industries. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with relevant qualifications such as the Certified Internal Auditor qualification with the Institute of Internal Auditors. The Company's engagement with YLA stipulates that its work shall be guided by the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The IA plans its internal audit schedules in consultation with, but independent of, the Management. The ARMC will review the activities of the IA, including overseeing and monitoring of the implementation of improvements required on internal control weaknesses identified.

On an annual basis, the IA prepares and executes a risk-based audit plan approved by the ARMC, so as to review the adequacy and effectiveness of the system of internal controls of the Group. Key audit findings are presented to the ARMC and the results of the findings are also shared with the external auditor.

YLA completed one review during FY2023. The ARMC approved the IA report and the Management has adopted/will be adopting key recommendations of the IA as set out in the IA's report.

The IA engagement team comprises two Directors, a Senior Manager, an Assistant Manager and supported by two Associates. Each of the two Directors has more than 20 years of relevant experience, whilst the Senior Manager has approximately 15 years of relevant experience. Both the Directors are Fellow Chartered Accountants of the Institute of Singapore Chartered Accountants and one of the Directors also holds the Certified Internal Auditor qualification from the Institute of Internal Auditors.

The ARMC has reviewed and is satisfied with the independence, adequacy and effectiveness of the Company's internal audit function.

Provision 10.5

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

The ARMC endeavors to meet at least once a year with the external auditors ("**EA**") and internal auditors ("**IA**") without the presence of the Management so that any concern and/or issue can be raised directly and privately. For FY2023, the ARMC has met with the IA and EA without the presence of the Management.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

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

The Company supports the Code's principle to encourage communication with and participation by shareholders. Shareholders are informed of general meetings through notices published in the newspapers, through reports or circulars sent to all shareholders and via SGXNet. Shareholders are encouraged to attend the AGM to ensure a greater level of shareholder participation.

In line with our sustainability efforts, e-copies of the Annual Report and circulars pertaining to any general meetings of the Company are made available on the SGXNet and the Company's corporate website where Shareholders could easily access. The physical copies of the notice of AGM and notices pertaining to any extraordinary general meetings of the Company are sent to Shareholders by mail. Shareholders also have the option to receive a physical copy of the documents through request by mail or email.

Shareholders are encouraged to attend the general meetings of the Company in person. They are also allowed to vote by submitting proxy forms. Shareholders who are present during the general meetings are encouraged to ask questions. Alternatively, shareholders may submit their questions ahead of the meetings and these questions raised by the shareholders will be addressed prior to, or during the meetings and published on the Company's corporate website and on SGXNet.

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

All resolutions are put to vote by poll and shareholders are entitled to vote in accordance with established voting rules and procedures. Each distinct issue is proposed as a separate resolution at general meetings. All resolutions proposed at general meetings shall be put to vote by way of a poll pursuant to Rule 730A(2) of the Catalist Rules. All votes cast, for or against or abstained, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement of the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNet after the general meetings.

CORPORATE GOVERNANCE REPORT

Provision 11.3

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

All Directors, in particular the Chairman of the Board, the respective Chairman of ARMC, NC and RC will attend the general meetings of shareholders, and the external auditor will also be present to assist in addressing queries from shareholders relating to the conduct of audit and the preparation and content of the auditor's report. All directors had attended the AGM of the Company for FY2022 held on 28 October 2022.

Provision 11.4

The Company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

At general meetings, all shareholders are encouraged to attend, participate effectively and vote in person or by proxy. The Constitution allows a shareholder of the Company to appoint up to two (2) proxies to attend the AGM and vote in place of the shareholder, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). Where the member is a Central Depository (Pte) Ltd (or its nominee as notified in writing to the Company), it can appoint more than two (2) proxies. Proxies need not be a shareholder of the Company. Shareholders are informed of such meetings through the annual report or circulars sent to all shareholders, notices published in the newspapers and announcements released via SGXNet. Shareholders will be briefed on the rules governing such meetings and voting procedures of the general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings of shareholders. Results of voting are announced on a timely manner via SGXNet. A relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

The Company's Constitution allows a shareholder who is unable to vote in person at a general meeting to vote in absentia, such as via mail, electronic mail or facsimile. The Board does not implement absentia-voting methods by mail, electronic mail or facsimile, until issues on security and integrity are satisfactorily resolved.

The forthcoming AGM to be held in respect of FY2023 will be convened and held by physical meeting. Arrangements relating to submission of questions to the Chairman of the AGM in advance of the AGM and addressing of substantial and relevant questions at the AGM (if any), will be put in place and are set out in the Notice of AGM.

Provision 11.5

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

The Company Secretary will prepare the minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management. These minutes are available to shareholders on SGXNet and/or at the Company's website as soon as practicable. The Company will publish the minutes of the AGM on SGXNet and/or the Company's website within one month after the AGM.

CORPORATE GOVERNANCE REPORT

Provision 11.6
The Company has a dividend policy and communicates it to shareholders.

The Company does not have a formal dividend policy. Nonetheless, the Management will make appropriate recommendation to the Board for approval after reviewing the performance of the Company in the relevant financial year and the form, frequency and amount of dividends will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. Any dividend declaration will be communicated to the shareholders via announcement through SGXNet.

The Board had not recommended any dividend for FY2023 in view of the net loss position of the Group for FY2023 and to conserve its cash balances and ensure that the Group has adequate working capital and resources to sustain and grow.

Engagement with Shareholders

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

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

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable. Shareholders are provided with an update on the Group's performance, position and prospects through the Company's annual report.

The Company's half year and full year results announcements, corporate presentations, announcements and press releases are issued via SGXNet. Shareholders have access to information on the Group via the Company's website. The Company discloses all material information on a timely basis to all shareholders.

Shareholders are given the opportunity to pose questions to the Board or the Management at the general meetings. The members of the ARMC, NC and RC will be present at the general meetings to answer questions relating to matters overseen by the respective committees.

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

CORPORATE GOVERNANCE REPORT

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

The Company currently does not have an Investor Relations Policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to the shareholders. The Company does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the SGX-ST Listing Manual and the Companies Act 1967 of Singapore, the Board's policy is that all shareholders should be equally and timely informed of all major developments that will impact the Company or the Group. Disclosure of information is made through announcements released to the SGX-ST, the Company's annual reports, circulars, press releases, as well as on the corporate website www.ots-holdings.com which has a dedicated investor relations section.

Shareholders and investors can also contact the Company via email address: enquiry@ots-holdings.com that is designed to facilitate regular and effective communication. The Company endeavours to respond to shareholder queries promptly.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

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

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

Provision 13.3
The Company maintains a current corporate website to communicate and engage with stakeholders.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

The Company maintains its corporate website to communicate and engage with stakeholders. In addition, the Group issues sustainability reports annually to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy. Please refer to the sustainability report for FY2023 for more information on the Group's strategy and key areas of focus in relation to the management of stakeholder relationships.

Stakeholders who wish to know more about the Group such as its business, industry, performance or sustainability practices can visit our website at https://ots-holdings.com.

CORPORATE GOVERNANCE REPORT

DEALING IN SECURITIES

The Company has adopted an internal compliance code to provide guidance to the Directors, officers and all employees of the Group with regard to dealing in the Company's securities, pursuant to Rule 1204(19) of the Catalist Rules. The Directors, officers and employees of the Company are also expected to observe insider-trading laws at all times and shall not deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information.

The Company shall not deal in and prohibits dealings in its shares by its Directors, officers and employees during the period commencing one (1) month before the announcement of the Company's half-year and full-year financial results, and ending on the date of the announcement of the financial results.

The Board confirms that, as at the date of this Report, the Company has complied with Rule 1204(19) of the Catalist Rules.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARMC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The aggregate value of interested person transactions entered during FY2023 were as follows:–

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year ended 30 June 2023 under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during the financial year ended 30 June 2023 conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Swee Heng Bakery Pte Ltd ("**Swee Heng**")	Swee Heng is an associate of the Company's Directors, Ong Bee Chip and Ong Chew Yong, and the Group's Controlling Shareholder, Ong Bee Song, being a company in which Ong Chu Eng (the sister of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 50.0% shareholding interest and Ng Chai Huat (the brother-in-law of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 30.0% shareholding interest. Accordingly, Swee Heng is deemed as an Interested Person.	Nil	$1,520,962

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS

Save for the Service Agreements between the Executive Directors and the Company and transactions as disclosed in the "**Interested Person Transactions**" section above, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Managing Director, any director, or controlling shareholder.

NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsorship fees payable or paid to its sponsor, SAC Capital Private Limited during FY2023.

USE OF IPO PROCEEDS

As at the date of this Report, the status on the use of the Listing net proceeds is as follows:

	Amount allocated	Amount utilised	Balance
	$'000	**$'000**	**$'000**
Improvement and/or expansion of production efficiency and capacities, including the acquisition of new machineries and equipment	2,000	(2,000)	–
Expansion of our overseas operations, including the initial investment and set up costs of Philippines	2,500	(568)	1,932
Developing new products and engaging in research and development	500	(165)	335
General working capital purposes	1,562	(1,562)[(a)]	–
	6,562	**(4,295)**	**2,267**

The use of the Listing net proceeds is in accordance with the stated use and the percentage allocated in the offer document dated 8 June 2021.

Note:

(a) Net proceeds used for general working capital purposes are in relation to payments to trade suppliers of approximately $990,000 and staff salaries of approximately $572,000.

STATEMENT BY DIRECTORS

The directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 30 June 2023.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and

(b) at the date of the statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

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

Ong Bee Chip	(Managing Director)
Ong Chew Yong	(Executive Director)
Yu Lai Boon	(Non-Executive Chairman and Independent Director)
Chan Hiang Tiak	(Independent Director)
Tan Poh Hong	(Independent Director)

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year were not interested in shares in or debentures of the Company as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 (the "Act") except as follows:

Name of directors and company in which interests are held	At beginning of the reporting year	At end of the reporting year
Ultimate parent company	Number of shares of no par value	
BCS Development Pte. Ltd.		
Ong Bee Chip	7,298,807	7,298,807
Ong Chew Yong	2,437,319	2,437,319

STATEMENT BY DIRECTORS

3. Directors' interests in shares and debentures (cont'd)

Name of directors and companies in which interests are held	Direct interests		Deemed interests	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
The Company	Number of shares of no par value			
Ong Bee Chip	8,932,608	8,932,608	160,749,670	160,749,670
Ong Chew Yong	2,929,895	2,929,895	30,000	30,000

By virtue of section 7 of the Act, Ong Bee Chip is deemed to have an interest in all the related body corporates of the Company.

The directors' interest as at 21 July 2023 were the same as those at the end of the reporting year except for Ong Bee Chip's deemed interest in the Company has changed from 160,749,670 to 161,099,670.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

5. Options

During the reporting year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

At the end of the reporting year, there were no unissued shares of the Company under option.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

6. Report of Audit and Risk Management Committee

The members of the Audit and Risk Management Committee ("ARMC") at the date of this report are as follows:

Yu Lai Boon	(Non-Executive Chairman, Independent Director and ARMC Chairman)
Chan Hiang Tiak	(Independent Director)
Tan Poh Hong	(Independent Director)

All members of ARMC are independent directors.

STATEMENT BY DIRECTORS

6. Report of Audit and Risk Management Committee (cont'd)

The ARMC performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

* Reviewed with the independent external auditor their audit plan;

* Reviewed with the independent external auditor their evaluation of the Company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them;

* Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor;

* Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

* Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the ARMC are described in the report on Corporate Governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The ARMC has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor for the ensuing year at the forthcoming annual general meeting of the Company.

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

7. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, and reviews performed by management, the ARMC and the board are of the opinion that the Company's internal controls, addressing financial, operational, compliance risks and information technology, are adequate and effective as at 30 June 2023.

STATEMENT BY DIRECTORS

8. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 28 August 2023, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

.....	.....
Ong Bee Chip	Ong Chew Yong
Director	Director

6 October 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OTS HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of OTS Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and the Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

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

Key audit matters

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OTS HOLDINGS LIMITED

Key audit matters (cont'd)

(1) Assessment of expected credit loss allowance on trade receivables

Refer to Note 2 for the relevant accounting policy and Note 20 and Note 31D for the breakdown in trade receivables and credit risk of the Group respectively. Also refer to the Audit and Risk Management Committee ("ARMC") in the Corporate Governance Statement of the annual report for responses of the ARMC to the reported KAMs.

Key audit matter

As at 30 June 2023, the carrying amount of the Group's trade receivables amounted to $4,595,000. This represents approximately 21% of total current assets on the consolidated financial statements and was significant to the Group. The Group applied the simplified approach in calculating expected credit loss ("ECL") and recognised loss allowance based on lifetime expected losses at each reporting date. Trade receivables that are credit impaired are assessed for impairment by making debtor-specific assessment. The Group provides for lifetime expected credit losses using a provision matrix. The provision rates are determined based on the Group's historical default rates analysed in accordance to days past due by grouping customers based on customer profiles, adjusted for current and forward-looking information. Given the magnitude and that impairment assessment of trade receivables requires significant management judgment, we determined that this is a key audit matter.

How we addressed the matter in our audit

Our audit procedures included (a) assessing the recoverability of the significant aged debts, by discussing with management, checking subsequent collections and corroborating to the historical payment records; and (b) assessing whether disclosures in respect of the credit risk of trade receivables is appropriate.

For ECL, our audit procedures included (a) reviewing management's assessment of ECL; and (b) assessing the measurement of the expected credit loss allowance. An impairment allowance is provided if necessary.

We also evaluated the qualitative adjustment to the allowance and challenged the reasonableness of the key assumptions in determining the allowance.

We assessed the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OTS HOLDINGS LIMITED

Key audit matters (cont'd)

(2) Assessment of impairment allowance of inventories

Refer to Note 2 for the relevant accounting policy and Note 19 for the breakdown in inventories at the reporting year end. Also refer to the ARMC section in the Corporate Governance Statement of the annual report for responses of the ARMC to the reported KAMs.

Key audit matter

As at 30 June 2023, the carrying amount of the Group's inventories amounted to $7,940,000. This represents approximately 36% of total current assets on the consolidated financial statements and was significant to the Group. The carrying amount of inventories may not be recoverable in full if those inventories become slow moving, or if their selling prices have declined below carrying amounts.

The estimate of allowance for slow moving inventories is based on the expiry of these inventories, prevailing market conditions in the industry and historical allowance experience which requires management's judgement. This methodology relies upon assumptions made in determining appropriate allowance of inventories.

How we addressed the matter in our audit

As part of the audit, on sampling basis, our audit procedures included (a) the checking of the net realisable value of the inventories by considering post year end sales to identify any further sales made at a loss; (b) reviewing the inventory turnover days and aging of the inventories to assess if there were any significant built up of aged inventories and assessing the reasonableness of the allowance for slow moving inventories; and (c) analysed the utilisation rate for those inventories which will be expiring in less than six months subsequent to year end.

We assessed the adequacy of the disclosures in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the statement by directors but does not include the financial statements and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OTS HOLDINGS LIMITED

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OTS HOLDINGS LIMITED

Auditor's responsibilities for the audit of the financial statements (cont'd)

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OTS HOLDINGS LIMITED

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is See Ling Ling, Helen.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

6 October 2023

Engagement partner – effective from year ended 30 June 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2023

	Notes	Group	
		2023 $'000	2022 $'000
Revenue	5	**30,664**	34,136
Cost of sales		**(22,922)**	(24,578)
Gross profit		**7,742**	9,558
Other income and gains	6	**520**	826
Marketing and distribution costs	7	**(2,509)**	(2,364)
Administrative expenses	8	**(5,872)**	(5,900)
Finance costs	10	**(211)**	(232)
Other losses	6	**(990)**	(124)
Share of loss from joint venture	18	**(524)**	(229)
(Loss)/profit before income tax		**(1,844)**	1,535
Income tax expense	11	**(58)**	(415)
(Loss)/profit for the year		**(1,902)**	1,120
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of income tax		**(130)**	(31)
Other comprehensive loss for the year, net of income tax		**(130)**	(31)
Total comprehensive (loss)/income for the year		**(2,032)**	1,089
		Cents	**Cents**
Basic and diluted (losses)/earnings per share (Note 13)		**(0.89)**	0.52

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	Group		Company	
		2023	2022	2023	2022
ASSETS		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	14	**11,138**	11,365	**–**	–
Right-of-use assets	15	**2,779**	3,130	**–**	–
Intangible assets	16	**–***	–*	**–**	–
Investment in subsidiaries	17	**–**	–	**14,971**	14,971
Investment in joint venture	18	**–**	532	**–**	950
Other non-financial assets	21	**–**	205	**–**	–
Total non-current assets		**13,917**	15,232	**14,971**	15,921
Current assets					
Inventories	19	**7,940**	8,078	**–**	–
Trade and other receivables	20	**4,595**	5,133	**3,846**	2,802
Other non-financial assets	21	**446**	935	**51**	102
Cash and cash equivalents	22	**8,949**	9,518	**2,314**	4,613
Total current assets		**21,930**	23,664	**6,211**	7,517
Total assets		**35,847**	38,896	**21,182**	23,438
EQUITY AND LIABILITIES					
Equity					
Share capital	23	**22,469**	22,469	**22,469**	22,469
Retained earnings/(accumulated losses)		**4,630**	6,928	**(1,459)**	641
Foreign currency reserve		**(201)**	(71)	**–**	–
Equity, attributable to equity holders of the parent, total		**26,898**	29,326	**21,010**	23,110
Non-current liabilities					
Deferred tax liabilities	11	**387**	596	**–**	–
Provision	24	**650**	588	**–**	–
Loans and borrowings	25	**590**	760	**–**	–
Lease liabilities	26	**2,678**	3,000	**–**	–
Other non-financial liabilities	27	**841**	46	**–**	–
Total non-current liabilities		**5,146**	4,990	**–**	–
Current liabilities					
Income tax payable		**112**	67	**–**	7
Trade and other payables	28	**3,060**	3,624	**172**	315
Loans and borrowings	25	**218**	506	**–**	–
Lease liabilities	26	**328**	324	**–**	–
Other non-financial liabilities	27	**85**	59	**–**	6
Total current liabilities		**3,803**	4,580	**172**	328
Total liabilities		**8,949**	9,570	**172**	328
Total equity and liabilities		**35,847**	38,896	**21,182**	23,438

* Below $1,000

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

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2023

Group	Total equity $'000	Share capital $'000	Retained earnings/ (accumulated losses) $'000	Foreign currency reserve $'000
Current year				
Opening balance at 1 July 2022	29,326	22,469	6,928	(71)
Changes in equity				
Total comprehensive loss for the year	(2,032)	–	(1,902)	(130)
Share-based payment expense (Note 9A)	75	–	75	–
Dividend paid (Note 12)	(471)	–	(471)	–
Closing balance at 30 June 2023	26,898	22,469	4,630	(201)
Previous year				
Opening balance at 1 July 2021	29,640	22,469	7,211	(40)
Changes in equity				
Total comprehensive income/(loss) for the year	1,089	–	1,120	(31)
Share-based payment expense (Note 9A)	95	–	95	–
Dividend paid (Note 12)	(1,498)	–	(1,498)	–
Closing balance at 30 June 2022	29,326	22,469	6,928	(71)

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

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2023

Company	Total equity $'000	Share capital $'000	Retained earnings/ (accumulated losses) $'000
Current year			
Opening balance at 1 July 2022	23,110	22,469	641
Changes in equity			
Total comprehensive loss for the year	(1,629)	–	(1,629)
Dividend paid (Note 12)	(471)	–	(471)
Closing balance at 30 June 2023	21,010	22,469	(1,459)
Previous year			
Opening balance at 1 July 2021	23,410	22,469	941
Changes in equity			
Total comprehensive income for the year	1,198	–	1,198
Dividend paid (Note 12)	(1,498)	–	(1,498)
Closing balance at 30 June 2022	23,110	22,469	641

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2023

	Group	
	2023 $'000	2022 $'000
Cash flows from operating activities		
(Loss)/profit before income tax	**(1,844)**	1,535
Adjustments for:		
Amortisation of deferred capital grants	**(151)**	(114)
Depreciation of property, plant and equipment	**1,287**	1,190
Depreciation of right-of-use assets	**360**	352
Interest income	**(73)**	(24)
Interest expense	**211**	232
Share-based payment expense	**75**	95
Gain on disposal of plant and equipment	**(8)**	(28)
Plant and equipment written-off	**3**	2
Gain on early termination of right-of-use assets	**(5)**	–
Share of loss from equity-accounted joint venture	**524**	229
Net effect of exchange rate changes in consolidating subsidiaries	**(95)**	(27)
Operating cash flows before changes in working capital	**284**	3,442
Inventories	**138**	(263)
Trade and other receivables	**838**	849
Other non-financial assets	**489**	(390)
Trade and other payables	**(564)**	(717)
Other non-financial liabilities	**972**	–
Net cash flows from operations before interest and tax	**2,159**	2,921
Income taxes paid	**(228)**	(696)
Net cash flows from operating activities	**1,929**	2,225
Cash flows used in investing activities		
Purchase of plant and equipment (Note 22A)	**(1,023)**	(1,721)
Deposit utilized/(paid) for acquisition of plant and equipment	**205**	(205)
Disposal of plant and equipment	**8**	85
Interest received	**73**	24
Net cash flows used in investing activities	**(737)**	(1,817)
Cash flows used in financing activities		
Dividend paid to equity shareholders	**(471)**	(1,498)
Repayment of loans and borrowings	**(458)**	(3,056)
Lease payments – principal and interest portion paid	**(504)**	(505)
Net movements in amount due to related parties	**(300)**	(1,638)
Interest paid	**(28)**	(60)
Net cash flows used in financing activities	**(1,761)**	(6,757)
Net decrease in cash and cash equivalents	**(569)**	(6,349)
Cash and cash equivalents, statement of cash flows, beginning balance	**9,518**	15,867
Cash and cash equivalents, statement of cash flows, ending balance (Note 22)	**8,949**	9,518

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

1. GENERAL

OTS Holdings Pte. Ltd. (the "Company") was incorporated on 3 March 2015 under the Companies Act as a private limited company. It is domiciled in Singapore. On 1 June 2021, the Company was converted to a public company limited by shares and changed its name to OTS Holdings Limited. On 17 June 2021, the Company was listed on the Catalist Board (the "Catalist") of Singapore Exchange Securities Trading Limited.

The financial statements are presented in Singapore dollar and they cover the Company (referred to as "parent") and its subsidiaries. All financial information have been rounded to the nearest thousand ("000"), except when otherwise stated.

The board of directors approved and authorized these financial statements for issue on the date of the statement by directors.

The registered office and principal place of business of the Company is located at 30 Senoko South Road, Singapore 758088. The Company is situated in Singapore.

The principal activity of the Company is those of an investment holding company. The principal activities of the subsidiaries are described in Note 17 to the financial statements.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related interpretations to SFRS(I) ("SFRS(I) INT") as issued by the Accounting Standards Committee. They are in compliance with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

1. GENERAL (CONT'D)

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Group's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 2C below, where applicable.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost and is subsequently accounted as equity instruments financial assets in accordance with the financial reporting standards on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the Company's separate statement of profit or loss and other comprehensive income is not presented.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Rental income

Rental income is recognised from operating leases as income on either a straight-line basis or another systematic basis over the term of the lease.

Miscellaneous income

Revenue from miscellaneous income is recognised when the Company satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the financial year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the financial year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each company in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant company operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the financial year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the financial year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant entity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the consolidated financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the financial year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the financial year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The estimated useful lives of property, plant and equipment are as follows:

Leasehold property	–	30 to 50 years
Cold room	–	20 years
Leasehold improvements	–	12 to 36 years
Plant and equipment	–	3 to 12 years
Restoration cost	–	36 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the financial year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 24 on non-current provision.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The estimated useful lives over the lease terms are as follows:

Leasehold land and office premise	–	5 to 34 years
Motor vehicles	–	5 years
Equipment	–	5 years

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Intangible assets (cont'd)

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Trademarks	–	3 to 5 years
Research and development costs	–	5 years

Leases of leasee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded (or included in property, plant and equipment). Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an finance cost. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the Company and the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the Company has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the Company controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. There were no business combinations during the reporting year.

Joint arrangements – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the Company is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The reporting interests in joint ventures are recognised using the equity method in accordance with the financial reporting standard on investments in associates and joint ventures.

Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of an investment in the joint venture are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of a joint venture in excess of the Company's interest in the relevant joint venture are not recognised except to the extent that the Company has an obligation. Profits and losses resulting from transactions between the Company and a joint venture are recognised in the consolidated financial statements only to the extent of unrelated company's interests in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of joint venture are changed where necessary to ensure consistency with the policies adopted by the Company. The Company discontinues the use of the equity method from the date that when its investment ceases to be a joint venture and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former joint venture is measured at fair value at the date that it ceases to be a joint venture.

Inventories

Inventories are measured at the lower of cost and net realisable value. Raw materials are measured at first-in, first-out ("FIFO") method. Work-in-progress and finished goods are measured at standard cost which approximate actual cost. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

3. Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

4. Financial asset classified as measured at fair value through profit or loss ("FVTPL"): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities

Financial liabilities are classified as at fair value through profit or loss ("FVTPL") in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the financial period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the financial year and in the event the fair values are disclosed in the relevant notes to the consolidated financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the financial year they occur.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2B. Other explanatory information (cont'd)

Segment reporting

The Group discloses financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Expected credit loss allowance on trade receivables

The allowance for expected credit losses (ECL) assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions. The carrying amounts might change materially within the next financial year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the financial year. The carrying amount is disclosed in the note on trade and other receivables.

Net realisable value of inventories

A review is made on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the financial year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the financial year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the financial period is disclosed in the note on inventories.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Useful lives of property, plant and equipment

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the financial year affected by the assumption are disclosed in note on property, plant and equipment.

Impairment of right-of-use assets

Significant judgement is applied by management when determining impairment of the right-of-use asset. Impairment is assessed for separable parts of leased buildings that have been or will be vacated in the near future. The impairment is sensitive to changes in estimated future expected sub-lease period. Judgement is also involved when determining whether sub-lease contracts are financial or operational, as well as when determining lease term for contracts that have extension or termination options. The carrying amount of the specific asset or class of assets at the end of the financial year affected by the assumption are disclosed in note of right-of-use assets.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the Company to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The controlling shareholders are Mr. Ong Bee Chip and Mr. Ong Bee Song.

3A. Members of a group

Name	Relationship	Country of incorporation
BCS Development Pte. Ltd.	Ultimate parent company	Singapore

Related companies in these consolidated financial statements include the members of the Company's group of companies.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3B. Related party transactions

There are transactions and arrangements between the Company and related parties and the effects of these on the basis determined between the parties are reflected in these consolidated financial statements. The related party balances and any financial guarantees are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances.

In addition to transactions and balances disclosed elsewhere in the notes to the consolidated financial statements, this item includes the following significant related party transactions:

	Group	
	2023	**2022**
	$'000	**$'000**
Related party		
Sales of goods[(a)]	**13**	–
Miscellaneous income[(b)]	**54**	104

	Group	
	2023	**2022**
	$'000	**$'000**
Other related parties – entity with no significant influence over the entity		
Purchase of forklifts and forklift maintenance and repair services[(c)]	**8**	19
Sales of goods[(d)]	**1,521**	1,295

(a) Sale of goods to a related party, PT Delta Bridge Foods, a subsidiary to the joint venture.

(b) Miscellaneous charges to a related party, PT Delta Bridge Foods, a subsidiary to the joint venture.

(c) The purchase of forklifts and forklift maintenance and repair services from a related party, Hock Eek Seng Machinery Pte Ltd ("Hock Eek Seng"), a company owned by the sibling of the directors, Mr. Ong Bee Chip and Mdm. Ong Chew Yong. Both directors have no significant controlling interest over Hock Eek Seng.

(d) Sale of goods to Swee Heng Bakery Pte Ltd ("Swee Heng"), a company owned by the sibling of the directors, Mr. Ong Bee Chip and Mdm. Ong Chew Yong. Both directors have no significant controlling interest over Swee Heng.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3C. Key management compensation

	Group	
	2023	2022
	$'000	$'000
Remuneration of key management personnel		
Salaries and other short-term employee benefits	**1,048**	1,035

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for all directors of the Group. The above remuneration of the key management personnel are included under employee benefits expenses.

3D. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Company	
Subsidiaries	2023	2022
	$'000	$'000
Other receivables		
Balance at beginning of the year	**2,753**	256
Amounts paid out and settlement of liabilities on behalf of the subsidiaries	**1,079**	2,497
Balance at end of the year (Note 20)	**3,832**	2,753

	Group		Company	
Related party	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Other receivables/(other payables)				
Balance at beginning of the year	**–**	(1,638)	**–**	(1,347)
Amounts paid out and settlement of liabilities on behalf of the related party	**300**	1,638	**300**	1,347
Balance at end of the year (Note 20)	**300**	–	**300**	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4A. Primary analysis by business segment

For management purposes, the Group is organised into four (4) major strategic operating segments: Modern Trade, General Trade and Food Services and Others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The Group distribute and sell their products via following market segments:

1) Modern Trade ("MT") refers to sales generated from major supermarkets.

2) General Trade ("GT") refers to sales generated from convenience stores, provision shops and wholesalers.

3) Food Services ("FS") refers to sales generated from hotels, restaurants, hawker centres, food courts, food and beverages stores, and caterers.

4) Others ("OT") refers to sales that are mainly generated from e-commerce platforms and the export markets. The OT segment also includes other income such as vehicle rental income and miscellaneous income.

Inter-segment sales are measured on the basis that the Group actually uses to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

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 primarily of property, plant and equipment, right-of-use assets, inventories, trade and other receivables, other assets and cash and cash equivalents. Segment liabilities comprise trade and other payables, loans and borrowings, lease liabilities, other financial liabilities, provisions and other liabilities.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before interest expenses, income taxes, depreciation and amortisation (called "Recurring EBITDA") and (2) operating result before income taxes and other unallocated items (called "PBT").

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4A. Primary analysis by business segment (cont'd)

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

The information on each business segment is as follows:

	2023 $'000	2022 $'000
Revenue by segment:		
Modern Trade ("MT")	**8,108**	9,018
General Trade ("GT")	**11,683**	15,396
Food Services ("FS")	**7,422**	6,175
Others ("OT")	**3,451**	3,547
Total	**30,664**	34,136

4B. Profit or loss from continuing operations and reconciliations

	MT $'000	GT $'000	FS $'000	OT $'000	Total $'000
2023:					
Revenue by segment					
Total revenue by segment	**8,108**	**11,683**	**7,422**	**27,992**	**55,205**
Inter-segment sales	**–**	**–**	**–**	**(24,541)**	**(24,541)**
Total revenue	**8,108**	**11,683**	**7,422**	**3,451**	**30,664**
Recurring EBITDA	**(435)**	**178**	**(21)**	**665**	**387**
Depreciation expenses	**(360)**	**(519)**	**(329)**	**(439)**	**(1,647)**
Amortisation of deferred capital grants	**40**	**57**	**37**	**17**	**151**
Finance costs	**(56)**	**(80)**	**(51)**	**(24)**	**(211)**
Share of loss from joint venture	**–**	**–**	**–**	**(524)**	**(524)**
PBT	**(811)**	**(364)**	**(364)**	**(305)**	**(1,844)**
Income tax expense					**(58)**
Loss net of income tax					**(1,902)**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4B. Profit or loss from continuing operations and reconciliations (cont'd)

	MT $'000	GT $'000	FS $'000	OT $'000	Total $'000
2022:					
Revenue by segment					
Total revenue by segment	9,018	15,396	6,175	11,069	41,658
Inter-segment sales	–	–	–	(7,522)	(7,522)
Total revenue	9,018	15,396	6,175	3,547	34,136
Recurring EBITDA	454	1,323	827	820	3,424
Depreciation expenses	(334)	(570)	(229)	(409)	(1,542)
Amortisation of deferred capital grants	30	51	21	12	114
Finance costs	(61)	(105)	(42)	(24)	(232)
Share of loss from joint venture	–	–	–	(229)	(229)
PBT	89	699	577	170	1,535
Income tax expense					(415)
Profit, net of income tax					1,120

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4C. Assets, liabilities and reconciliations

	MT $'000	GT $'000	FS $'000	OT $'000	Total $'000
2023:					
Segment assets	**9,420**	**13,573**	**8,623**	**4,231**	**35,847**
Investment in joint venture	**–**	**–**	**–**	**–**	**–**
Total assets	**9,420**	**13,573**	**8,623**	**4,231**	**35,847**
Segment liabilities	**2,169**	**3,126**	**1,986**	**1,169**	**8,450**
Deferred tax liabilities					**387**
Income tax payables					**112**
Total liabilities					**8,949**
2022:					
Segment assets	10,024	17,114	6,863	4,363	38,364
Investment in joint venture	–	–	–	532	532
Total assets	10,024	17,114	6,863	4,895	38,896
Segment liabilities	2,234	3,814	1,530	1,329	8,907
Deferred tax liabilities					596
Income tax payables					67
Total liabilities					9,570

4D. Other material items and reconciliations

	MT $'000	GT $'000	FS $'000	OT $'000	Total $'000
Expenditure for non-current assets					
As at 30 June 2023	287	413	263	122	1,085
As at 30 June 2022	455	776	311	179	1,721

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4E. Geographical information

	2023 $'000	2022 $'000
Revenue		
Singapore	**22,996**	23,656
Malaysia	**5,519**	8,700
Others	**2,149**	1,780
Total	**30,664**	34,136
Non-current assets		
Singapore	**13,438**	14,062
Malaysia	**479**	638
Others	**–**	532
Total	**13,917**	15,232

The Group operates in three (3) geographical region namely, Singapore, Malaysia and other countries. Other countries mainly comprise Indonesia, Philippines, Brunei, Myanmar and Hong Kong.

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments.

4F. Information on major customers

Customers who individually account for 5% or more of the Group's revenue is detailed below:

	2023 $'000	2022 $'000
Customer A	**4,410**	4,481
Customer B	**1,557**	1,868
Total	**5,967**	6,349

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

5. REVENUE

	Group	
	2023	**2022**
	$'000	**$'000**
Sale of goods	**30,388**	33,762
Rental of vehicles (Note 29)	**222**	222
Miscellaneous income	**54**	152
	30,664	34,136

The revenue from sales of goods and miscellaneous income are recognised based on point in time. The customers are distributors and retailers, local and foreign.

The revenue from rental of vehicles is from operating leases and recognised on straight-line basis over the term of the relevant leases.

6. OTHER INCOME AND GAINS AND (OTHER LOSSES)

	Group	
	2023	**2022**
	$'000	**$'000**
Amortisation of deferred capital grants (Note 27A)	**151**	114
Allowance for inventory obsolescence (Note 19)	**(48)**	(35)
Allowance for impairment of trade receivables (Note 20)	**(487)**	(11)
Bad debt written-off of trade receivables	**(21)**	(7)
Gain on disposal of plant and equipment	**8**	28
Gain on early termination of right-of-use assets	**5**	–
Government grants from Jobs Support Scheme	**–**	179
Other government grants and rebates	**191**	356
Interest income	**73**	24
Foreign exchange adjustments	**(431)**	(69)
Freight income	**11**	16
Miscellaneous income	**81**	109
Plant and equipment written-off	**(3)**	(2)
Net	**(470)**	702
Presented in profit or loss as:		
Other income and gains	**520**	826
Other losses	**(990)**	(124)
Net	**(470)**	702

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

7. MARKETING AND DISTRIBUTION COSTS

The major components include the following:

	Group	
	2023	**2022**
	$'000	**$'000**
Advertising and promotion	**913**	743
Delivery and transportation expenses – sales of goods	**1,429**	1,430

8. ADMINISTRATIVE EXPENSES

The major components include the following:

	Group	
	2023	2022
	$'000	$'000
Audit services		
– independent auditors of the Company	**109**	100
– other independent auditors	**20**	19
Non-audit services		
– independent auditors of the Company	**12**	43
Employee benefit expenses (Note 9)	**4,188**	4,034
Depreciation expenses		
– property, plant and equipment (Note 14)	**200**	200
– right-of-use assets (Note 15)	**286**	278
Fixed rental expense on short-term leases (Note 26)	**8**	12

9. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023	2022
	$'000	$'000
Salaries, bonuses and other short-term employee benefits	**7,192**	6,994
Contributions to defined contribution plan	**588**	537
Share-based payment expense (Note 9A)	**75**	95
Others	**46**	42
Total employee benefits expense	**7,901**	7,668
The employee benefits expense is charged under:		
Cost of sales	**3,713**	3,634
Administrative expenses (Note 8)	**4,188**	4,034
Total	**7,901**	7,668

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YEAR ENDED 30 JUNE 2023

9. EMPLOYEE BENEFITS EXPENSE (CONT'D)

9A. Share-based payment expense

This relates to a non-recurring non-cash expense recognised in accordance with SFRS(I) 2 for the transfer of the Company's shares by the ultimate parent company (BCS Development Pte. Ltd.) to 35 employees to recognise and award them for their past contributions and services, and to align their interests with the Group to encourage greater dedication and loyalty to the Group.

These shares will have a vesting period of 2 years from 17 July 2021 (date of listing).

The resulting value of these shares are to be expensed over vesting period. Management has based on the fair value of the Company's shares as at 17 July 2021 and recorded an expense of $75,000 as share-based payment expense with a corresponding increase in retained earnings for the reporting year ended 30 June 2023.

10. FINANCE COSTS

	Group	
	2023	**2022**
	$'000	**$'000**
Interest expenses		
– loan and borrowings	**28**	60
– lease liabilities (Note 26)	**183**	172
Total	**211**	232

11. INCOME TAX

11A. Components of tax expense recognised in profit or loss include

	Group	
	2023	**2022**
	$'000	**$'000**
Income tax expense		
Current year tax expense	**233**	229
Under adjustments to tax in respect of prior years	**34**	25
Subtotal	**267**	254
Deferred tax (income)/expense		
Deferred tax (income)/expense	**(286)**	188
Under/(over) adjustments to tax in respect of prior years	**77**	(27)
Subtotal	**(209)**	161
Total	**58**	415

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

11. INCOME TAX (CONT'D)

11A. Components of tax expense recognised in profit or loss include (cont'd)

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the parent is incorporated. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2022: 17%) to profit before income tax as a result of the following differences:

	Group	
	2023	**2022**
	$'000	**$'000**
(Loss)/profit before income tax	**(1,844)**	1,535
Share of loss from joint venture	**524**	229
	(1,320)	1,764
Income tax (income)/expense at the above rate	**(224)**	300
Effect of different tax rates in different countries	**(69)**	3
Under/(over) adjustments to tax in respect of prior years	**111**	(2)
Expenses not deductible for tax purpose	**283**	162
Tax exemptions and rebates	**(40)**	(43)
Others	**(3)**	(5)
Total income tax expense	**58**	415

There are no income tax consequences of dividends to owners of the Group.

11B. Deferred tax (income)/expense recognised in profit or loss include

	Group	
	2023	**2022**
	$'000	**$'000**
Excess of net book value of plant and equipment over tax value	**(203)**	128
Provision	**(6)**	32
Others	**–**	1
Total deferred tax (income)/expense	**(209)**	161

11C. Deferred tax balance in the statement of financial position

	Group	
	2023	**2022**
	$'000	**$'000**
Excess of net book value of plant and equipment over tax values	**(405)**	(608)
Provision	**18**	12
Deferred tax liabilities	**(387)**	(596)

It is impracticable to estimate the amount expected to be settled or used within one year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

12. DIVIDENDS ON EQUITY SHARES

	Group and Company	
	2023	**2022**
Interim and final tax exempt (1-tier) dividend		
Rate per share (in cents)	**0.22**	0.70
Total dividend ($'000)	**471**	1,498

There are no income tax consequences of the dividends to shareholders.

No dividend was declared for the current financial year.

For the reporting year ended 30 June 2022, the directors have proposed that a final dividend of 0.22 cent per share with a total of $470,800 be paid to shareholders after the annual general meeting. There are no income tax consequences on the Company. This dividend was approved by shareholders at the last annual general meeting and was fully paid during the current financial year.

13. EARNINGS/(LOSSES) PER SHARE

The earnings/(losses) per share is computed by dividing the profit/(loss) after tax attributable to owners of the Company against the weighted average number of shares, taken into account of share split for the respective reporting years.

The basic and diluted earnings per share for all respective financial periods are the same as the share option and performance shares granted are anti-dilutive taken into account of the share split and there were no other outstanding convertibles or other dilutive equity instruments.

The following illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2023	**2022**
	$'000	**$'000**
Numerator		
(Loss)/profit attributable to owners of the Company, net of income tax	**(1,902)**	1,120
	'000	**'000**
Denominator		
Weighted average number of equity share	**214,000**	214,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

14. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property $'000	Cold room $'000	Restoration cost $'000	Leasehold improvements $'000	Plant and equipment $'000	Total $'000
Cost						
At 1 July 2021	8,494	1,047	588	2,492	11,763	24,384
Additions	–	–	–	141	1,580	1,721
Disposals/written-off	–	–	–	–	(134)	(134)
Foreign exchange adjustments	–	–	–	(1)	(7)	(8)
At 30 June 2022	8,494	1,047	588	2,632	13,202	25,963
Additions	–	–	62	23	1,000	1,085
Disposals/written-off	–	–	–	–	(267)	(267)
Foreign exchange adjustments	–	–	–	(6)	(33)	(39)
At 30 June 2023	8,494	1,047	650	2,649	13,902	26,742
Accumulated depreciation						
At 1 July 2021	2,996	464	64	1,948	8,015	13,487
Depreciation for the year	219	50	17	96	808	1,190
Disposals/written-off	–	–	–	–	(75)	(75)
Foreign exchange adjustments	–	–	–	(1)	(3)	(4)
At 30 June 2022	3,215	514	81	2,043	8,745	14,598
Depreciation for the year	220	51	16	94	906	1,287
Disposals/written-off	–	–	–	–	(264)	(264)
Foreign exchange adjustments	–	–	–	(2)	(15)	(17)
At 30 June 2023	3,435	565	97	2,135	9,372	15,604
Net carrying value						
At 1 July 2021	5,498	583	524	544	3,748	10,897
At 30 June 2022	5,279	533	507	589	4,457	11,365
At 30 June 2023	5,059	482	553	514	4,530	11,138

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Allocation of the depreciation expense as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Cost of sales	**1,087**	990
Administrative expenses (Note 8)	**200**	200
	1,287	1,190

Company	**Plant and equipment $'000**
Cost	
At 1 July 2021	423
Additions	7
Disposal	(430)
At 30 June 2022 and 30 June 2023	–
Accumulated depreciation	
At 1 July 2021	283
Depreciation for the year	–
Disposal	(283)
At 30 June 2022 and 30 June 2023	–
Net carrying value	
At 1 July 2021	140
At 30 June 2022 and 30 June 2023	–

The depreciation expense of the Company is charged to administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

15. RIGHT-OF-USE ASSETS

Group	Leasehold land and office premise $'000	Motor vehicles $'000	Equipment $'000	Total $'000
Cost				
At 1 July 2021	2,873	982	70	3,925
Additions	171	–	–	171
Foreign exchange adjustments	(6)	–	–	(6)
At 30 June 2022	3,038	982	70	4,090
Additions	–	–	45	45
Disposal	–	–	(70)	(70)
Foreign exchange adjustments	(37)	–	–	(37)
At 30 June 2023	3,001	982	45	4,028
Accumulated depreciation				
At 1 July 2021	212	366	30	608
Depreciation for the year	141	196	15	352
Foreign exchange adjustments	(2)	1	1	–
At 30 June 2022	351	563	46	960
Depreciation for the year	148	196	16	360
Disposal	–	–	(61)	(61)
Foreign exchange adjustments	(10)	–	–	(10)
At 30 June 2023	489	759	1	1,249
Net carrying value				
At 1 July 2021	2,661	616	40	3,317
At 30 June 2022	2,687	419	24	3,130
At 30 June 2023	2,512	223	44	2,779

The leasehold land is from the Jurong Town Corporation ("JTC") for thirty (30) years lease term from September 1993 and expiring in September 2023. The Group has complied with the required investment criteria and has been granted an additional term of thirty (30) years commencing from September 2023, although the lease in respect of the additional term of thirty (30) years has not been executed.

Rentals are subject to an escalation clause but the amount of the rent increase is not to exceed the contractual rental revision scheme of increment at 7.6% per annum of the annual rent of the immediate preceding year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

15. RIGHT-OF-USE ASSETS (CONT'D)

Allocation of the depreciation expense as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Cost of sales	**74**	74
Administrative expenses (Note 8)	**286**	278
	360	352

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

	Leasehold land and office premise	**Motor vehicles**	**Equipment**
2023:			
Number of right-of-use assets	**4**	**8**	**1**
Remaining term – range (years)	**1 – 30**	**2**	**5**
2022:			
Number of right-of-use assets	4	8	1
Remaining term – range (years)	2 – 31	3	1

Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. For leases over properties the leases require those properties in a good state of repair and return the properties in their original condition at the end of the lease. Insurance and maintenance fees on right-of-use assets are usually required under the lease contracts.

The net carrying value of right-of-use assets are under lease liabilities agreements (Note 26).

16. INTANGIBLE ASSETS

Group	**Research and development costs $'000**	**Trademark $'000**	**Total $'000**
Cost			
At 1 July 2021, 30 June 2022 and 30 June 2023	94	15	109
Accumulated amortisation			
At 1 July 2021, 30 June 2022 and 30 June 2023	94	15	109
Net carrying value			
At 1 July 2021, 30 June 2022 and 30 June 2023	–*	–*	–*

* Below $1,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 $'000	2022 $'000
Unquoted shares, at cost		
At beginning of the year	**14,971**	14,771
Additions	**–**	200
At end of the year	**14,971**	14,971
Carrying value in the books of the Company, comprising:		
Unquoted equity shares, at cost	**14,971**	14,971
Total, at cost	**14,971**	14,971
Movements during the year, at cost		
At beginning of the year	**14,971**	14,771
Additions	**–**	200
At end of the year	**14,971**	14,971

The wholly owned subsidiaries held by the Company are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost of investment		Percentage of effective equity held by the Company and the Group	
	2023 $'000	2022 $'000	2023 %	2022 %
Subsidiaries				
Golden Bridge Foods Manufacturing Pte Ltd ("GB")[a] Singapore Manufacturing and sale of non-halal meat products	**13,971**	13,971	**100**	100
Ellaziq Private Limited ("Ellaziq")[a] Singapore Manufacturing and sale of halal meat products	**800**	800	**100**	100
OTS International Pte Ltd ("OTSI")[a] Singapore Wholesale of food products and groceries including retail sales via internet (Incorporated on 1 January 2022)	**200**	200	**100**	100
	14,971	14,971		

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Percentage of equity interest held	
	2023	2022
	%	%
Held through subsidiaries of the Company		
GB Global (Malaysia) Sdn Bhd[b]		
Malaysia		
Sale of non-halal and halal meat products	**100**	100
Ellaziq (Malaysia) Sdn Bhd[b]		
Malaysia		
Sale of halal meat products	**100**	100
GB Global Philippines Corporation[c]		
Philippines		
Sale of non-halal and halal meat products	**100**	100

(a) Audited by RSM Chio Lim LLP.

(b) Audited by RSM Malaysia, a member firm of RSM International of which RSM Chio Lim LLP in Singapore is a member.

(c) The unaudited management financials as at 30 June 2023 of GB Global Philippines Corporation ("GBGP") have been used for consolidation as GBGP is not material.

18. INVESTMENT IN JOINT VENTURE

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Carrying value in the books of the Company, comprising:				
Unquoted equity shares, at cost	**950**	950	**950**	950
Share of loss	**(941)**	(417)	**–**	–
Foreign exchange differences	**(9)**	(1)	**–**	–
Impairment	**–**	–	**(950)**	–
Total, at cost	**–**	532	**–**	950

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

18. INVESTMENT IN JOINT VENTURE (CONT'D)

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Movements during the year, at cost				
At beginning of the year	**532**	760	**950**	500
Addition	**–**	–	**–**	450
Share of loss	**(524)**	(229)	**–**	–
Allowance for impairment of investment[a]	**–**	–	**(950)**	–
Foreign exchange differences	**(8)**	1	**–**	–
At end of the year	**–**	532	**–**	950
Share of net book value of joint venture	**–**	532		

The continuous losses of the joint venture was considered sufficient evidence to trigger the impairment test. The impairment test has resulted in the recognition of a loss. Accordingly, the cost of investment in the joint venture concerned has been fully impaired in reporting year ended 30 June 2023.

The listing and information on the joint venture is given below:

Name of joint venture, country of incorporation, place of operations and principal activities	Cost of investment		Percentage of effective equity interest held by Group	
	2023 $'000	2022 $'000	2023 %	2022 %
Delta Bridge Pte. Ltd.[a] Singapore Holding company	**950**	950	**50**	50
Subsidiary of the joint venture				
PT Delta Bridge Foods[b] Indonesia Manufacturing and sale of non-halal meat products	**219**	219	**90**	90

(a) Audited by RSM Chio Lim LLP.

(b) The joint venture's unaudited management financial statement as at 30 June 2023 have been used for consolidation as the joint venture is not material.

The Group jointly controls the joint venture with other partners under the contractual agreements that require unanimous consent or more than half of board of directors' consent for all major decisions over the relevant activities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

18. INVESTMENT IN JOINT VENTURE (CONT'D)

The summarised financial information of the joint venture and the amounts (and not the Group's share of those amounts) based on the financial statements are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Revenues	**–**	–
Total comprehensive loss	**(1,311)**	(507)
Non-current assets	**8**	911
Current assets	**571**	578
Non-current liabilities	**(167)**	(181)
Current liabilities	**(689)**	(307)
Non-controlling interests	**120**	62
Reconciliation:		
Net assets of the joint venture	**(157)**	1,063
Proportion of the reporting entity's interest in the joint venture	**50%**	50%
Proportion of the Group's interest in the joint venture	**–**	532

On 12 March 2019, the Company and Hogsworld Pte Ltd agreed to combine their asset management and services activities by establishing a separate vehicle – Delta Bridge Pte. Ltd. ("Delta Bridge"). The parties expect the arrangement to benefit them in processing and manufacturing of Chinese sausages and other meat products (the "Products") and marketing and distribution of the Products. Delta Bridge's legal form is that it causes the separate vehicle to be considered in its own right. Each of the Company and the other party holds 50% shareholding interests in Delta Bridge Pte. Ltd. The shareholders' agreement establishes joint control of the activities of Delta Bridge. The joint arrangement is carried out through a separate vehicle whose legal form confers separation between the parties and the separate vehicle and the parties have rights to the net assets of Delta Bridge. The parties recognise their rights to the net assets of Delta Bridge as investments and account for them using the equity method.

19. INVENTORIES

	Group	
	2023	**2022**
	$'000	**$'000**
Finished goods	**4,583**	5,024
Raw materials	**3,399**	3,038
Work in progress	**41**	51
Less allowance for impairment	**(83)**	(35)
	7,940	8,078
Movements in above allowance on inventory obsolescence		
Balance at beginning of the year	**35**	–
Charged to profit or loss included in other losses (Note 6)	**48**	35
Balance at end of the year	**83**	35

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

19. INVENTORIES (CONT'D)

	Group	
	2023	**2022**
	$'000	**$'000**
Changes in inventories of finished goods and work-in-progress	**(451)**	483
Raw materials and consumable used	**16,595**	17,817

There are no inventories pledged as security for liabilities.

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables				
Outside parties	**4,702**	4,724	**14**	37
Related party (Note 3)	**87**	420	**–**	–
Subsidiaries (Note 3)	**–**	–	**–**	12
Less allowance for impairment	**(194)**	(11)	**–**	–
Subtotal	**4,595**	5,133	**14**	49
Other receivables				
Subsidiaries (Note 3)	**–**	–	**3,832**	2,753
Related party (Note 3)	**300**	–	**300**	–
Less allowance for impairment	**(300)**	–	**(300)**	–
Subtotal	**–**	–	**3,832**	2,753
Total trade and other receivables	**4,595**	5,133	**3,846**	2,802
Movements in above allowance on trade and other receivables:				
Balance at beginning of the year	**11**	–	**–**	–
Charged for trade receivables to profit or loss included in other losses (Note 6)	**487**	11	**300**	–
Foreign exchange differences	**(4)**	–	**–**	–
Balance at end of the year	**494**	11	**300**	–

The expected credit losses ("ECL") on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets.

The Group's customers can be credit risk graded individually and these are recorded at inception net of expected lifetime ECL. These receivables are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. At every reporting year end, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. There are no collateral held as security and other credit enhancements for the trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

20. TRADE AND OTHER RECEIVABLES (CONT'D)

The receivables have common risk characteristics as compared to previous period. There were no significant bad debts noticed in the previous period. The Group assesses the credit risk of its customers individually. The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

At each subsequent financial date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the financial date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

As part of the process of setting customer credit limits, different credit terms are used. The Group's normal trade credit term ranges from cash to 90 days (2022: cash to 90 days). But some customers take a longer period to settle the amounts.

Ageing analysis of the age of trade receivable amounts as at the end of financial year but not impaired:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables				
Within due date	**4,064**	4,382	**14**	44
61 – 90 days	**279**	393	**–**	–
91 – 120 days	**130**	136	**–**	4
Over 120 days	**122**	222	**–**	1
Total	**4,595**	5,133	**14**	49

Majority of the Group's trade receivable amounts that were past due at the end of the financial years 2023 and 2022 have been settled after the end of the respective financial years.

Concentration of trade receivable customers as at the end of reporting year:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Top 1 customer	**870**	646	**–**	4
Top 2 customers	**1,120**	931	**–**	5
Top 3 customers	**1,274**	1,109	**–**	5

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

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YEAR ENDED 30 JUNE 2023

21. OTHER NON-FINANCIAL ASSETS

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Advance payment to suppliers	**62**	530	**–**	–
Prepayments	**174**	230	**51**	102
Deposit for purchase of plant and equipment	**–**	205	**–**	–
Deposits to secure services	**210**	175	**–**	–
Total	**446**	1,140	**51**	102
Presented in the statement of financial position				
Current	**446**	935	**51**	102
Non-current	**–**	205	**–**	–
	446	1,140	**51**	102

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Not restricted in use	**8,949**	9,518	**2,314**	4,613

The interest earning balances are not significant.

22A. Reconciliation of purchase of plant and equipment arising from investing activities

	Group	
	2023 $'000	**2022 $'000**
Acquisitions of plant and equipment (Note 14)	**1,085**	1,721
Provision for reinstatement cost (Note 24)	**(62)**	–
Net purchase of plant and equipment	**1,023**	1,721

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

22. CASH AND CASH EQUIVALENTS (CONT'D)

22B. Reconciliation of liabilities arising from financing activities

Group	At beginning of the year $'000	Cash flows $'000	Non-cash changes $'000	At end of the year $'000
2023:				
Loan and borrowings	**1,266**	**(458)**	**–**	**808**
Lease liabilities	**3,324**	**(504)**	**186**[(a)]	**3,006**
Total liabilities from financing activities	**4,590**	**(962)**	**186**	**3,814**
2022:				
Loan and borrowings	4,322	(3,056)	–	1,266
Lease liabilities	3,492	(505)	337[(a)]	3,324
Total liabilities from financing activities	7,814	(3,561)	337	4,590

(a) Interest expense, recognition and modification of lease liabilities.

23. SHARE CAPITAL

	2023		2022	
	Number of shares Issued '000	Share capital $'000	Number of shares issued '000	Share capital $'000
Balance at beginning and at end of the year	**214,000**	**22,469**	214,000	22,469

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

Capital management

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and retained earnings).

NOTES TO THE FINANCIAL STATEMENTS

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23. SHARE CAPITAL (CONT'D)

Capital management (cont'd)

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2023	**2022**
	$'000	**$'000**
Net debt		
All current and non-current borrowings including lease liabilities	**3,814**	4,590
Less cash and cash equivalents	**(8,949)**	(9,518)
Net cash	**(5,135)**	(4,928)
Adjusted capital		
Total equity	**26,898**	29,326
Debt-to-adjusted capital ratio	**N.M**	N.M

The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings as the Group is in net cash position.

24. PROVISION

	Group	
	2023	**2022**
	$'000	**$'000**
Provision for restoration cost		
At beginning of the year	**588**	588
Additions	**62**	–
At end of the year	**650**	588
Movements during the year		
At beginning of the year	**588**	588
Additions	**62**	–
At end of the year	**650**	588

Provision for restoration costs is recognised when the reporting entity enters into a lease agreement for the leasehold land. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the reporting entity to the leasehold land, where reinstatement is required. The leasehold land shall be reinstated to the condition set up in the lease agreement upon the expiration of the lease agreement.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

25. LOANS AND BORROWINGS

	Group	
	2023 $'000	2022 $'000
Non-current		
Bank loans (Note 25A)	**590**	760
Current		
Bank loans (Note 25A)	**218**	506
Total	**808**	1,266
The non-current portion is repayable as follows:		
Due within 2 to 5 years	**590**	760

25A. Bank loans

The bank loans consist of the following:

	Group	
	2023 $'000	2022 $'000
Non-current		
Bank loan 1 (secured)	**–**	55
Bank loan 2 (secured)	**590**	705
Subtotal	**590**	760
Current		
Bank loan 1 (secured)	**79**	337
Bank loan 2 (secured)	**139**	169
Subtotal	**218**	506
Total	**808**	1,266

The number of monthly repayments and commencing dates are as follows:

Group	Number of monthly equal instalments	Commencement date
Bank loan 1 (secured)	120	January 2012
Bank loan 2 (secured)	120	April 2018

The interest rates range between 2.10% to 5.16% (2022: 1.77% to 2.90%) per annum. All borrowings are interest bearing. The carrying amount of the bank loans is a reasonable approximation of fair values (Level 2).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

25. LOANS AND BORROWINGS (CONT'D)

25A. Bank loans (cont'd)

Bank loans 1 and 2 (secured)

The loans are secured by legal mortgage over the property at 30 Senoko South Road Singapore 758088 and corporate guarantee from the Company.

26. LEASE LIABILITIES

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

The movements of the carrying amount of lease liabilities during the reporting year are as follows:

	2023 $'000	2022 $'000
Group		
At beginning of the year	**3,324**	3,492
Additions	**45**	171
Gain on early termination of right-of-use assets	**(14)**	–
Accretion of interest	**183**	172
Lease payments – principal and interest portion paid	**(504)**	(505)
Foreign exchange difference	**(28)**	(6)
At end of the year	**3,006**	3,324
Presented in the statement of financial position		
Current	**328**	324
Non-current	**2,678**	3,000
	3,006	3,324

The lease liabilities above do not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liabilities and the right-of-use assets. The right-of-use assets are disclosed in Note 15.

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is disclosed in Note 31E.

The weighted average incremental borrowing rates applied to lease liabilities recognised ranged from 3.50% to 5.09% (2022: 3.50% to 5.09%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

26. LEASE LIABILITIES (CONT'D)

The following are the amounts recognised in profit or loss:

	2023 $'000	2022 $'000
Fixed rental expense on short-term leases – administrative expenses (Note 8)	**8**	12

27. OTHER NON-FINANCIAL LIABILITIES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deferred capital grant (Note 27A)	**926**	105	**–**	6
	926	105	**–**	**6**
Presented in the statement of financial position				
Current	**85**	59	**–**	6
Non-current	**841**	46	**–**	–
	926	105	**–**	6

27A. Deferred capital grant

Deferred capital grants related to government grants received from the acquisition of equipment for operating activities undertaken by the Group. There are no unfulfilled conditions or conditions affected to these grants.

A summary of deferred capital grants movement is as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Balance at beginning of the year	**105**	219	**6**	14
Capital grants received	**972**	–	**–**	–
Amortised to profit or loss included in other gains (Note 6)	**(151)**	(114)	**(6)**	(8)
Balance at end of the year	**926**	105	**–**	6

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade payables				
Outside parties and accrued liabilities	**3,041**	3,590	**63**	226
Subsidiaries (Note 3)	**–**	–	**109**	89
Subtotal	**3,041**	3,590	**172**	315
Other payables				
Deposits received	**19**	34	**–**	–
Subtotal	**19**	34	**–**	–
Total	**3,060**	3,624	**172**	315

29. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

At the end of the reporting year, the total of undiscounted lease amounts to be received on an annual basis on the operating lease let out is not significant.

	Group	
	2023 $'000	2022 $'000
Rental income for the year	**222**	222

Operating lease income is for the rental of vehicles. The lease to the outside party tenant is on yearly basis with no commitment terms.

30. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the consolidated financial statements are as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Capital commitments in respect of:				
– commitments to purchase plant and equipment	**16**	471	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

31A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Financial assets				
Financial assets at amortised cost	**13,544**	14,651	**6,160**	7,415
Financial liabilities				
Financial liabilities at amortised cost	**6,855**	8,180	**172**	315

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

31B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures Management has certain practices for the management of financial risks. However, these are not formally documented in written form.

The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.

2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.

3. All financial risk management activities are carried out and monitored by senior staff.

4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the consolidated financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

31D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 22 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2022: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year $'000	2 – 5 Years $'000	After 5 years $'000	Total $'000
Non-derivatives financial liabilities				
2023:				
Gross borrowings commitments	**252**	**648**	**–**	**900**
Gross lease liabilities	**467**	**919**	**3,958**	**5,344**
Trade and other payables	**3,041**	**–**	**–**	**3,041**
At end of the year	**3,760**	**1,567**	**3,958**	**9,285**
2022:				
Gross borrowings commitments	524	786	–	1,310
Gross lease liabilities	478	1,219	4,116	5,813
Trade and other payables	3,590	–	–	3,590
At end of the year	4,592	2,005	4,116	10,713

Company	Less than 1 year $'000	2 – 5 Years $'000	After 5 years $'000	Total $'000
Non-derivatives financial liabilities				
2023:				
Trade and other payables	172	–	–	172
2022:				
Trade and other payables	315	–	–	315

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Bank facilities:

	Group	
	2023 $'000	2022 $'000
Undrawn borrowing facilities	**11,750**	9,250

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations.

31F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed interest rates and floating interest rates. The following table analyses the breakdown of the significant financial instruments (excluding derivatives) by type of interest rate:

	Group	
	2023 $'000	2022 $'000
Financial liabilities with interest		
Fixed rates	**3,006**	3,324
Floating rates	**808**	1,266
	3,814	4,590

The floating rate debt instruments are with interest rates that are re-set regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis:

	Group	
	2023 $'000	2022 $'000
Financial liabilities		
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an effect on pre-tax profit for the year by	**8**	13

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currency:

Group	United States dollar	Euro	Total
2023:	$'000	$'000	$'000
Financial assets			
Cash and cash equivalents	**145**	**41**	**186**
Net financial assets at end of the year	**145**	**41**	**186**
2022:			
Financial assets			
Cash and cash equivalents	95	115	210
Net financial assets at end of the year	95	115	210

This is exposure foreign currency risk as part of its normal business.

Sensitivity analysis:

	2023 $'000	2022 $'000
A hypothetical 10% strengthening in the exchange rate of the functional currency S$ against the following currencies with all other variables held constant would have an adverse effect on pre-tax profit of		
– United States dollar	**(15)**	(10)
– Euro	**(4)**	(12)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31G. Foreign currency risks (cont'd)

The table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

32. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year, new or revised financial reporting standards were issued by the Accounting Standards Committee. Those applicable to the reporting entity are listed below. Those applicable new or revised standard did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS(I) No.	Title
SFRS(I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments
SFRS(I) 3	Definition of a Business – Reference to the Conceptual Framework – Amendments
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

33. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years certain new or revised financial reporting standards were issued by the Accounting Standards Committee and these will only be effective for future reporting years. Those applicable to the Group for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the consolidated financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 1-1	Presentation of Financial Statements – Amendment relating to Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 1-1	Disclosure of Accounting Policies – Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Making Materiality Judgements	1 January 2023
SFRS(I) 1-8	Definition of Accounting Estimates – Amendments	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments	1 January 2023

STATISTICS OF SHAREHOLDINGS

AS AT 12 SEPTEMBER 2023

Issued and fully paid-up capital	:	S$22,901,188
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
Number of issued shares	:	214,000,000
Number of treasury shares	:	NIL
Number of subsidiary holdings	:	NIL

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

AS AT 12 SEPTEMBER 2023

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	89	11.56	78,000	0.04
1,001 – 10,000	320	41.56	1,636,400	0.76
10,001 – 1,000,000	353	45.84	24,958,027	11.66
1,000,001 and Above	8	1.04	187,327,573	87.54
TOTAL	**770**	**100.00**	**214,000,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT 12 SEPTEMBER 2023

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	BCS DEVELOPMENT PTE. LTD.	160,049,670	74.79
2	ONG BEE CHIP	8,932,608	4.17
3	LIM GUAN PHENG	6,233,800	2.91
4	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,371,000	2.04
5	ONG CHEW YONG	2,929,895	1.37
6	DBS NOMINEES PTE LTD	2,529,600	1.18
7	KOH AH NGO	1,280,000	0.60
8	GOH GUAN SIONG (WU YUANXIANG)	1,001,000	0.47
9	IFAST FINANCIAL PTE LTD	991,800	0.46
10	LIM KIM HUAT	977,300	0.46
11	UOB KAY HIAN PTE LTD	952,827	0.45
12	NG BOON ANN	860,000	0.40
13	LIM KAR HWEE	684,800	0.32
14	PHILLIP SECURITIES PTE LTD	599,400	0.28
15	TAN HANG HUA	580,000	0.27
16	OCBC SECURITIES PRIVATE LTD	566,000	0.26
17	TAN LAY HOON	530,000	0.25
18	RAFFLES NOMINEES (PTE) LIMITED	463,300	0.22
19	CHEW THYE CHUAN OR TAN SEW MAI	449,900	0.21
20	TEO PHANG YAN	419,000	0.20
	Total:	**195,401,900**	**91.31**

STATISTICS OF SHAREHOLDINGS

AS AT 12 SEPTEMBER 2023

SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interests	
No.	Name	No. of shares held	%	No. of shares held	%
1.	BCS Development Pte. Ltd.[(1)(2)(3)]	160,549,670	75.02	110,000	0.05
2.	Ong Bee Song[(1)]	–	–	160,659,670	75.07
3.	Ong Bee Chip[(1)]	8,932,608	4.17	160,659,670	75.07

Notes:

(1) BCS Development Pte. Ltd. ("**BCS**") is an investment holding company incorporated in Singapore on 11 April 2021. BCS is owned by Ong Bee Chip (50.0%), Ong Bee Song (33.3%), and Ong Chew Yong (16.7%). Accordingly, each of Ong Bee Chip and Ong Bee Song is deemed to have an interest in the shares in which BCS has an interest, by virtue of section 7 of the Companies Act 1967 of Singapore (the "**Companies Act**").

(2) BCS is deemed to have an interest in the 110,000 Employee Shares held by the 3 employees to whom the Employee Shares were transferred in the course of the BCS Restructuring by virtue of section 4 of the SFA.

(3) 500,000 ordinary shares held by BCS through the nominee account maintained with UOB Kay Hian Private Limited.

COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL SECTION B: RULES OF CATALIST

Based on information available and to the best knowledge of the Directors, as at 12 September 2023, approximately 19.25% of the ordinary shares of the Company are held by the public. The Company is therefore in compliance with Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of OTS Holdings Limited (the "**Company**") will be held at 30 Senoko South Road, Singapore 758088 on Tuesday, 24 October 2023 at 2.30 p.m. (the "**AGM**" or the "**Meeting**") for the purpose of transacting the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fee of S$124,000 for the financial year ending 30 June 2024, to be paid quarterly in arrears. **(Resolution 2)**

3. To re-elect Ms. Tan Poh Hong who is retiring by rotation pursuant to Regulation 96 of the Constitution of the Company, and who, being eligible, offers herself for re-election. *(See Explanatory Note 1)* **(Resolution 3)**

4. To re-elect Mdm. Ong Chew Yong who is retiring by rotation pursuant to Regulation 96 of the Constitution of the Company, and who, being eligible, offers herself for re-election. *(See Explanatory Note 2)* **(Resolution 4)**

5. To re-appoint Messrs RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business which may properly be transacted at an AGM.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

7. **Authority to allot and issue shares** **(Resolution 6)**

That, pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual (Section B: Rules of Catalist) of the Listing Manual ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force), issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of Shares and convertible securities to be allotted and issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be allotted and issued other than on a *pro rata* basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares.

Provided further that adjustments in accordance with (i) and (ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution approving the mandate.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Companies Act, and otherwise, the Company's Constitution for the time being; and

(4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the Company's next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.
(See Explanatory Note 3)

NOTICE OF ANNUAL GENERAL MEETING

8. **Proposed Renewal of the General Mandate for Interested Person Transactions (Resolution 7)**

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), for the Company, its subsidiaries and associated companies (if any) which fall within the definition of "entities at risk" under Chapter 9 of the Catalist Rules, or any of them, to enter into any of the transactions falling within the categories of interested person transactions described in the "Letter to Shareholders in relation to Proposed Renewal of the General Mandate for Interested Person Transactions" enclosed in the Company's Annual Report 2023 with Swee Heng Bakery Pte Ltd, provided that such transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders, and are entered into in accordance with the review procedures for such interested person transactions (the "**IPT General Mandate**");

(b) the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier;

(c) the Audit and Risk Management Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the review procedures and/or modify or implement such review procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules, which may be prescribed by the SGX-ST from time to time; and

(d) each of the Directors be and is hereby authorised and empowered to complete and do and execute all such things and acts as he/she may consider necessary or appropriate to give effect to this resolution and IPT General Mandate, with such modifications thereto (if any) as he/she may think fit in the interests of the Company.
(See Explanatory Note 4)

BY ORDER OF THE BOARD

Chan Lai Yin
Lee Bee Fong
Company Secretaries

Singapore, 9 October 2023

Explanatory Notes:

1. Ms. Tan Poh Hong, upon re-election as a Director of the Company, will remain as a Non-Executive Independent Director, the Chairman of Nominating Committee and member of Audit and Risk Management Committee and Remuneration Committee. The Board considers Ms. Tan Poh Hong to be independent for the purpose of Rule 704(7) of the Catalist Rules. Pursuant to Rule 720(5) of the Catalist Rules, further information on Ms. Tan Poh Hong is set out in the section entitled Additional Information on Re-election of Directors of the Company's Annual Report 2023.

2. Mdm. Ong Chew Yong, upon re-election as a Director of the Company, will remain as Executive Director of the Company. Pursuant to Rule 720(5) of the Catalist Rules, further information on Mdm. Ong Chew Yong is set out in the section entitled Additional Information on Re-election of Directors of the Company's Annual Report 2023.

NOTICE OF ANNUAL GENERAL MEETING

3. Resolution 6 in item 7 above, if passed, will empower the Directors of the Company, effective from the date of the AGM until conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in a general meeting but within the limitation imposed by this resolution, for such purposes as the Directors of the Company may consider would be in the best interest of the Company. The aggregate number of Shares (including Shares to be made pursuant to Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of this Resolution. For issues of Shares (including Shares to be made in pursuance to Instruments made or granted pursuant to this Resolution) other than a *pro rata* basis to all shareholders shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution.

4. Resolution 7 in item 8 above, if passed, will renew the IPT Mandate initially approved by shareholders on 31 May 2021 to allow the EAR Group (as defined in "Letter to Shareholders in relation to Proposed Renewal of the General Mandate for Interested Person Transactions" enclosed in the Company's Annual Report 2023 (the "**Letter**")), or any of them, to enter into transactions with the Mandated Interested Person (as defined in the Letter). Please refer to the Letter for details relating to the said IPT General Mandate.

OTHER NOTES:

(i) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

(ii) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

(iii) The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form shall be treated as invalid.

(iv) The instrument appointing a proxy or proxies must be submitted either:

(a) by post and deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or

(b) electronically, via email to sg.is.proxy@sg.tricorglobal.com,

in either case, to be received no later than 2.30 p.m. on 21 October 2023, being not less than seventy-two (72) hours before the time appointed for holding of the AGM.

(v) An investor who buys shares using SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his/her vote(s) at the AGM in person. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the SRS Investors shall be precluded from attending the AGM. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective agent banks or SRS operators to submit their votes by 2.30 p.m. on 13 October 2023.

(vi) Members may also submit questions relating to the resolutions to be tabled for approval at the AGM in advance no later than 2.30 p.m. on 16 October 2023 via any of the following means:

(a) by email to shiya.ong@ots-holdings.com; or

(b) in hard copy by sending personally or by post to the Company's principal place of business at 30 Senoko South Road, Singapore 758088.

Members submitting questions are required to provide their particulars as follows:

(a) Full name (for individuals)/company name (for corporates) as per CDP/SRS account records;

(b) National Registration Identity Card Number or Passport Number (for individuals)/Company Registration Number (for corporates);

(c) Number of shares in the capital of the Company held;

(d) Contact Number; and

(e) Email Address.

(vii) Members are strongly encouraged to submit questions and Proxy Forms electronically via email.

NOTICE OF ANNUAL GENERAL MEETING

(viii) The Management and Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members by 2.30 p.m. on 19 October 2023, with the responses published on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.ots-holdings.com/investor-relation. The Company endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) subsequent substantial and relevant questions which are received after its responses referred to above, at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

(ix) The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNET, and the minutes will include the responses to the questions which are addressed during the AGM, if any.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the annual general meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the annual general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the annual general meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

The contact person for the Sponsor is Ms. Audrey Mok (Tel: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

ADDITIONAL INFORMATION ON RE-ELECTION OF DIRECTORS

Name of Director	Tan Poh Hong ("Ms. Tan")	Ong Chew Yong ("Mdm. Ong")
Date of Appointment	19 May 2021	3 March 2015
Date of last re-appointment (if applicable)	29 October 2021	29 October 2021
Age	64	63
Country of principal residence	Singapore	Singapore
The Board's Comments on the appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Ms. Tan as the Non-Executive and Independent Director was recommended by the Nominating Committee ("**NC**") and the Board has accepted the recommendation, after taking into consideration her qualifications, past experience and overall contribution since she was appointed as a Director of the Company.	The re-election of Mdm. Ong as the Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her qualifications, past experience and overall contribution since she was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. Mdm. Ong is responsible for overseeing the overall Group's general operations including human resources, procurement, general management and administration. Mdm. Ong also plays a vital role in the overall implementation of information technology initiatives within the Group to improve its production and efficiency.
Job title (e.g. Lead ID, AC Chairman, AC Member etc)	Non-Executive and Independent Director, Chairman of NC, and member of Audit and Risk Management Committee and Remuneration Committee.	Executive Director
Professional Qualifications	– Master of Business Administration (with Distinction), New York University – Bachelor of Science (Honours) in Estate Management, National University of Singapore	– Advanced Professional Qualification in Global Business Leadership and International Relations, McDonough School of Business, Georgetown University

ADDITIONAL INFORMATION ON RE-ELECTION OF DIRECTORS

Name of Director	Tan Poh Hong ("Ms. Tan")	Ong Chew Yong ("Mdm. Ong")
Working experience and occupation(s) during the past 10 years	March 2009 to September 2017: Chief Executive Officer of Agri-Food and Veterinary Authority of Singapore	(a) May 2005 to May 2021: Operations Director of Golden Bridge Foods Manufacturing Pte Ltd ("**Golden Bridge**"). (b) August 2018 to May 2021: Operations Director of Ellaziq Private Limited ("**Ellaziq Singapore**"). (c) May 2021 to present: Executive Director of Golden Bridge and Ellaziq Singapore.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Direct interest: 2,929,895 shares in the Company (1.37%). Deemed interest: 30,000 shares in the Company (0.01%) Mdm. Ong is deemed to have an interest in 30,000 shares held by her spouse, Mr. Lee Tee Chin, by virtue of section 133(4) of the Securities Futures Act 2001.
Any relationship (including immediate family relationship) with any existing director, existing executive officer of the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	– Sister of Mr. Ong Bee Chip and Mr. Ong Bee Song, the Managing Director and Controlling Shareholder of the Company respectively – Mother of Ms. Li Huanmin, the Operations Manager of Golden Bridge
Conflict of interest (including any competing business)	Ms. Tan has been an independent director of Sheng Siong Group Ltd. ("**Sheng Siong**") since 5 January 2018. Sheng Siong purchases food products from the Group, and was a major customer of the Group for FY2023. Please refer to the Principal 2 of the Corporate Governance Report for further information.	None

ADDITIONAL INFORMATION ON RE-ELECTION OF DIRECTORS

Name of Director	Tan Poh Hong ("Ms. Tan")	Ong Chew Yong ("Mdm. Ong")
Other principal commitment (including any competing Directorship)	Principal Commitment: Nil Present Directorships: 1) APAC Realty Limited 2) Jilin Food Zone Pte Ltd 3) VICOM Ltd 4) Ann Aik Limited 5) Centurion Corporation Limited 6) Sheng Siong Group Ltd. 7) OTS Holdings Limited 8) Vanguard Healthcare Pte Ltd Past Directorships (for last 5 years): 1) Agrifood technologies Pte Ltd 2) Barramundi Group Pte. Ltd.	Principal Commitment: OTS Holdings Limited and its subsidiaries Present Directorships: 1) Golden Bridge Foods Manufacturing Pte Ltd 2) Ellaziq Private Limited 3) Ellaziq (Malaysia) Sdn Bhd 4) GB Global (Malaysia) Sdn Bhd 5) Delta Bridge Pte. Ltd (Alternate Director) 6) Ong Tuan Seng Development Pte. Ltd. 7) BCS Development Pte. Ltd. 8) OTS International Pte. Ltd. Past Directorships (for last 5 years): Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Information required pursuant to Catalist Rules 704(6) and/or 704(7)		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

ADDITIONAL INFORMATION ON RE-ELECTION OF DIRECTORS

Name of Director	Tan Poh Hong ("Ms. Tan")	Ong Chew Yong ("Mdm. Ong")
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

ADDITIONAL INFORMATION ON RE-ELECTION OF DIRECTORS

Name of Director	Tan Poh Hong ("Ms. Tan")	Ong Chew Yong ("Mdm. Ong")
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON RE-ELECTION OF DIRECTORS

Name of Director	Tan Poh Hong ("Ms. Tan")	Ong Chew Yong ("Mdm. Ong")
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON RE-ELECTION OF DIRECTORS

Name of Director	Tan Poh Hong ("Ms. Tan")	Ong Chew Yong ("Mdm. Ong")
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

LETTER TO SHAREHOLDERS

LETTER TO SHAREHOLDERS DATED 9 OCTOBER 2023

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter to Shareholders ("**Letter**") is circulated to the Shareholders (as defined herein) of OTS Holdings Limited (the "**Company**"), together with the Company's annual report for the financial year ended 30 June 2023 (the "**Annual Report**"). The purpose of this Letter is to provide information to the Shareholders in relation to, and seek Shareholders' approval for the Proposed Renewal of the General Mandate for Interested Person Transactions to be tabled at the Annual General Meeting ("**AGM**") to be held on 24 October 2023 at 2.30 p.m. at 30 Senoko South Road, Singapore 758088.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your broker, bank manager, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Letter, the Annual Report and enclosed documents to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or the transferee.

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

The contact person for the Sponsor is Ms Audrey Mok (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

OTS HOLDINGS LIMITED
(Company Registration No. 201505559W)
(Incorporated in Singapore on 3 March 2015)

LETTER TO SHAREHOLDERS

IN RELATION TO

PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

LETTER TO SHAREHOLDERS

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LETTER TO SHAREHOLDERS

DEFINITIONS

In this Letter, the following definitions apply throughout unless otherwise stated:

"**AGM**"	:	Annual general meeting of the Company
"**ARMC**"	:	The Audit and Risk Management Committee of the Company
"**Associate**"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:– (i) his immediate family (being his spouse, child, adopted child, step-child, sibling and parent); (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 (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (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
"**Catalist Rules**"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Companies Act**"	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"**Company**"	:	OTS Holdings Limited
"**Controlling Shareholder**"	:	A person who:– (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over the Company
"**Directors**"	:	The directors of the Company

LETTER TO SHAREHOLDERS

"**EAR Group**"	:	For the purposes of the IPT General Mandate, collectively: (a) the Company; (b) the subsidiaries of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange); and (c) the associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Group, or the Group and its interested person(s), has or have control, and each of them, an "**Entity at Risk**"
"**Group**"	:	The Company and its subsidiaries
"**Group Financial Controller**"	:	Group Financial Controller of the Company
"**interested person**"	:	Has the meaning ascribed to it in Chapter 9 of the Catalist Rules
"**IPT General Mandate**"	:	The general mandate approved by Shareholders for the EAR Group to enter into Mandated Transactions with the Mandated Interested Person in compliance with Chapter 9 of the Catalist Rules, as further described in this Letter
"**IPT Mandate File**"	:	Has the meaning ascribed to it in Section 2.7 of this Letter
"**IPT Mandate Register**"	:	Has the meaning ascribed to it in Section 2.7 of this Letter
"**Latest Practicable Date**"	:	12 September 2023, being the latest practicable date prior to the issue of this Letter
"**Letter**"	:	This letter to Shareholders relating to the proposed renewal of the IPT General Mandate
"**Mandated Transactions**"	:	Has the meaning ascribed to it in Section 2.2 of this Letter
"**NTA**"	:	Net tangible assets
"**Price List**"	:	Has the meaning ascribed to it in Section 2.5 of this Letter
"**Securities Account**"	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited

LETTER TO SHAREHOLDERS

"**Shareholders**"	:	Registered holders of Shares, except where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares mean the Depositors whose Securities Accounts are credited with Shares
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Sponsor**"	:	SAC Capital Private Limited
"**Substantial Shareholder**"	:	A person who has an interest in not less than 5.0% of the total votes attached to all voting shares in the Company
"**Swee Heng**" or "**Mandated Interested Person**"	:	Swee Heng Bakery Pte Ltd
"**$**" and "**cents**"	:	Singapore dollars and cents, respectively

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore (as amended, modified or supplemented from time to time).

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

LETTER TO SHAREHOLDERS

OTS HOLDINGS LIMITED
(Company Registration No. 201505559W)
(Incorporated in Singapore on 3 March 2015)

Board of Directors
Dr Yu Lai Boon (Non-Executive Chairman and Independent Director)
Mr Ong Bee Chip (Managing Director)
Mdm Ong Chew Yong (Executive Director)
Mr Chan Hiang Tiak (Independent Director)
Ms Tan Poh Hong (Independent Director)

Registered Office
30 Senoko South Road
Singapore 758088

9 October 2023

To: The Shareholders of OTS Holdings Limited

Dear Sir/Madam

PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

We refer to the Notice of the Annual General Meeting of OTS Holdings Limited dated 9 October 2023 in respect of the AGM to be held at 30 Senoko South Road, Singapore 758088 on Tuesday, 9 October 2023 at 2.30 p.m. and Resolution 7 set out under "Special Business" in the Notice of AGM.

1. INTRODUCTION

1.1 The Company anticipates that the Group would, in the ordinary course of business, enter into transactions with an "interested person" (as defined in Chapter 9 of the Catalist Rules). In view of the time-sensitive and recurrent nature of such transactions, it would be advantageous for the Company to obtain a general mandate from Shareholders pursuant to Chapter 9 of the Catalist Rules to enable the Group to enter into such transactions with the interested person which are necessary for the Group's day-to-day operations, provided that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

1.2 Shareholders had by way of written resolutions dated 31 May 2021 approved the IPT General Mandate, the details of which are set out below. The IPT General Mandate, which was last renewed at the AGM held on 28 October 2022, will expire at the forthcoming AGM to be held on 24 October 2023.

1.3 Accordingly, the Directors propose to seek the approval of Shareholders for the renewal of the IPT General Mandate. The purpose of this Letter is to provide Shareholders with information relating to the proposed renewal of the IPT General Mandate.

LETTER TO SHAREHOLDERS

2. PROPOSED RENEWAL OF THE IPT GENERAL MANDATE

2.1 Name of the Mandated Interested Person

The IPT General Mandate applies to the Mandated Transactions that are carried out between any Entity at Risk and Swee Heng.

Swee Heng is principally engaged in the business of manufacturing bakery products and operating retail stores for such bakery products.

Swee Heng is an Associate of the Directors, Ong Bee Chip and Ong Chew Yong, and the Company's Controlling Shareholder, Ong Bee Song, being a company in which Ong Chu Eng (the sister of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 50.0% shareholding interest and Ng Chai Huat (the brother-in-law of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 30.0% shareholding interest. Accordingly, Swee Heng is deemed as an interested person under Chapter 9 of the Catalist Rules.

2.2 Categories of Mandated Transactions

From time to time, the EAR Group sells food products, including but not limited to raw materials and ready-to-eat and ready-to-cook meat products, such as ham, sausages and floss products that may be customised, to the Mandated Interested Person (the "**Mandated Transactions**").

Transactions between the Mandated Interested Person and the EAR Group which do not fall within the ambit of the Mandated Transactions shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules and such guidelines as set out in the section "Interested Person Transactions – Guidelines and Review Procedures for On-going and Future Interested Person Transactions other than those covered under the IPT General Mandate" of the Company's Offer Document dated 8 June 2021.

2.3 Rationale for and benefits of the IPT General Mandate

The sale of the food products to the Mandated Interested Person occurs almost on a daily basis. The Company envisages that the Mandated Transactions are likely to continue to occur frequently, in the ordinary course of the Group's business. In view of the time-sensitive and recurrent nature of the Mandated Transactions, it would be advantageous for the Company to renew the IPT General Mandate to enable the EAR Group to enter into the Mandated Transactions, provided that the Mandated Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. In addition, transactions with the Mandated Interested Person also represent an additional source of revenue for the EAR Group.

The IPT General Mandate and its subsequent renewal on an annual basis would eliminate the need to announce, or to announce and convene separate general meetings from time to time to seek Shareholders' prior approval as and when potential Mandated Transactions with the Mandated Interested Person arise, thereby saving substantial administrative time and costs expended in convening such meetings, without compromising the corporate objectives of the EAR Group and adversely affecting the business opportunities available to the EAR Group.

The IPT General Mandate is intended to facilitate the Mandated Transactions in the normal course of business of the EAR Group from time to time with the Mandated Interested Person, provided that they are carried out at arm's length and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

2.4 Requirements of Chapter 9 of the Catalist Rules

Rule 920 of the Catalist Rules allows a listed company to seek a general mandate from its 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 for, *inter alia*, the purchase or sale of assets, undertakings or businesses) which may be carried out with the listed company's interested persons. A general mandate is subject to annual renewal.

In accordance with the requirements of Chapter 9 of the Catalist Rules, the Company will (a) disclose in the Company's annual report the aggregate value of transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT General Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate for the financial periods that the Company is required to report on pursuant to Rule 705 of the Catalist Rules within the time required for the announcement of such report.

For the avoidance of doubt, the IPT General Mandate will cover any and all Mandated Transactions, including transactions which have a value below S$100,000, notwithstanding that the threshold and aggregation requirements under Chapter 9 of the Catalist Rules may not apply to such transactions. While transactions below S$100,000 are not normally aggregated under Rule 905(3) and 906(2) of the Catalist Rules, 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 (that is, if regard has not been given to the objective of Chapter 9 of the Catalist Rules, or the economic and commercial substance of the interested person transaction, instead of legal form and technicality).

Transactions which do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Catalist Rules and/or any applicable law. In particular, for any transaction outside the scope of the IPT General Mandate where the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year is equal to or exceeds (i) 3.0% of the Group's latest audited NTA, an immediate announcement will be required, or (ii) 5.0% of the Group's latest audited NTA, independent Shareholders' approval will be required. Transactions conducted under the IPT General Mandate are not separately subject to Rules 905 and 906 of the Catalist Rules pertaining to threshold and aggregation requirements.

The IPT General Mandate, if approved for renewal at the forthcoming AGM to be held on 24 October 2023, will be effective until the earlier of the conclusion of the next AGM of the Company or the date by which such AGM is required by law to be held. Thereafter, the Company will seek the approval of Shareholders for renewal of the IPT General Mandate at each subsequent AGM, subject to satisfactory review by the ARMC of its continued application to the Mandated Transactions with the Mandated Interested Person.

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2.5 Guidelines and Review Procedures for Mandated Transactions with the Mandated Interested Person

To ensure that the Mandated Transactions are carried out on an arm's length basis and on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, the EAR Group has put in place the following guidelines and review procedures for the review and approval of the Mandated Transactions under the IPT General Mandate:

(a) The guiding principle is that all Mandated Transactions shall be conducted in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual profit margins or prices extended by the EAR Group to unrelated third parties for the sale of the same or substantially similar type of products, and the terms are not more favourable to the Mandated Interested Person compared to those extended to unrelated third parties and/or are in accordance the prevailing Price List (as defined below), terms or applicable industry norms.

(b) The prices for the sale of ready-to-eat and ready-to-cook meat products to the Mandated Interested Person (the "**Price List**") shall be determined in advance with the Mandated Interested Person and approved by the Group Financial Controller or such other senior executive (who must have no interest, direct or indirect, in the Mandated Transaction) to be appointed by the ARMC. All the sale of ready-to-eat and ready-to-cook meat products to the Mandated Interested Person shall be conducted in accordance with the Price List. The price of the ready-to-eat and ready-to-cook meat products shall generally not be more favourable to the Mandated Interested Person as compared to at least two (2) other recently completed transactions with unrelated third parties, taking into account all pertinent factors, including but not limited to minimum quantity per order, delivery notice and schedule, credit terms, payment track records as well as preferential rates/discounts offered for bulk purchases.

When determining the Price List for the sale of customised ready-to-eat and ready-to-cook meat products to the Mandated Interested Person which generally do not have similar completed transactions with unrelated third parties as comparison, the Group Financial Controller shall calculate the cost of manufacturing of the customised ready-to-eat and ready-to-cook meat products to ensure that the EAR Group will always generate a positive gross margin from such sale. The gross margin from the sale shall be comparable to the gross margins generated by the EAR Group from at least two (2) recently completed transactions with unrelated third parties of similar nature, taking into account all pertinent factors, including but not limited to minimum quantity per order, delivery notice and schedule, credit terms, payment track records, availability of production capacity as well as preferential rates/discounts offered for bulk purchases.

The Price List (and its supporting documents) shall be approved by the Group Financial Controller or such other senior executive (who must have no interest, direct or indirect, in the Mandated Transaction) to be appointed by the ARMC, and shall be reviewed and endorsed by the ARMC prior to its effective date. The Price List shall also be reviewed at least once every six (6) months or any other period deemed appropriate by the ARMC to ensure the prices in the Price List are updated taking into consideration changes to the EAR Group's cost of sales.

(c) The prices for the sale of raw materials to the Mandated Interested Person shall be determined with reference to prices of at least two (2) other recently completed comparable transactions with unrelated third parties, the terms of which shall not be more favourable to the Mandated Interested Person as compared to unrelated third parties after taking into account all pertinent factors, including but not limited to the cost of such raw materials, the availability of such raw materials, delivery notice and schedule, credit terms and payment track records.

LETTER TO SHAREHOLDERS

(d) In the event that it is not practicable or possible to compare such sale against the unrelated third party transactions, the Group Financial Controller or such other senior executive (who must have no interest, direct or indirect, in the Mandated Transaction) to be appointed by the ARMC, will determine whether the prices and terms offered to the Mandated Interested Person are fair and reasonable and in accordance with the EAR Group's usual business practices and pricing policies or industry norms, taking into account the historical prices charged by the EAR Group for such products and gross margin to be generated by the EAR Group from such sale.

2.6 Approval threshold for Mandated Transactions with the Mandated Interested Person

Given the low value of each Mandated Transaction (typically less than S$20,000) and the regular frequency of the Mandated Transactions, all Mandated Transactions will be tabled to the ARMC for review and endorsement as and when the cumulative value of the Mandated Transactions during the same financial year (excluding those which have already been reviewed and endorsed or approved by the ARMC) exceeds 3.0% of the latest audited NTA of the Group.

The above approval thresholds are adopted after taking into account, among other things, the nature, volume, frequency and size of the transactions as well as the EAR Group's day-to-day operations, administration and businesses. The approval thresholds act as an additional safeguard to supplement the guidelines and review procedures implemented for the Mandated Transactions.

The ARMC may, as it deems fit, request for additional information pertaining to the transaction from independent sources or advisers. If a member of the ARMC has an interest, whether direct or indirect, in relation to that particular Mandated Transaction, he will, and will undertake to ensure that his Associates will, abstain from any decision-making in respect of that particular Mandated Transaction.

2.7 Additional review procedures for Mandated Transactions with the Mandated Interested Person

The Company will also implement the following procedures for the record keeping of all Mandated Transactions with the Mandated Interested Person:

(a) The Company will maintain a register of the Mandated Transactions (the "**IPT Mandate Register**"). All documents related to the Mandated Transactions will be filed in a separate file (the "**IPT Mandate File**") for ease of tracking and monitoring. The IPT Mandate File will contain all forms and checklists in relation to the Mandated Transactions (including the bases on which the Mandated Transactions are entered into). The IPT Mandate File will also contain invoices and payment vouchers in relation to the Mandated Transactions. The Group Financial Controller or such other senior executive (who must have no interest, direct or indirect, in the Mandated Transaction) to be appointed by the ARMC, will review the IPT Mandate File on a monthly basis.

(b) The ARMC shall review the IPT Mandate Register and the IPT Mandate File on a semi-annual basis (or at such frequency as the ARMC may deem necessary) to ascertain that the established review procedures to monitor the Mandated Transactions have been complied with, and carried out on normal commercial terms. Such reviews include the review of the transactions and their supporting documents or such other data deemed necessary by the ARMC. The ARMC may request for additional information pertaining to the transactions under review from independent sources, advisers or valuers as it deems fit.

LETTER TO SHAREHOLDERS

(c) The internal auditors of the Company will, on an annual basis, review the IPT Mandate File to ascertain that the guidelines and review procedures established for the Mandated Transactions have been adhered to. Any discrepancies or significant variances from the EAR Group's usual business practices and pricing policies will be highlighted to the ARMC.

(d) If pursuant to the relevant reviews, the ARMC is of the view that the established guidelines and review procedures as stated above have become inappropriate or insufficient to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, in view of changes to the nature of, or the manner in which, the business activities of the EAR Group are conducted, it will take such actions as it deems appropriate and/or modify or implement additional methods and procedures as necessary, and where relevant, seek a fresh Shareholders' general mandate based on new guidelines and review procedures for the Mandated Transactions. The interested persons who have an interest in the Mandated Transactions and their Associates will abstain from voting on such resolutions. The interested persons and their Associates shall also not act as proxies in relation to such resolutions unless specific instructions as to voting have been given by the Shareholders. During the period prior to obtaining a fresh general mandate from Shareholders, all transactions with the Mandated Interested Person will be subject to prior review and approval by the ARMC.

(e) The ARMC and the Board of Directors of the Company will also ensure that all disclosure, approval and other requirements on the Mandated Transactions, including those required by prevailing laws, rules and regulations, the Catalist Rules (in particular, Chapter 9 thereof) and relevant accounting standards are complied with. Pursuant to the Catalist Rules, the Company will make the required disclosure in relation to the Mandated Transactions in its annual report during the relevant financial year under review.

3. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT

The ARMC (currently comprising Dr Yu Lai Boon, Mr Chan Hiang Tiak and Ms Tan Poh Hong) has reviewed the terms of the IPT General Mandate and confirms that the method and procedures for determining the transaction prices of the Mandated Transactions under the IPT General Mandate (as disclosed in the Company's offer document dated 8 June 2021) have not changed since the last Shareholders' approval on 28 October 2022 and that such methods and procedures, if adhered to, are sufficient to ensure that the Mandated Transactions with the Mandated Interested Person will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4. DIRECTORS' RECOMMENDATION

Having fully considered the rationale set out in this Letter, the Directors who are considered independent for the purposes of the proposed renewal of the IPT General Mandate, namely Dr Yu Lai Boon, Mr Chan Hiang Tiak and Ms Tan Poh Hong, are of the opinion that the IPT General Mandate will enhance the efficiency of the Company and the Group and is in the best interests of the Company and the Group, and therefore recommend that Shareholders vote in favour of the resolution to approve the renewal of the IPT General Mandate as set out in the Notice of AGM.

LETTER TO SHAREHOLDERS

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at Latest Practicable Date, as recorded in the Register of Director's Shareholdings and the Register of Substantial Shareholders kept by the Company, are set out below:–

	Direct Interest		Deemed Interest	
	Number of Shares	%(1)	Number of Shares	%(1)
Directors				
Yu Lai Boon	–	–	–	–
Ong Bee Chip(2)	8,932,608	4.17	160,659,670	75.07
Ong Chew Yong(3)	2,929,895	1.37	30,000	0.01
Chan Hiang Tiak	–	–	–	–
Tan Poh Hong	–	–	–	–
Substantial Shareholders (other than Directors)				
BCS Development Pte. Ltd.(2), (4), (5)	160,549,670	75.02	110,000	0.05
Ong Bee Song(2)	–	–	160,659,670	75.07

Notes:

(1) Percentage computed based on the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company, being 214,000,000 Shares, as at the Latest Practicable Date.

(2) BCS Development Pte. Ltd. ("**BCS**") is an investment holding company incorporated in Singapore on 11 April 2021. As at the Latest Practicable Date, BCS is owned by Ong Bee Chip (50.0%), Ong Bee Song (33.3%), and Ong Chew Yong (16.7%). Accordingly, each of Ong Bee Chip and Ong Bee Song is deemed to have an interest in the Shares in which BCS has an interest, by virtue of section 7 of the Companies Act.

(3) Ong Chew Yong is deemed to have an interest in 30,000 Shares held by her spouse, Lee Tee Chin, by virtue of section 164 of the Companies Act.

(4) BCS is deemed to have an interest in the 110,000 Shares held by the 3 employees of the Group, by virtue of section 4 of the SFA.

(5) 500,000 ordinary shares held by BCS through the nominee account maintained with UOB Kay Hian Private Limited.

6. ABSTENTION FROM VOTING

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, interested persons who have an interest in the Mandated Transactions and their Associates shall abstain from voting on the resolution approving the renewal of the IPT General Mandate. Furthermore, such interested persons shall not act as proxies in relation to such resolution unless voting instructions have been given by the appointing Shareholder.

In view of the above, the Directors, Mr Ong Bee Chip and Mdm Ong Chew Yong, and the Company's Controlling Shareholder, Mr Ong Bee Song, will abstain, and have undertaken to ensure that their respective Associates will abstain, from voting on the resolution approving the renewal of the IPT General Mandate, and the Company will disregard any votes cast on the resolution by such persons. They shall also not act as proxies in relation to such resolution unless specific voting instructions have been given by the appointing Shareholder.

LETTER TO SHAREHOLDERS

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after having made all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the renewal of the IPT General Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

8. DISCLAIMER

The SGX-ST takes no responsibility for the accuracy of any of the statements or opinions made or reports contained in this Letter.

Yours faithfully

For and on behalf of the Board of Directors of
OTS HOLDINGS LIMITED

Yu Lai Boon
Non-Executive Chairman and Independent Director

OTS HOLDINGS LIMITED

(Company Registration Number: 201505559W)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

Important:

1. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") who wishes to vote at the Annual General Meeting ("**AGM**" or the "**Meeting**") should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 2.30 p.m. on 13 October 2023). SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to the appointment of the Chairman of the AGM as a member's proxy to vote on his/her/its behalf at the AGM.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Please read the notes to this Proxy Form.

PERSONAL DATA PRIVACY

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms as set out in the Company's Notice of AGM dated 9 October 2023.

*I/We _____ (Name) *(NRIC/Passport/Co. Registration No.) _____

of _____ (Address)
being a *member/members of OTS Holdings Limited (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport No	Proportion of shareholdings to be represented by proxy (%)	
			No. of Shares	%

*and/or (delete as appropriate),

Name	Address	NRIC/Passport No	Proportion of shareholdings to be represented by proxy (%)	
			No. of Shares	%

or failing *him/her/them, the Chairman of the Meeting as *my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting ("**AGM**") of the Company to be held at 30 Senoko South Road, Singapore 758088 on Tuesday, 24 October 2023 at 2.30 p.m. and at any adjournment thereof.

All resolutions put to vote at the AGM shall be decided by way of poll.

*I/We direct *my/our proxy/proxies to vote for, against and/or abstain from voting on the resolution to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any matter arising at the AGM and at any adjournment thereof.

No.	Resolutions	For**	Against**	Abstain**
	Ordinary Business			
1	To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2023 together with the Auditors' Report thereon.			
2	To approve the payment of Directors' fees of S$124,000 for the financial year ending 30 June 2024, to be paid quarterly in arrears.			
3	To re-elect Ms. Tan Poh Hong as a Director.			
4	To re-elect Mdm. Ong Chew Yong as a Director.			
5	To re-appoint Messrs RSM Chio Lim LLP as Auditors of the Company and authorise the Directors to fix their remuneration.			
	Special Business			
6	To authorise Directors to allot and issue Shares.			
7	To approve the renewal of the General Mandate for Interested Person Transactions.			

Dated this _____ day of _____ 2023

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

_____
Signature of Shareholder(s)
Or, Common Seal of Corporate Shareholder

* Delete accordingly.

** If you wish to exercise all your votes "For", "Against" and/or "Abstain", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by CDP), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing proxy(ies) and/or representative(s) shall be deemed to relate to all the Shares held by you (in both the Depository Register and the Register of Members).

2. Unless otherwise permitted under the Companies Act 1967 of Singapore (the "**Companies Act**"), a member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. A member (whether individual or corporate including a Relevant Intermediary*) appointing proxy(ies) through the instrument appointing a proxy(ies) (the "**Proxy Form**") must give specific instructions as to his/her/its manner of voting, or abstentions from voting, failing which the appointment will be treated as invalid. This Proxy Form may be accessed via (i) SGXNET at http://www.sgx.com/securities/company-announcements; and (ii) the Company's website at https://www.ots-holdings.com/investor-relation. Where a member appoints more than one proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy in this Proxy Form.

4. SRS Investors who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 2.30 a.m. on 13 October 2023). SRS Investors should not directly appoint the Chairman as proxy to direct the vote.

5. A member who is a Relevant Intermediary* is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   * A Relevant Intermediary is:

   (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative to attend the AGM, in accordance with Section 179 of the Companies Act 1967 ("**Companies Act**").

7. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) and/or representative(s) is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy(ies) and/or representative(s) is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with this Proxy Form at the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898, failing which this Proxy Form shall be treated as invalid.

8. The Proxy Form must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via email to the Company at sg.is.proxy@sg.tricorglobal.com.

   in any case, not later than 2.30 p.m. on 21 October 2023 (being 72 hours before the time fixed for the AGM) and in default the Proxy Form for the AGM shall not be treated as valid.

   Members are strongly encouraged to submit completed Proxy Forms via email to the email address provided above.

General:

The Company shall be entitled to reject the instrument appointing a proxy(ies) and/or representative(s) if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) and/or representative(s). In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) and/or representative(s) lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Company.

Personal Data Privacy:

By submitting a Proxy Form appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 October 2023.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Yu Lai Boon
Non-Executive Chairman and Independent Director

Ong Bee Chip
Managing Director

Ong Chew Yong
Executive Director

Chan Hiang Tiak
Independent Director

Tan Poh Hong
Independent Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Yu Lai Boon
Chairman

Chan Hiang Tiak
Member

Tan Poh Hong
Member

NOMINATING COMMITTEE

Tan Poh Hong
Chairman

Yu Lai Boon
Member

Chan Hiang Tiak
Member

REMUNERATION COMMITTEE

Chan Hiang Tiak
Chairman

Yu Lai Boon
Member

Tan Poh Hong
Member

COMPANY SECRETARIES

Chan Lai Yin
Lee Bee Fong

REGISTERED OFFICE

30 Senoko South Road
Singapore 758088
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Fax: +65 6758 8580
enquiry@ots-holdings.com
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COMPANY REGISTRATION NUMBER

201505559W

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
80 Robinson Road #02-00
Singapore 068898

INDEPENDENT AUDITOR

RSM Chio Lim LLP
8 Wilkie Road
#04-08 Wilkie Edge
Singapore 228095

Partner-in-charge: See Ling Ling, Helen
Appointed since financial year ended 30 June 2022

INTERNAL AUDITOR

Yang Lee & Associates
10 Anson Road
#31-01 International Plaza
Singapore 079903

PRINCIPAL BANKER

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

SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542

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