ANNUAL REPORT 2023

Acma Ltd

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CORPORATE INFORMATION

Directors

Quek Sim Pin
Executive Chairman

Victor Levin
Non-Independent Non-Executive Director

Robert Low Mui Kiat
Lead Independent Director

Tan Keng Lin
Independent Director

Joseph Foo Chee Hoe
Independent Director

Low Cheng Joo
Independent Director

Yap Ching Heng Andrew
Independent Director

Audit and Risk Committee

Robert Low Mui Kiat (Chairman)
Joseph Foo Chee Hoe
Tan Keng Lin

Nominating Committee

Tan Keng Lin (Chairman)
Robert Low Mui Kiat
Joseph Foo Chee Hoe

Remuneration Committee

Joseph Foo Chee Hoe (Chairman)
Robert Low Mui Kiat
Tan Keng Lin

Employees' Share Option Scheme Committee

Joseph Foo Chee Hoe (Chairman)
Robert Low Mui Kiat
Tan Keng Lin

Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd

Company Secretary

Keloth Raj Kumar

Registered Office

19 Jurong Port Road
Singapore 619093
Telephone No. : 6268 7733
Facsimile No. : 6265 5910
Company Registration No. : 196500233E

Independent Auditors

Forvis Mazars LLP
(Formerly known as Mazars LLP)
Public Accountants & Chartered Accountants
Partner in-charge: Lai Keng Wei
(From financial year ended 31 December 2023)

Principal Banker

United Overseas Bank Limited

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of your directors, I present to you the Annual Report for the financial year ended 31st December 2023.

Revenue

For the financial year ended 2023 (FY2023), revenue decreased by S$3.1 million (22.0%) from S$14.1 million in FY2022 to S$11.0 million. The decrease was mainly due to the reduction in revenue of the Group's Communications, electronics and equipment distribution business.

Cost and Expenses

(a) Raw Materials and Consumables Used

In FY2023, Raw material and consumables used (net of changes in inventories) decreased by S$2.3 million (22.8%) from S$10.1 million in FY2022 to S$7.8 million in line with the decrease in revenue.

(b) Finance Costs

In FY2023, Finance costs increased by a nominal S$0.1 million from S$0.6 million in FY2022 to S$0.7 million. The increase was mainly due to the higher interest rate environment.

(c) Depreciation of property, plant and equipment

In FY2023, Depreciation decreased by S$0.2 million from S$0.5 million in FY2022 to S$0.3 million. The decrease was mainly due to more fixed assets being fully depreciated during the year.

(d) Other Operating Expenses

Other operating expenses increased by S$0.7 million from S$1.1 million in FY2022 to S$1.8 million. The increase was mainly attributed to (i) S$0.2 million settlement of warehouse rental previously disputed, (ii) S$0.15 million relating to a non-recurring write back of inventory impairment in FY2022 and (iii) S$0.3 million provision for office relocation costs from the Group's premises at 17 Jurong Port Road as a result of early termination of the lease.

Income Tax Expenses

The Group's income tax expenses amounted to a nominal S$0.002 million (FY2022: S$Nil) which was an under-provision in respect of prior years.

Loss For The Year From Continuing Operations

The Group recorded an After-tax Loss for the year of S$2.1 million (FY2022: S$0.9 million loss).

Profit From Discontinued Operations

In FY2023, the Group announced the proposed disposal of its PRC-based plastic injection moulding as well as mould manufacturing subsidiaries. As these proposed transactions had not been completed as of the financial year end, the results of these subsidiaries are reported as those relating to Discontinued operations. The Group reported a profit before income tax from these Discontinued operations of S$0.8 million for FY2023 (FY2022: S$0.1 million).

Loss For The Year

After accounting for the share of non-controlling interests, Loss attributed to the Owners of the Company amounted for S$0.9 million (FY2022: S$0.7 million loss).

Statement of Financial Position

(a) Property, plant and equipment decreased by S$7.3 million from S$8.4 million at 31 December 2022 to S$1.1 million at 31 December 2023. The decrease was due to depreciation charge of S$2.6 million, assets written-off of S$1.1 million, termination of lease S$0.8 million, currency realignment adjustments of S$0.2 million, the transfer of S$2.8 million of Property, plant and equipment of the Discontinued operations to Assets of disposal group classified as held-for-sale, and set-off by additions of S$0.2 million of property, plant and equipment.

(b) Inventories decreased by S$12.2 million from S$13.6 million at 31 December 2022 to S$1.4 million at 31 December 2023. The decrease was mainly attributable to the transfer of inventories of the Discontinued operations to Assets of disposal group classified as held-for-sale.

(c) Cash and bank balances decreased by S$1.9 million from S$3.1 million at 31 December 2022 to S$1.2 million at 31 December 2023. Bank borrowings decreased by S$1.5 million to S$6.1 million at 31 December 2023 (31 December 2022: S$7.6 million). Bank borrowings included bank overdrafts of S$1.4 million at 31 December 2023 (31 December 2022: S$1.0 million).

(d) Contract liabilities from contracts with customers decreased by S$3.9 million from S$4.9 million at 31 December 2022 to S$1.0 million at 31 December 2023. The decrease was mainly due to decrease in deposits received from customers of the Group's Communications, electronics and equipment distribution businesses (S$0.6 million) and the transfer of Contract liabilities of the Discontinued operations to Liabilities of disposal group classified as held-for-sale.

(e) Lease liabilities decreased by S$5.4 million from S$6.0 million at 31 December 2022 to S$0.6 million. The net decrease was mainly due to (a) repayments made during the year of S$2.0 million, (b) currency realignment adjustments of S$0.2 million (c) transfer of liabilities relating to the Discontinued operations to Liabilities of disposal group classified as held-for-sale of S$2.4 million and (d) termination of liabilities of S$0.8 million relating to the Discontinued operations.

Cash Flows and Working Capital

(a) The Group had positive net working capital as at 31 December 2023 of S$2.9 million (31 December 2022: S$0.7 million).

(b) Cash and cash equivalents (net of bank overdrafts) increased marginally to S$2.9 million at 31 December 2023 from S$2.1 million at 31 December 2022.

Prospects For 2024

The Group announced the proposed disposal of its PRC- based plastic injection moulding as well as mould manufacturing subsidiaries in November and December 2023. The proceeds from the disposal of the plastic injection moulding subsidiary should enable the Group to significantly reduce its bank borrowings and thus reducing its gearing ratio as well as interest expense. The above initiatives should facilitate the Group's search for new businesses as well as opportunities to strengthen its financial position.

Acknowledgement

On behalf of the Board, I would like to express my gratitude to our shareholders, customers, business partners and other stakeholders for their continuing support throughout the years.

I would also wish to take the opportunity to extend my appreciation to all my fellow Board members, management and staff for their hard work and commitment to contribute to the Group in these challenging times.

QUEK SIM PIN
Executive Chairman
3 June 2024

BOARD OF DIRECTORS

Quek Sim Pin
Executive Chairman

Date of first appointment as a director:
6 December 1989
Date of last re-election as a director:
29 April 2022
Academic & Professional Qualification (s):
- Bachelor of Business Administration (Honours) University of Singapore
- Associate of the Chartered Insurance Institute of London

Present Directorship in other listed companies:
- Nil

Other Principal Commitments:
- Neurotrend Pte Ltd (Director)
- Lasvin Pte Ltd (Director)
- Evobios Asia Pte Ltd (Director)
- Agrimax Pte Ltd (Director)

Victor Levin
Non-Independent Non-Executive Director

Date of first appointment as a director:
29 October 2010
Date of last re-election as a director:
28 April 2023
Academic & Professional Qualification (s):
- A graduate of the Moscow Petroleum & Gas Industry Institute

Present Directorship in other listed companies:
- Nil

Other Principal Commitments:
- OOO “Melina” Moscow (Chairman & General Manager)
- Neurotrend Pte Ltd (Executive Chairman)
- Ruslink Pte Ltd (Executive Chairman)

Robert Low Mui Kiat
Lead Independent Director

Date of first appointment as a director:
11 December 2009
Date of last re-election as a director:
29 April 2022
Academic & Professional Qualification (s):
- Chartered Accountant of Malaysian Institute of Accountants (MIA)

Present Directorship in other listed companies:
- Nil

Other Principal Commitments:
- Nil

Tan Keng Lin
Independent Director

Date of first appointment as a director:
23 August 2012
Date of last re-election as a director:
29 April 2021
Academic & Professional Qualification (s):
- Bachelor of Science Degree University of Singapore

Present Directorship in other listed companies:
- Nil

Other Principal Commitments:
- Nil

Joseph Foo Chee Hoe
Independent Director

Date of first appointment as a director:
6 August 2020
Date of last re-election as a director:
28 April 2023
Academic & Professional Qualification (s):
- Fellow of the Association of Chartered Certified Accountants, United Kingdom

Present Directorship in other listed companies:
- Nil

Other Principal Commitments:
- Ceraflo Pte Ltd (Director)
- Oilfield Technical Services Pte Ltd (Alternate Director)
- Ultrapure Private Limited (Director)

Low Cheng Joo
Independent Director

Date of first appointment as a director:
29 April 2024
Date of last re-election as a director:
Not applicable
Academic & Professional Qualification (s):
- Diploma – Production Engineering (Singapore Polytechnic)
- Diploma – Australian Insurance Institute
- MBA Strategic Marketing, University of Hull
- Certified Financial Planner – American Board of Standards
- Chartered Financial Consultant – American College
- Chartered Life Underwriter – American College

Present Directorship in other listed companies:
- Nil

Other Principal Commitments:
- Financial Services Director – AIA Singapore Private Limited

BOARD OF DIRECTORS

Yap Ching Heng Andrew

Independent Director

Date of first appointment as a director:
29 April 2024
Date of last re-election as a director:
Not applicable
Academic & Professional Qualification (s):

- Member – Association of Chartered Certified Accountants, UK
- Member – Institute of Singapore Chartered Accountants
- Member – Institute for the Management of Information Systems
- Master of Business Administration (Heriott-Watt University)

Present Directorship in other listed companies:

- Nil

Other Principal Commitments:

- Consultant to Small Medium Enterprises (SMEs)

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

AT THE 2023 AGM ON 18TH JUNE 2024

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1.]

Name of Director	LOW CHENG JOO	YAP CHING HENG ANDREW
Date of Appointment	29 April 2024	29 April 2024
Date of last re-appointment (if applicable)	Not Applicable	Not Applicable
Age	69	66
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Low has experience in finance which will enhance board deliberations.	Mr Yap has experience in finance which will enhance board deliberations.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Independent Director	Non-Executive Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director	Independent Director
Professional qualifications	▪ Diploma – Production Engineering (Singapore Polytechnic) ▪ Diploma – Australian Insurance Institute ▪ MBA Strategic Marketing, University of Hull ▪ Certified Financial Planner – American Board of Standards ▪ Chartered Financial Consultant – American College ▪ Chartered Life Underwriter – American College	▪ Member – Association of Chartered Certified Accountants, UK ▪ Member – Institute of Singapore Chartered Accountants ▪ Member – Institute for the Management of Information Systems ▪ Master of Business Administration (Heriott-Watt University)
Working experience and occupation(s) during the past 10 years	Financial Services Director – AIA Singapore Private Limited (1990-current)	Consultant to Small Medium Enterprises (SMEs) (2010-current)
Shareholding interest in the listed issuer and its subsidiaries	Yes	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

AT THE 2023 AGM ON 18TH JUNE 2024

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1.]

Name of Director	LOW CHENG JOO	YAP CHING HENG ANDREW
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments[1] including Directorships		
– Past (for the last 5 years)	Financial Services Director – AIA Singapore Private Limited	Consultant to SMEs
– Present	Financial Services Director – AIA Singapore Private Limited	Consultant to SMEs
Information required Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/ she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/ she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him/her?	No	No

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

AT THE 2023 AGM ON 18TH JUNE 2024

[PURSUANT TO SGX-ST LISTING MANUAL – RULE 720(6) AND APPENDIX 7.4.1.]

Name of Director	LOW CHENG JOO	YAP CHING HENG ANDREW
(d) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No	No
(e) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No
(g) Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

Name of Director	LOW CHENG JOO	YAP CHING HENG ANDREW
(i) Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No
(j) Whether he/she has ever, to his/her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	No	No
(k) Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

KEY MANAGEMENT

Rai Rajen
Chief Operating Officer

Mr Rai is a fellow of the Association of Chartered Certified Accountants, United Kingdom and a Certified Public Accountant of Singapore. He has been with the Lityan group since 1984 and was the Finance Director of Acma Ltd. from 1989 to 1995. He is also on the board of directors of various companies in the Group.

Chou Kong Seng
Chief Financial Officer

Mr Chou qualified as a Chartered Accountant in the United Kingdom and was a Certified Public Accountant of Singapore. He has been with the Group since 1994. He is on the board of directors of various companies in the Group. Prior to joining the Group, he was a senior manager with an international public accounting firm in Singapore.

Derek Thu Boon Leong
Managing Director, Injection Moulding Operations

Mr Derek Thu is the Managing Director of our injection moulding operations which has plants in Xiamen. He is also responsible for the tool -making plant at Xiamen. He holds a Diploma in Electronics and Electrical Engineering. He worked for a Japanese multinational company before joining the Group in 1994 as a Quality Manager.

CORPORATE GOVERNANCE REPORT

This report describes Acma Ltd.'s corporate governance practices which are in essence in line with the principles and provisions of the Code of Corporate Governance 2018 ("the Code"). The Company is committed to maintaining a high standard of corporate governance, transparency and disclosure of material information.

The Board of directors is responsible for the corporate governance of the Company and its subsidiaries. The directors of the Company have a duty to act honestly, transparently, diligently, independently and in the best interests of all shareholders, in order to enhance shareholders' interests. The major processes by which the directors meet their duties are described in this report.

The Company has complied with the principles and provisions as set out in the Code and the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("the SGX-ST") where applicable. Where there are deviations from the Code, appropriate explanations have been provided.

(I) BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

As at the date of this report, the Board comprises the following members:

Quek Sim Pin	(Executive Chairman)
Victor Levin	(Non-Independent Non-Executive Director)
Robert Low Mui Kiat	(Lead Independent Director)
Tan Keng Lin	(Independent Director)
Joseph Foo Chee Hoe	(Independent Director)
Low Cheng Joo	(Independent Director)
Yap Ching Heng Andrew	(Independent Director)

Provision 1.1: Principal Duties of the Board

The Board supervises the management of the business and affairs of the Group. It has established self-regulatory and monitoring mechanisms to ensure that effective corporate governance is practiced.

Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board has put in place a code of ethics and desired proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board's responsibilities include: -

- providing entrepreneurial leadership, setting strategic direction and overall corporate policies of the Group including appropriate focus on value creation, innovation and sustainability;

- approval of major funding proposals, investments and divestment proposals, and ensuring that the necessary resources are in place for the Group to meet its strategic objectives;

- establishing and maintaining a sound risk management framework to effectively monitor and manage risks, and internal controls in achieving an appropriate balance between risks and company performance;
- reviewing and where appropriate, constructively challenging Management's performance;
- encouraging an ethical corporate culture and ensuring that the Group's values, standards, policies and practices are consistent with the culture; and
- identifying key stakeholders, balancing the demands of the business with those of the key stakeholders and ensuring transparency and accountability to key stakeholders.

Provision 1.2: Board Orientation and Training

Upon appointment, each new director is given a letter of appointment and is informed of his duties and obligations. Newly appointed directors are given an orientation on the Group's business strategies and operations, its corporate governance practices as well as information on their duties as a director under Singapore law. Any newly appointed director who does not have prior experience as a director of an SGX-ST listed company will undergo mandatory training as required under rule 210(5)(a) of the Listing Manual of SGX-ST ("the Listing Manual") on the roles and responsibilities of a listed company director.

The Company is responsible for arranging and funding the training of directors. All directors are regularly updated with changes in the relevant laws and regulations to assist them in discharging their duties and responsibilities. Directors have opportunities for continuing education in various areas and are kept informed of relevant training courses or talks organized by external authorities or organizations.

Briefings and updates provided for directors in FY2023: -

a) At Board and Audit and risk committee meetings, the external auditors and the Company Secretary briefed attendees on developments in financial reporting standards as well as new or revision in laws and regulations.
b) The management updated the Board at each Board meeting on business and strategic developments of the various business segments of the Group.

Provision 1.3: Matters requiring Board approval

The Company has adopted internal guidelines setting forth matters that specifically require Board approval. They are listed below:

a) announcement of quarterly, half year and full year results and annual report;
b) declaration of interim dividends and proposal of final dividends;
c) convening of shareholders' meeting;
d) authorisation of major acquisition and disposal of companies and investments;
e) interested party transactions; and
f) authorisation of major transactions.

Provision 1.4: Delegation by the Board

Board committees, namely the Audit and Risk Committee ("**AC**"), Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Employees' Share Option Scheme Committee ("**EC**"), have been constituted to assist the Board in the discharge of specific responsibilities. These committees review or make recommendations to the Board on matters within their specific terms of reference. More information on them is set out below. The Board accepts that while these Committees have the authority to examine particular issues and will report back to the Board with their decisions and recommendations, the ultimate responsibility for the final decision on all matters lies with the entire Board.

Provision 1.5: Board Meetings and Attendance

The Board meets on a regular basis to approve, among others, announcements of the Group's half and full year financial results. The dates of meetings of all the Board and Board Committee meetings, as well as the Annual General Meetings ("AGM"), are scheduled well in advance each year, in consultation of the Board. When physical meeting is not possible, timely communication with members of the Board can be achieved through electronics means. The Constitution of the Company provides for directors to conduct meetings by teleconferencing, videoconferencing, or other similar means of communication. The Board and Board Committees also make decisions through circulating resolutions.

The details of board meetings held in FY2023 as well as the attendance of each board member at those meetings and meetings of various board committees are disclosed below.

Name of Director	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee	Employees' Share Option Scheme Committee
Number of meetings held	2	2	1	1	(#) -
Executive Director					
Quek Sim Pin	2	-	-	-	-
Non-Executive Directors: Non-Independent					
Victor Levin	2	2*	1*	1*	-
Independent					
Robert Low Mui Kiat	2	2	1	1	-
Tan Keng Lin	2	2	1	1	-
Joseph Foo Chee Hoe	1	1	-	-	-
Low Cheng Joo(1)	-	-	-	-	-
Yap Ching Heng Andrew(2)	-	-	-	-	-

* Mr Victor Levin attended this meeting at the invitation of the respective Committees.

(1) Mr Low Cheng Joo was appointed as an Independent Director with effect from 29 April 2024.

(2) Mr Yap Ching Heng Andrew was appointed as an Independent Director with effect from 29 April 2024.

The EC did not meet as there were no share options proposed or granted during the year.

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 satisfied that sufficient time and attention were given by the directors to the affairs of the Company during FY2023, notwithstanding that they hold directorships in other private companies and have other principal commitments, and will continue to do so in FY2024.

Provision 1.6: Access to Information

Directors are furnished regularly with information from Management about the Group as well as the relevant information relating to the business to be discussed at Board meetings. All directors have separate and independent access to the management team and Company Secretary, all Board and board committees' minutes and all approval and information papers. In between Board meetings, important matters concerning the Company are also put to the Board for its decision by way of circulating resolutions in writing for the Directors' approval together with supporting memoranda to enable the Directors to make informed decisions.

The Board receives the Group's half and full year financial results on a regular basis and explanations on material variances are also given prior to the meetings to enable them to understand and oversee the Group's operational and financial performance. 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.

Provision 1.7: Access to Management, Company Secretary and External Advisers

All Directors have access to the Company's senior management, including CEO, CFO and other key management, as well as the Group's independent auditors. Wherever possible, the Directors are provided with Board papers prior to each Board meeting. Board papers provided are, amongst others, financial and corporation information, significant operational, financial and corporate issues, results and performance of the Company and of the Group, and management's proposals which require the approval of the Board. Queries by individual Directors on circulated paper are directed to management who will respond accordingly.

The Directors also have separate and independent access to the Company Secretary through e-mail, telephone and face-to-face meetings. The Company Secretary is responsible for, among other things, ensuring that the Board's procedures are observed and the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act, Companies Act and SGX-ST Listing Manual ("Listing Manual") are complied with. The Company Secretary attends all Board meetings and Board Committees meetings and records the proceedings and decisions of the Board and of the Board Committees. The Company Secretary ensures that the corporate secretarial aspects of procedures concerning the Board are duly complied. The appointment and the removal of the Company Secretary are subject to the Board's approval.

The Directors, whether as a full Board or in their individual capacity may seek independent professional advice, where necessary. The advisor so selected shall be approved by the Board and the cost of such professional advice will be at the Company's expense. There was no such requirement during the year under review.

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, 2.2, 2.3 & 2.4:

The Board currently has seven (7) members, comprising one (1) Executive Director and six (6) Non-Executive Directors, five of whom are independent.

The criterion for independence is based on the definition given in the Code. According to the Code, an independent director is one who is independent in conduct, character and judgment, 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 judgment in the best interests of the company. The NC has reviewed and is satisfied that the Board has an independent element that enables the Board to exercise objective judgement on corporate affairs independently from Management, and is of the view that no individual or small group of individual Directors dominate the Board's decision-making process.

The Chairman of the Board is not an independent director as he is also the chief executive officer of the Company. However independent directors make up a majority of the Board.

The Board, through the NC, reviews on an ongoing basis, the structure, size and composition of the Board in order to evaluate the Board's effectiveness in carrying out its duties.

The Board, in concurrence with the NC, is of the view that given the scope and nature of the Group's operations, the present Board and Board Committees are of an appropriate size for the Company and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience so as to avoid groupthink and foster constructive debate.

The Company believes a diverse Board will bring a wider range of skills and experience, leading to constructive discussion and better decision making. In the Company's board diversity policy, emphasis is placed on having an effective blend of competencies, skills, experience and knowledge that will enable the Board to discharge its duties and responsibilities effectively and support good decision making. The Board is of the view that while it is important to promote diversity in terms of gender, age and ethnicity, criteria based on an effective blend of competencies, skills, experience and knowledge to strengthen the Board should remain a priority. For achieving an optimal Board, diversity targets may be reviewed and set from time to time to ensure their appropriateness.

Currently, the Board has not set any specific target for gender diversity but will include for consideration female candidates when identifying candidates to be appointed as new directors. Similarly, the Board has not set any specific target for ethnic and age diversity given that directors are selected based primarily on their skills, experience, knowledge and his/her ability to contribute to the Board.

The NC and the Board is of the view that the aims and target of the Company towards achieving board diversity has currently been met and sufficiently addressed, after taking into consideration in the various aforementioned aspects, and having considered the existing needs, direction and overall strategy of the Company. The NC and the Board recognize that Board Diversity matters are an ongoing process, and the Company will continuously monitor its diversity initiatives to ensure that it maintains its commitment to promoting Board Diversity.

The NC and the Board is cognizant of the guidance provided in Provision 2.4 and Practice Guidance 2 of the Code and believe that the practices implemented by the Company align with the principles outlined in Principle 2 of the Code and compliance with Rule 710A of the SGT-ST Listing Manual.

Provision 2.5: Regular Meetings of Non-executive Directors

The Non-Executive Directors of the Company, led by the Lead independent director or other independent director as appropriate, meet, and /or communicate as and when the need arise without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Executive Chairman as appropriate.

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 & 3.2: Role of the Executive Chairman and Chief Executive Officer ("CEO")

Mr Quek Sim Pin ("Mr Quek"), currently assumes the roles of both Chairman and Chief Executive Officer ("CEO") of the Company. As Chairman, Mr Quek ensures that corporate information is adequately and timely disseminated to all directors to facilitate effective contribution of all directors. He promotes a culture of sound corporate governance as well as of openness and debate both within the Board and between the Board and management. He ensures that adequate time is allocated for discussion of all agenda items, in particular strategic issues, and bears responsibility for the workings of the Board.

As CEO, Mr Quek bears full executive responsibility for the overall management of the Company's businesses including charting its corporate and strategic direction.

Taking into account the current corporate structure and the scope of the Company's operations, the roles of the Chairman and CEO are not separated. All major proposals and transactions are made in consultation with the Board which comprises independent and non-executive directors. The Board is of the view that there are sufficient safeguards and checks in place to ensure that the process of decision making by the Board is independent and based on collective decisions, without any individual or group of individuals exercising any considerable power and influence.

In accordance with Principle 2.2 of the Code, independent directors should make up a majority of the Board where the Chairman is not independent. In this regard, as the Chairman and CEO of the Company is the same person, at least half of the Board is comprised of independent directors.

Provision 3.3: Lead independent Director

As the Chairman (who is also the CEO) is not independent, the Company has designated an independent director, Mr Robert Low Mui Kiat, to serve as its Lead Independent Director. The Lead Independent Director provides leadership to the Board in situations where the Chairman is conflicted.

Based on Listing Rule 210(5)(d)(iv) of Listing Manual, Mr Robert Low Mui Kiat will be retiring as Independent Non-Executive Directors of the Company upon the conclusion of the forthcoming AGM pursuant to Article 93 of the Company's Constitution. The Board will appoint a new lead independent director after the forthcoming AGM.

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.

BOARD MEMBERSHIP

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

Provision 4.1 & 4.2: Nominating Committee Composition and Role

The Nominating Committee comprises three non-executive directors, all of whom including the Chairman of the NC are independent directors. The Lead Independent Director is a member of the NC.

The key terms of reference of the NC are as follows:

- review the size and composition and diversity of the Board to ensure that the Board has an appropriate balance of expertise, skills, attributes and abilities among the directors;
- recommend to the Board the performance criteria and appraisal process to be used for the evaluation of individual directors as well as the effectiveness of the Board as a whole;
- review and assess on an annual basis whether or not a director is independent;
- review succession plans for directors and recommend all nominations for appointments to the Board;
- review and recommend to the Board for the re-nomination/re-election of Directors, having regard to each director's contribution and performance;
- review and make recommendations to the Board on training and professional development programmes for Board members; and

- ensures new directors are aware of their duties and obligations

Provision 4.3: Process for the Selection, Appointment and Re-appointment of Directors

The NC, when making recommendations for new appointments to the Board will consider the nominee's track record, experience, financial literacy, core competencies and ability to commit time and effort to carry out duties and responsibilities effectively. The NC considers various sources in seeking suitable candidates for new directors, including search companies or recommendations from, among others, Directors, business associates and advisors.

Pursuant to Article 93 of the Company's Constitution, one third of the Board are to retire from office by rotation and be subject to re-election at the Company's Annual General Meeting. Article 99 of the Company's Constitution requires newly appointed directors to submit themselves for re-election at the first annual general meeting following their appointment. After reviewing and considering the NC's recommendations, the Board would make the decision to propose the re-election of directors for shareholders' approval.

Mr Low Cheng Joo and Mr Yap Ching Heng Andrew who were appointed to the Board on 29 April 2024 will retire at the forthcoming Annual General Meeting ("AGM") pursuant to Article 99 of the Company's Constitution. They have offered themselves for re-election. The NC is satisfied that both Mr Low Cheng Joo and Mr Yap Ching Heng Andrew are properly qualified for re-appointment as Independent Non-Executive Directors by virtue of their skills, experience and knowledge which will enhance Board deliberations.

Mr Robert Low Mui Kiat and Mr Tan Keng Lin, who have each served more than 9 years from the date of their first appointment will be retiring at the forthcoming AGM pursuant to Article 93 of the Company's Constitution and will not be seeking re-election to the Board.

All directors are required to declare their board representations. The NC has reviewed and is satisfied that the directors of the Company have adequately carried out their duties as directors of the Company.

Provision 4.4: Determination of Independency of a Director

The NC determines annually, and as 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. All directors are also required to declare their directorships

There were no independent directors who have any relationships with the Company, its related corporations, its substantial shareholders or its officers, which may affect their independence to the Board. The NC has reviewed and is satisfied with the independence of all the Company's independent directors.

Provision 4.5: Information on Listed Company Directorships and Principal Commitments of Directors

Information on listed company directorships and principal commitments of the Directors together with other relevant details are set out in Pages 4 & 5 of this Annual Report.

BOARD PERFORMANCE

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

Provision 5.1 & 5.2: Assessment of Board, Board committees and Directors

The NC is responsible for assessing the effectiveness of the Board, the Board committees and each individual director.

The NC has implemented an appraisal process that requires each director completing assessment checklists which are approved by the Board. The assessment checklists focus on a set of performance criteria which includes the evaluation of the size and composition of the Board, the Board's access to information and Board accountability. The performance criteria are not changed from year to year unless circumstances deem it necessary for any of the criteria to be changed. The findings of such evaluations were analysed and discussed with a view to identifying areas for improvement and implementing certain recommendations to further enhance the effectiveness of the Board.

In its evaluation of individual directors, the NC considers the expertise and experience of each Board member, their attendance, participation and contributions to the Board both inside and outside of Board meetings which can be in various forms, including Management's access to him for guidance or exchange of views outside the formal environment of the Board.

The NC having reviewed the overall performance of the Board as a whole, its Board committees as well as the performance of each individual director, is satisfied with their performance for the period under review. The Board and the NC did not engage any external facilitator for the conduct of the performance of the Board and Board committees.

(II) 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 6.1,6.2,6.3 & 6.4: Remuneration Committee Composition and Role

The RC's role is to review and advise the Board on an appropriate and competitive framework of remuneration for the Board and key management personnel of the Group and the specific remuneration packages for each Director and key management personnel.

The RC comprises three non-executive directors, all of whom including the Chairman of the RC are independent directors.

In developing remuneration policies, the RC takes into account remuneration, employment conditions and all aspects of remuneration, including termination terms, 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 staff to ensure they are fair.

The RC's recommendations are submitted to the Board for endorsement. No director is involved in deciding his own remuneration.

The RC has access to external consultants for expert advice on executive compensation, if necessary. No external consultant was deemed necessary to be engaged during the financial year 2023.

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 7.1,7.2 & 7.3: Remuneration of Directors and Key Management Personnel

In setting remuneration packages for executive directors and key management personnel, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of executive directors and key management personnel.

The Company does not currently use any contractual provisions to reclaim incentive components of remuneration from executive directors and key management executives in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

The RC will consider at the appropriate time instituting such contractual provisions to reclaim the incentive components of the remuneration of the executive directors and key management personnel paid in prior years in such exceptional circumstances.

In setting remuneration packages, the RC ensures that: -

- the remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities ;
- remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company;
- independent directors are adequately but not overly compensated to the extent that their independence may be compromised; and
- remuneration is appropriate to attract, retain and motivate key management personnel to successfully manage the Company for the long term;

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 8.1,8.2 & 8.3: Remuneration of Directors and Key Management Personnel

Remuneration Criteria

The remuneration of the CEO and key management personnel is driven by a pay-for-performance philosophy and is made up two key components: a fixed pay component and a non-contractual variable bonus component. The variable bonus component is determined based on the Group's and the individual's performance.

In FY2023, the CEO and key management personnel did not have any contractual entitlement to profit sharing bonuses calculated as a percentage of profit from operations.

The CEO has a service contract which includes terms of termination under appropriate notice. The non-executive directors do not have service contracts with the Company. They are remunerated based on basic fees for serving on the Board and Board Committees as well as fees linked to attendance at meetings of the Board and Board committees. In addition, directors who are non-controlling shareholders are also entitled to participate in the Company's share option scheme. Share options are granted to better align the interests of such non-executive directors with the interests of shareholders. Directors' fees are recommended by the Board to shareholders for approval at the Company's Annual General Meeting.

Except for their fees and share options, directors are not contractually entitled to any retirement and post-employment benefits. Key management personnel of the Company are not contractually entitled to any termination, retirement and post-employment benefits. The Company did not award any share options in FY2023.

Disclosure of Remuneration

The level and mixed of each Director's remuneration for FY2023 are set out below:

	Fees & Salary	**Bonus**	**Other benefits**	**Number of share options granted**
	%	**%**	**%**	
Remuneration Band:				
S$250,000 to S$499,999				
Quek Sim Pin	96	-	4	-
Remuneration Band:				
Below S$50,000				
Victor Levin	100	-	-	-
Robert Low Mui Kiat	100	-	-	-
Tan Keng Lin	100	-	-	-
Joseph Foo Chee Hoe	100	-	-	-

The aggregate remuneration payable to directors for FY2023 amounted to S$409,000 including fees of S$103,000.

The Company has disclosed the respective remunerations of the Directors individually (including the CEO) by names and within their respective remuneration bands (below S$50,000 and S$250,000 to S$499,999) as well as the percentage composition in terms of Fees & Salary, Bonus and Other Benefits.

Remuneration of top 3 key management personnel (who are not Directors) for FY2023 are as set out below:

	Number of employees
Below S$250,000	3

The aggregate remuneration paid to the top 3 key management personnel for FY2023 amounted to S$539,000.

The remuneration of the top 3 key management personnel (who are not Directors) is also disclosed within the remuneration band (below S$250,000 and S$250,000 to S$499,999) and not on a named basis as recommended by the Code as the Board is of the opinion that full disclosure of such information would not be in the interest of the Company.

No employee of the Company and its subsidiaries was an immediate family member of a Director, CEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 in FY2023. Except for Mr Quek Sim Pin, the Executive Chairman and CEO of the Company, there were no substantial shareholders who were employees of the Company.

The Board is of the view that the information on Directors' and key management personnel's remuneration disclosed in the Annual Report would be sufficient for shareholders to have an adequate understanding of the Company's remuneration policies and practice. The Board believes that the disclosure provided is in the best interest of the Company given the highly competitive business environment and allowing Directors and key management personnel to maintain some degree of personal confidentiality on remuneration matters.

Employees' Share Option Scheme Committee

The EC has been appointed by the Board to administer the Acma Employees' Share Option Scheme 2014.

The Company did not grant any options during the year.

The Company's employee share option scheme (the "**Acma Employees' Share Option Scheme 2014**") adopted on 30 April 2014, has since expired on 29 April 2024.

(III) 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.

<u>Provision 9.1: Oversight of Risk Management</u>

The Board is responsible for providing a balanced and understandable assessment of the Company's performance and position, when providing interim and other price sensitive public reports on a periodic basis, and reports to regulators (if required).

Management is accountable to the Board and presents annual budgets, business plans and management accounts of the Group to the AC and Board for review. For the interim unaudited financial statements, the Board provides a negative assurance confirmation to shareholders in line with Rule 705(5).

The Board also take steps to ensure compliance with the law and other regulatory requirements as follows:

a) regular updates on changes on legislative and regulatory requirements including requirements under the listing rules of the SGX-ST;

b) consultations with professional advisors as appropriate;

c) seeking feedback from the external auditors on their observations during the conduct of the audit process; and

d) ensuring disclosure obligations are fulfilled by obtaining feedback from professional advisors and completion of the relevant disclosure checklists.

The Board recognises the importance of a sound system of internal controls and risk management practices for good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management and for reviewing the adequacy and integrity of those systems on an annual basis.

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

On the matter of governance of risk, the Board has delegated this responsibility to the AC to oversee the Group's risk management framework and policies, and ensures Management maintains a sound risk management program and internal control measures.

The Group has put in place appropriate risk management policies and processes to evaluate the operating, investment and financial risks of the Group. In evaluating a new investment proposal or business opportunity, several factors will be considered before a decision is being taken. These factors, which are essentially designed to ensure that the rate of returns commensurate with the risk exposure taken, including but not limited to evaluation of the return on investment, the pay-back period, cash-flow generated from the operation, potential for growth and investment climate.

The main areas of financial risk faced by the Group are liquidity risk, credit risk and foreign currency risk. Further details of the financial risks and how the Group manages them are set out in Notes 31 and 33 to the Financial Statements.

Provision 9.2: Assurance from CEO, CFO and Key Management Personnel

The Board has received in respect of FY2023, that: -

(a) the assurance from the CEO and CFO that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the assurance from the CEO and other key management personnel who are responsible, that the Group's risk management and internal control systems in place were adequate and effective.

The AC and the Board have considered the internal controls established and maintained by the Group, work performed by the external auditors in the course of their statutory audit (to the extent as required by them to form an audit opinion on the statutory financial statements), reviews performed by Management and various Board committees and the assurances received from the CEO, CFO and other key management persons who are responsible. Based on the aforesaid, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to meet the Group's existing business objectives, having addressed the risks which the Group considers relevant and material to its operations. While the Board acknowledges its overall responsibility for the Group's systems of internal controls and risk management, it should be noted that such systems are designed to manage rather than to eliminate risks and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or misstatements, poor judgment in decision-making, human errors, losses, fraud, non-compliance with all relevant legislation or other irregularities.

AUDIT AND RISK COMMITTEE

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

Provision 10.1: Duties of the Audit and Risk Committee

The AC assists the Board to maintain a high standard of corporate governance, particularly in the areas of effective financial reporting and the adequacy of internal control systems of the Group.

The responsibilities of AC include:

- review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;

- review at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems;

- review the assurance from the CEO and the CFO of the Group on the financial records and financial statements;

- make recommendations to the Board on the proposals to shareholders on (i) the appointment, re-appointment or removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

- review the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function;

- review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be raised, independently investigated and appropriately followed up on;

- ensure the Company publicly discloses, and clearly communicates to employees, the existence of its whistle-blowing policy and procedures for raising such concerns;

- review whistle-blowing investigations within the Group and ensuring appropriate follow up action, if required;

- review any interested person transactions in respect of Interested Person Transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;

- review any potential conflicts of interest; and

- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and which warrant for AC's attention.

The AC is authorised to investigate any matters within its terms of reference and to have full access to the co-operation of the management and external auditors, Forvis Mazars LLP, for it to discharge its duties. It has the full authority and discretion to invite any director or executive officer to attend its meetings.

Appointment of External Auditors: -

The AC recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors.

The AC 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 aggregate amounts of fees paid or payable to Forvis Mazars LLP, the external auditors of the Company, broken down into audit and non-audit services during FY2023 are as follows:

Audit fees	S$ 165,000
Non-audit fees	S$ -
Total	S$ 165,000

The AC has considered the volume of the non-audit services provided by external auditors, Forvis Mazars LLP, to the Group during the financial year, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The AC has also considered and confirmed that Forvis Mazars LLP is a suitable audit firm to meet the Company's audit obligations, having regard to the adequacy of resources and experience of the firm and that Rule 712 and 715(2) of the SGX-ST Listing Manual have been complied with. The AC has also taken into account the Accounting and Corporate Regulatory Authority's (ACRA) Audit Quality Indicators Disclosure Framework relating to Forvis Mazars LLP at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The AC also considered the audit team's ability to work in a co-operative manner with the Management whilst maintaining integrity and objectivity as well as its ability to deliver their services professionally and within the agreed timelines. On the basis of the aforementioned, the AC is satisfied with the standard and quality of work performed by Forvis Mazars LLP. It has recommended to the Board their re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

Certain subsidiaries of the Company were audited by different auditors as disclosed in Note 13 to the Financial Statements in the Annual Report. However, management has made arrangements for the Company's auditors to review the audit files of all significant subsidiaries where applicable, and raise any issues of concern and report to the Board and the AC. The Board and AC have considered these arrangements pursuant to Rule 716 of SGX-ST Listing Manual and are satisfied that the appointments would not compromise the standard and effectiveness of the audit of the Group.

Whistle-blowing: -

The Company has put in place a whistle-blowing policy which sets out the procedures for employees and external parties to raise concerns or make a report on misconduct or wrongdoing relating to any entity in the Group or any of its officers and provisions for keeping the identity of the whistle-blower confidential and protection of the whistle-blower from reprisal as well as arrangements for independent investigations of such concerns or reports and for appropriate follow up actions to be taken. The existence of such policy has been communicated to the employees.

The policy establishes a confidential line of communication to report concerns about possible improprieties to the AC Chairman and ensures the independent investigation and follow up of reports made in good faith. The contact details of the AC Chairman have been made available to employees in the Group. The Company will treat all information received confidentially and protect the identity of whistle-blowers. Moreover, the Company is committed to ensuring protection of whistle-blowers who have acted in good faith against reprisal and detrimental or unfair treatment.

As at the date of this Annual Report, there are no reports received through the whistle-blowing channel.

Provision 10.2 & 10.3: Audit and Risk Committee Composition

The AC comprises three non-executive directors, all of whom are independent directors. At least two members, including the AC Chairman, have relevant accounting or related financial management expertise or experience to discharge the AC's responsibilities.

The AC does not comprise any former partners or directors of the Company's existing auditors.

Provision 10.4 Internal Audit

Listing Rule 719(3) requires an issuer to establish and maintain on an ongoing basis, an effective internal audit function that is adequately resourced and independent of the activities it audits. In addition, Listing Rule 1207(10c) requires the Audit and Risk Committee to comment on "whether the internal audit function is independent, effective and adequately resourced.

The Board has deliberated and agreed that the size of the current business and operations of the Group does not warrant the Group having an in-house internal audit function or to appoint internal auditors. Currently, the accounting team from the corporate office conduct internal audit on significant companies and report directly to its audit and risk committee if required.

Though the Company has not maintained a formal internal audit function or appointed internal auditors, the Group has carried out the oversight of these operations through: -

- the continuous periodic review of the operations by senior head office managers and the Group finance department (all of whom are independent of the operating subsidiaries);
- the inclusion of head office managers as directors on the boards of the operating subsidiaries for additional oversight;
- the inclusion of head office managers as counter signatories for major bank accounts of the operating subsidiaries;
- the employment of independent consultants where appropriate to assist in continuous review of management figures of certain key subsidiaries;
- conduct of internal audit on operating companies by the corporate finance team members on significant companies (the corporate finance team is independent of the operating companies which they audit);

- regular reviews by head office managers on the Group's businesses and operational activities through discussions with operating management, to identify significant business risks as well as to introducing appropriate measures to control and mitigate these risks;
- discussions with the external auditors on their observations and findings during the conduct of their audit, in particular in relation to the internal controls of the operating companies.

Though the Company did not have a formal internal audit function or outsourced its internal audit function, the Company and the AC is of the view that the aforesaid taken as a whole, meets the requirement of Listing Rule 719 (3) for the Company to have on an ongoing basis, an effective internal audit function.

As part of the annual statutory audit of the financial statements, the external auditors also report to the AC on any material weaknesses in the Group's internal controls and provide recommendation on other significant matters which have come to their attention during the course of the audit.

The Group reviews annually the requirements to its needs in relation to an internal audit function and will consider outsourcing its internal audit function to a firm of professional accountants at an appropriate time. The hiring, removal, evaluation and compensation of the professional firm to which the internal audit function is to be outsourced, shall be at subject to the approval of the AC. The internal auditors will report directly to the AC and shall have unfettered access to all the Company's documents, records and personnel.

Provision 10.5: Meeting with external auditors

The AC has met with the external auditors without the presence of Management at least annually.

(IV) 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 & 11.3: General Meetings

The Company supports the Code's principle to encourage communication with and participation by shareholders. Shareholders are informed of general meetings, annual reports, sustainability reports and circulars via SGXNET and the Company's website at https://www.acmaltd.com.

All shareholders are encouraged to attend the AGM to ensure a greater level of shareholder participation. To facilitate participation by shareholders, the Constitution of the Company allows the shareholders to attend and vote at general meetings of the Company or by proxies. A shareholder is entitled to appoint not more than two proxies to attend, speak and vote, at general meetings in their absence.

The Board and management are present at general meetings to address questions and views expressed by shareholders. The external auditors are also present at the AGM to address shareholders' queries about the conduct of audit and the content of the auditors' report. All directors attended the last AGM and Extraordinary General Meeting (EGM) held on 28 April 2023 and 28 March 2024 respectively.

All shareholders of the Company receive the Annual Report or circular (either through online access at the Company's website or alternatively by written request for printed copies), notices of general meetings and proxy forms. The notices are, when required, also advertised in newspapers and via announcement on SGXNET. They are instead uploaded on the SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.acmaltd.com.

Provision 11.2 & 11.4: Voting at General Meetings

Every matter requiring shareholders' approval is proposed as a separate resolution. Each item of special business included in the notice of meeting is accompanied where appropriate by an explanation for the proposed resolution.

Voting of all of resolutions in general meetings are conducted by poll and the detailed voting results, including the total number of votes cast for and against each resolution tabled, are announced at the general meeting and via SGX-ST's website.

Provision 11.5: Minutes of General Meetings

The Company Secretary prepares minutes of general meetings which include substantial comments or queries from shareholders and responses from the Board and Management. These minutes are made available to shareholders upon written request. The Company releases minutes of all general meeting via SGXNET and on its corporate website (https://www.acmaltd.com) as soon as practicable. The Company had published the minutes of the annual and extraordinary general meetings held on 28 April 2023 and 28 March 2024 within one month from the conclusion of the meeting on 25 May 2023 and 19 April 2024 respectively.

Provision 11.6: Dividend Policy

The Company has not formally instituted a dividend policy. However pursuant to Rule 704(24) of the Singapore Exchange Listing Rules, in the event that the Board does not declare or recommend a dividend, the Company expressly disclose the reason for the decision together with the announcement of its financial results.

In proposing any dividend payout and/or determining the form, frequency and/or the amount of such dividend payout, the Board will take into account, inter alia, the Group's financial position, retained earnings, results of operation and cash flow, the Group's working capital requirements, general economic conditions and other internal or external factors that may have an impact on the business or financial performance of the Group.

The Board has not recommended any dividend for FY2023 as the Group has not been profitable after income tax for the year and has accumulated losses.

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 12.1,12.2 & 12.3: Shareholder Communication and Investor Relations

The Company endeavors to communicate regularly, effectively and fairly with shareholders. In line with the continuous disclosure obligations under the relevant rules, the Board ensures that shareholders are treated equitably and are promptly informed of all major developments that may have a material impact on the Group in a timely manner. Information is released to shareholders on a timely basis through SGXNET as well as the Company's corporate website at https://www.acmaltd.com.

Apart from the SGXNET announcements and its annual report, the Company may release press releases or organize media/analyst briefings to keep shareholders informed of corporate developments. Shareholders can provide feedback to the Company via the electronic mail address, the registered address or calls.

General meetings are currently the principal forum for the Board's dialogue and interaction with shareholders. Shareholders are encouraged to participate during the general meetings, to engage the Board and management on the Group's business activities, performance and other business-related matters.

For the forthcoming AGM, shareholders may submit their questions relating to the resolutions set out in the notice of AGM in advance or at the AGM. All substantive and relevant questions submitted by shareholders in advance of the AGM will be addressed and published via SGXNet and on the Company's website 48 hours before the deadline for submission of proxy forms. The detailed information on the submission of questions has been set out in the notice of AGM.

(V) MANAGING STAKEHOLDER RELATIONSHIP

ENGAGEMENT WITH STAKEHOLDERS

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

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationship with such groups. Stakeholder relations are important to the sustainable growth of the Company's businesses and therefore the Company seeks to maintain an open and transparent dialogue with its material stakeholders.

The Group 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. Six stakeholders' groups have been identified through an assessment of their significance to the Group's business operations. They are namely customers, employees, suppliers, regulators, investors and communities.

The Company continuously engages with various material stakeholder groups through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address their concerns so as to improve the services and products' standards, as well as to sustain business operations for long term growth.

Further information on how the Company identifies and engages the stakeholders and approach to material topics will be detailed in the Sustainability Report 2023 which will be published by 4 June 2024.

The Company maintains a current corporate website (https://www.acmaltd.com) to communicate and engage with stakeholders. The website is updated regularly, contains various information on the Group and the Company which serve as an important resource for all the stakeholders. It has dedicated "Investor Relations" link which features the latest and past annual reports, financial results and related information.

DEALING IN SECURITIES

Listing Manual-Rule 1207(19)

Pursuant to Rule 1207(19) of the SGX-ST Listing Manual regarding compliance with best practices in respect of dealings in securities, the Group has adopted an internal code which prohibits all officers of the Group and their connected persons from dealing in the Company's shares during the "black-out" period commencing one month immediately preceding the announcement of the Company's half-yearly and full year financial statements (if the Company does not announce quarterly financial statements), or if they are in possession of unpublished price-sensitive information of the Group.

In addition, all officers of the Group are required to observe the insider trading laws at all times even when engaging in dealings in securities within the permitted periods. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Company's internal code throughout FY2023. Directors and key management personnel of the Group are also discouraged from dealing in the Company's shares on short-term considerations.

INTERESTED PERSON TRANSACTIONS

Listing Manual-Mainboard Rule Chapter 9

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out at arm's length and on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders. The Company does not have an Interested Person Transactions Mandate.

There were no interested person transactions conducted in FY2023 which exceeds S$100,000 in value.

MATERIAL CONTRACTS AND LOANS

Listing Manual-Rule 1207(8)

Pursuant to Listing Manual Rule 1207(8), the Company confirmed that except as disclosed in the Directors' Statement and Financial Statements of this Annual Report, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of any Director or controlling shareholder of the Company, either still subsisting at the end of FY2023 or if not then subsisting, which were entered into since the end of the previous financial year.

SUSTAINABILITY REPORTING

The Board is mindful of its responsibility to ensure sustainability of the Group's business and have always considered sustainability issues in its formulation of the Group's business strategies. It has identified the material environmental, social and governance factors to the Group and will continue to oversee the management and governance of these factors.

In accordance with Practice Note 7.6 of the Sustainability Reporting Guide issued by the Singapore Exchange Securities Trading Ltd, the next sustainability report of the Group will be made available by 4 June 2024.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Acma Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2023 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2023.

1. Opinion of directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

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

2. Directors

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

Quek Sim Pin	Executive Chairman
Victor Levin	Non-Independent Non-Executive Director
Robert Low Mui Kiat	Lead Independent Director
Tan Keng Lin	Independent Director
Joseph Foo Chee Hoe	Independent Director
Low Cheng Joo (appointed 29/04/24)	Independent Director
Andrew Yap Ching Heng (appointed 29/04/24)	Independent Director

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations (other than wholly owned subsidiaries), as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as disclosed below:

Name of directors and respective company in which interest are held	Direct interest		Deemed interest	
	At 1/1/2023	At 31/12/2023	At 1/1/2023	At 31/12/2023
Acma Ltd.				
No. of ordinary shares				
Quek Sim Pin	5,816,771	5,816,771	1,424,462	1,424,462
Victor Levin	-	-	7,237,128	7,237,128
Robert Low Mui Kiat	-	-	1,450	1,450
Joseph Foo Chee Hoe	-	-	55,000	55,000

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2024.

5. Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

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

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

6. Audit and risk committee

The audit and risk committee of the Company comprises three members, all of whom are Independent Directors and at the date of this statement are:

Robert Low Mui Kiat (Chairman)
Tan Keng Lin
Joseph Foo Chee Hoe

The audit and risk committee has convened two meetings during the year with key management and the external auditors of the Company.

The audit and risk committee carried out its functions in accordance with Section 201B (5) of the Act. In performing those functions, the audit and risk committee:

- reviewed the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- reviewed, at least annually, the adequacy and effectiveness of the Group's internal controls and risk management systems;
- reviewed the assurance from the CEO and the CFO of the Group on the financial records and financial statements;
- made recommendations to the Board on the proposals to shareholders on (i) the appointment, re-appointment or removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- reviewed the adequacy, effectiveness, independence, scope and results of the external audit;
- reviewed the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be raised, independently investigated and appropriately followed up on;
- ensured that the Company publicly discloses, and clearly communicates to employees, the existence of its whistle-blowing policy and procedures for raising such concerns;
- reviewed whistle blowing investigations within the Group and ensuring appropriate follow up action, if required;
- reviewed any interested person transactions in respect of Interested Person Transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX ST;
- reviewed any potential conflicts of interest; and
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and which warrant for the audit and risk committee's attention.

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

The audit and risk committee has recommended the nomination of Forvis Mazars LLP (formerly known as Mazars LLP) for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

7. Independent auditors

The auditors, Forvis Mazars LLP (formerly known as Mazars LLP), have expressed their willingness to accept re-appointment.

On behalf of the directors

Quek Sim Pin
Executive Chairman

Robert Low Mui Kiat
Independent Director

Singapore
3 June 2024

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Acma Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, as set out on pages 46 to 106.

In our opinion, the financial statements of the Group and the statements of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA code") 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 of our opinion.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of Audit

For the audit of the current financial year's financial statements, we identified 4 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

Out of the 4 significant components, 2 were audited by component auditors under our instructions and the remaining 2 were directly audited by us. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

Report on the Audit of Financial Statements (Continued)

Area of Focus

We focused our resources and efforts on areas which were assessed to have higher risks of material misstatements, including areas which involve significant judgments and estimates to be made by directors.

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year. This matter includes the salient areas of focus in our audit and do not represent all the risks identified by our audit. This matter was 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 this matter.

Matter	Audit response
Expected credit losses on trade receivables (refer to Note 3.2, Note 16 and Note 31 to the financial statements)	
As at 31 December 2023, the Group reported trade receivables with carrying amount of approximately S$1,414,000, net of allowance for expected credit losses ("ECL") of approximately S$1,636,000. In applying SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9"), the Group used an allowance matrix to estimate ECL for trade receivables. The ECL rates were based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that were assessed through an age analysis and by geographical locations, as well as forward looking factors specific to the debtors and the economic environment, which could affect the ability of the debtors to settle the trade receivables. As the determination of the ECL requires significant judgement and estimation of management and in consideration of the significance of trade receivables in the Group, we consider management's assessment and application of SFRS(I) 9 to the impairment of trade receivables as a key audit matter.	Our audit procedures included, and were not limited to, the following: • We obtained an understanding of the Group's consideration of SFRS(I) 9 in their application of the corresponding requirements of the standard and assess the appropriateness thereof; • We assessed the reasonableness of the provision matrix applied by the Group in their measurement of ECL of trade receivables; • We assessed and tested the arithmetic accuracy of the allowance matrix; • For long outstanding receivables, we performed background checks on the customers to assess whether the receivables could be credit impaired; and • We reviewed the appropriateness and sufficiency of the corresponding disclosures made in the financial statements.

Report on the Audit of Financial Statements (Continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide 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.

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ACMA LTD.

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- 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 matter. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Lai Keng Wei.

FORVIS MAZARS LLP
(Formerly known as Mazars LLP)
Public Accountants and
Chartered Accountants

Singapore
3 June 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 S$'000	2022 S$'000 (Restated) *
Revenue	4	11,027	14,061
Other income	5	1,507	1,150
Cost and expenses			
Raw materials and consumables used	6	(7,804)	(10,077)
Employee benefits expense		(3,654)	(3,802)
Finance costs	7	(722)	(618)
Depreciation of property, plant and equipment		(337)	(530)
Other operating expenses		(1,832)	(1,126)
Remeasurement of loss allowance on financial assets, net		(236)	75
Total costs and expenses		(14,585)	(16,078)
Loss before income tax from continuing operations	8	(2,051)	(867)
Income tax expense	9	(2)	-
Loss from continuing operations		(2,053)	(867)
Discontinued operations			
Profit for the year from discontinued operations, net of taxation	10	827	80
LOSS FOR THE YEAR		(1,226)	(787)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translating foreign operations		(346)	(1,123)
Other comprehensive loss for the year		(346)	(1,123)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,572)	(1,910)
Attributable to:			
Continuing operations, net of taxation			
Owners of the Company		(1,747)	(799)
Non-controlling interests		(306)	(68)
		(2,053)	(867)
Discontinued operations, net of taxation			
Owners of the Company		827	80
Non-controlling interests		-	-
		827	80
Loss for the year		(1,226)	(787)

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 S$'000	2022 S$'000 (Restated) *
Total comprehensive loss attributable to:			
Owners of the Company		(1,266)	(1,842)
Non-controlling interests		(306)	(68)
		(1,572)	(1,910)
(Loss)/Earnings per share attributable to owners of the Company (cents per share)			
Basic loss per share from continuing operations	11	(4.10)	(1.90)
Basic earnings per share from discontinued operations	11	1.90	0.20
Total basic loss per share		(2.20)	(1.70)
Diluted loss per share from continuing operations	11	(4.10)	(1.90)
Diluted earnings per share from discontinued operations	11	1.90	0.20
Total diluted loss per share		(2.20)	(1.70)

* The comparative consolidated statement of profit or loss and other comprehensive income has been restated to show the discontinued operations separately from the continuing operations. Details are disclosed in Note 10.

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Group 2023 S$'000	Group 2022 S$'000	Company 2023 S$'000	Company 2022 S$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	1,050	8,361	943	1,176
Investments in subsidiaries	13	-	-	1,104	1,320
Other assets	14	-	79	-	-
Total non-current assets		1,050	8,440	2,047	2,496
Current assets					
Assets of disposal group classified as held-for-sale	10	26,149	-	-	-
Inventories	15	1,403	13,613	-	-
Trade and other receivables	16	3,164	19,544	1,634	935
Amounts owing by subsidiaries	17	-	-	5,083	19,461
Cash and bank balances	18	1,237	3,090	60	76
Total current assets		31,953	36,247	6,777	20,472
Total assets		33,003	44,687	8,824	22,968
EQUITY AND LIABILITIES					
Equity					
Share capital	19	195,039	195,039	195,039	195,039
Capital reserve	20	2,172	3,924	-	-
Accumulated losses		(195,943)	(195,023)	(192,804)	(191,132)
Foreign currency translation reserve	21	812	1,158	-	-
Equity attributable to owners of the parent		2,080	5,098	2,235	3,907
Non-controlling interests		597	(849)	-	-
Total equity		2,677	4,249	2,235	3,907
Non-current liabilities					
Lease liabilities	22	393	3,909	393	561
Bank borrowings	23	-	177	-	-
Provision	24	147	140	147	140
Deferred tax liabilities	25	9	9	-	-
Other payables	26	700	700	200	200
Total non-current liabilities		1,249	4,935	740	901
Current liabilities					
Liabilities of disposal group classified as held-for-sale	10	16,947	-	-	-
Amounts owing to subsidiaries	17	-	-	4,267	17,052
Lease liabilities	22	176	2,089	168	160
Bank borrowings	23	6,095	7,399	-	-
Trade and other payables	26	4,819	20,624	1,414	948
Contract liabilities from contracts with customers	27	1,040	4,894	-	-
Income tax payables		-	497	-	-
Total current liabilities		29,077	35,503	5,849	18,160
Total liabilities		30,326	40,438	6,589	19,061
Total equity and liabilities		33,003	44,687	8,824	22,968

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Attributable to owners of the Company						
	Share capital S$'000	**Capital reserve S$'000**	**Accumulated losses S$'000**	**Foreign currency translation reserve S$'000**	**Total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
Group							
Balance at 1 January 2022	195,039	3,732	(194,112)	2,281	6,940	(781)	6,159
Loss for the year	-	-	(719)	-	(719)	(68)	(787)
Other comprehensive loss:							
Foreign currency translation reserve	-	-	-	(1,123)	(1,123)	-	(1,123)
Total comprehensive loss for the year	-	-	(719)	(1,123)	(1,842)	(68)	(1,910)
Transfer of accumulated losses to capital reserve	-	192	(192)	-	-	-	-
Balance at 31 December 2022 and at 1 January 2023	195,039	3,924	(195,023)	1,158	5,098	(849)	4,249
Loss for the year	-	-	(920)	-	(920)	(306)	(1,226)
Other comprehensive loss:							
Foreign currency translation reserve	-	-	-	(346)	(346)	-	(346)
Total comprehensive loss for the year	-	-	(920)	(346)	(1,266)	(306)	(1,572)
Transfer of non-controlling interest to capital reserve (Note 20)	-	(1,752)	-	-	(1,752)	1,752	-
Balance at 31 December 2023	195,039	2,172	(195,943)	812	2,080	597	2,677

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Share capital S$'000	Accumulated losses S$'000	Total S$'000
Company			
Balance at 1 January 2022	195,039	(183,198)	11,841
Loss and total comprehensive loss for the year	-	(7,934)	(7,934)
Balance at 31 December 2022 and at 1 January 2023	195,039	(191,132)	3,907
Loss and total comprehensive loss for the year	-	(1,672)	(1,672)
Balance at 31 December 2023	195,039	(192,804)	2,235

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 S$'000	2022 S$'000
OPERATING ACTIVITIES			
Loss before income tax from continuing operations		(2,051)	(867)
Profit before income tax from discontinued operations	10	1,930	896
Total (loss)/profit before income tax		(121)	29
Adjustments for:			
Depreciation of property, plant and equipment		2,579	3,135
Unrealised currency translation differences		(135)	(64)
Gain on disposal of property, plant and equipment		-	(30)
Trade payables written-off	5	(30)	-
Other payables written-off	5	(12)	(266)
Interest income		(41)	(3)
Interest expense		921	932
Amortisation of other assets	14	70	44
Allowance on impairment of inventory obsolescence	15	369	505
Write-back of impairment of inventory obsolescence	15	-	(575)
Remeasurement of loss allowance on financial assets, net		4	(114)
Gain on disposal of subsidiary	13	-	(56)
Write-off of property, plant and equipment	12	1,111	13
Write-off of other assets	14	7	-
Termination of lease liabilities		(34)	-
Total operating cash flows before movements in working capital		4,688	3,550
Changes in working capital			
Trade and other receivables		3,800	(1,678)
Inventories		4,531	639
Contract liabilities from contracts with customers		(3,289)	790
Trade and other payables		(3,473)	(3)
Cash generated from operations		6,257	3,298
Income taxes paid		(1,136)	(446)
Net cash flows generated from operating activities		5,121	2,852
INVESTING ACTIVITIES			
Interest received		41	3
Purchase of property, plant and equipment [1]		(236)	(420)
Increase in long-term deposits and prepayment		-	(57)
Proceeds from disposal of plant and equipment		-	30
Disposal of subsidiary	13	-	150
Net cash flows used in investing activities		(195)	(294)

[1] During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$236,000 (2022: S$2,492,000) of which S$Nil (2022: S$2,072,000) was acquired by means of lease and S$236,000 (2022: S$420,000) by way of cash.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	2023 S$'000	2022 S$'000
FINANCING ACTIVITIES			
Interest paid		(674)	(582)
Proceeds from bank borrowings		2,418	4,523
Repayment of bank borrowings		(3,487)	(3,829)
Repayment of lease liabilities		(2,294)	(2,545)
Repayment to a director		-	(50)
Net cash flows used in financing activities		(4,037)	(2,483)
Net increase in cash and cash equivalents		889	75
Cash and cash equivalents at beginning of the financial year		2,090	2,127
Effect of currency translation on cash and cash equivalents		(37)	(112)
Cash and cash equivalents at end of the financial year	18	2,942	2,090

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

Reconciliation of liabilities arising from financing activities

			Non-cash movement					
	At beginning of the year S$'000	Financing cash flows* S$'000	Purchase of property, plant and equipment S$'000	Interest expense S$'000	Transfer to liabilities of disposal group classified as held-for-sale S$'000	Termination of lease liabilities S$'000	Others S$'000	At end of the year S$'000
2023								
Liabilities								
Bank borrowings#	6,576	(1,628)	-	559	(780)	-	(30)	4,697
Lease liabilities	5,998	(2,294)	-	247	(2,402)	(808)	(172)	569
Loan from a director	200	-	-	-	-	-	-	200
Loan from a third party	500	(54)	-	54	-	-	-	500
2022								
Liabilities								
Bank borrowings#	5,962	276	-	419	-	-	(81)	6,576
Lease liabilities	6,531	(2,545)	2,072	350	-	-	(410)	5,998
Loan from a director	250	(50)	-	-	-	-	-	200
Loan from a third party	500	(54)	-	54	-	-	-	500

* Net of proceeds from interest bearing borrowings, repayment of interest bearing borrowings, interest paid and repayment of lease liabilities.

\# Amount presented excludes bank overdrafts.

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

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1. General

Acma Ltd. (the "Company") (Registration Number: 196500233E) is incorporated and domiciled in Singapore with its principal place of business and registered office at 19 Jurong Port Road, Singapore 619093.

The principal activity of the Company is that of investment holding. The principal activities of the respective subsidiaries are disclosed in Note 13 to the financial statements.

The consolidated financial statements of Acma Ltd. and its subsidiaries (collectively, the "Group") for the year ended 31 December 2023 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 3 June 2024.

2. Summary of material accounting policies

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I)s ("SFRS(I)s INT") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statements of financial position and changes in equity of the Company are presented in Singapore dollar ("S$") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("S$'000"), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2023. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

The Group adopted the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies in the current financial year. The amendments require the disclosure of "material" instead of "significant" accounting policy information and provides guidance to assist the entity in providing useful, entity-specific accounting policy information for the users' understanding of the financial statements. Accordingly, management had reviewed the accounting policies and updated the information disclosed in Note 2 Summary of material accounting policies in line with the amendments.

2. Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

SFRS(I)s and SFRS(I)s INT issued but not yet effective:

At the date of authorisation of these statements, the following SFRS(I)s and SFRS(I)s INT that are relevant to the Group were issued but not yet effective:

SFRS (I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
Various	Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*	1 January 2024
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: *Lack of Exchangeability*	1 January 2025
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned new/revised standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup assets and liabilities, equity, income, expenses and cash flows relating to intragroup transactions are eliminated on consolidation.

2. Summary of material accounting policies (Continued)

2.2 Basis of consolidation (Continued)

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

2. Summary of material accounting policies (Continued)

2.3 Business combinations (Continued)

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held-for-Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

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

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

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

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

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

2. Summary of material accounting policies (Continued)

2.3 Business combinations (Continued)

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

2.4 Revenue recognition

The Group is principally in the business of tooling and plastic injection moulding, communications, electronics and equipment distribution. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the good or service and that is allocated to that performance obligation. The good or service is transferred when or as the customer obtains control of the good or service. Revenue is shown net of estimated customer returns, rebates and other similar allowances.

Tooling

Revenue from the sale of tools is recognised at a point in time when control of the tools is transferred to the end customers (i.e. when the tools are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the tools have been transferred to the customer). A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of tools.

A contract modification could arise in course of providing tooling services, when there has been a change in the scope or price (or both) of a contract approved by the Group and its customer.

2. Summary of material accounting policies (Continued)

2.4 Revenue recognition (Continued)

Tooling (Continued)

The Group assesses any such modification and account for such modification as a separate contract when the scope of the contract increases because of the addition of promised goods or services that are distinct, and the price of the contract increases by an amount of consideration that reflects the Group's standalone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract. In other situations, the Group shall assess and where applicable, account for the contract modification as if it was a termination of the existing contract and the creation of a new contract, if the remaining goods or services are distinct from the goods or services transferred on or before the contract modification, or as if it was part of the existing contract if the remaining goods or services are not distinct, and therefore, form part of a single performance obligation that is partially satisfied at the date of the contract modification.

Plastic injection moulding

Revenue from the sale of moulded parts is recognised at a point in time when control of the moulded parts is transferred to the end customers (i.e. when the moulded parts are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the moulded parts have been transferred to the customer). A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of moulded parts.

Maintenance of goods

Revenue from the provision of maintenance of goods is recognised upon the completion of the maintenance services.

Equipment distribution

Revenue from equipment distribution is recognised at a point in time when control of the goods is transferred to the end customers (i.e. when the goods are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer). A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Supply and installation of goods

Revenue from the provision of supply and installation of goods is recognised at a point in time when the supply and installation of goods, identified as one performance obligation, have been rendered to the customer. A corresponding receivable is recognised for consideration that is unconditional when only the passage of time is required before payment is due.

2.5 Borrowing costs

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

2. Summary of material accounting policies (Continued)

2.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

The Group participates in the national pension schemes as defined by the laws of the People's Republic of China ("PRC"). Subsidiaries incorporated in the PRC are required to provide staff pension benefits to their employees under existing PRC legislation. These subsidiaries are required to contribute a certain percentage of their payroll costs to the pension scheme to fund the benefits. The pension funds are managed by government agencies, which are responsible for paying pensions to the retired employees. Contributions under the pension scheme are charged to the profit or loss as they become payable in accordance with the rules of the pension scheme.

2.7 Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.8 Income tax

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

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

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

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

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

2. Summary of material accounting policies (Continued)

2.8 Income tax (Continued)

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

2.9 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

2.10 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the dates of the transactions. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

2. Summary of material accounting policies (Continued)

2.10 Foreign currency transactions and translation (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Profit or loss items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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

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

Leasehold land	20 years
Leasehold buildings and improvements	3 to 10 years
Furniture and equipment	3 to 10 years
Motor vehicles	4 to 7 years
Plant and machinery	1 to 10 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 22.

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

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

2. Summary of material accounting policies (Continued)

2.11 Property, plant and equipment (Continued)

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

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.12 Impairment of non-financial assets

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

2.13 Financial instruments

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

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 2.4.

2. Summary of material accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

The classification of the financial assets at initial recognition as subsequently measured at amortised cost depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

2. Summary of material accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 31.

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

2. Summary of material accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Financial guarantee contracts

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2. Summary of material accounting policies (Continued)

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and bank overdrafts which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.16 Non-current assets (or disposal groups held-for-sale) and discontinued operations

Non-current assets (or disposal groups) are classified as held-for-sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable with the asset (or disposal group) being available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to be completed within one year from the date of classification.

They are measured at the lower of the carrying amount and fair value less costs to sell. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

Depreciation and amortisation for a non-current asset cease once it is classified as held-for-sale or while it is part of a disposal group classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale shall continue to be recognised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held-for-sale, and

(i) represents a separate major line of business or geographical area of operations;

(ii) is part of a single co-ordinated plan to dispose of a separate major line or geographical area of operations; or

(iii) is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are disclosed separately from continuing operations as a single amount comprising the post-tax profit or loss of discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operation.

The comparative consolidated statement of profit or loss and other comprehensive income has been restated to show the discontinued operation separately from continuing operations.

2. Summary of material accounting policies (Continued)

2.17 Leases

The Group as a lessee

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

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 *Leases* ("SFRS(I) 16"). For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within "property, plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

2. Summary of material accounting policies (Continued)

2.17 Leases (Continued)

<u>The Group as a lessee (Continued)</u>

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

- fixed payments, including in-substance fixed payments less any lease incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

<u>The Group as a lessor</u>

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the underlying asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised on a straight-line basis over the lease term.

2. Summary of material accounting policies (Continued)

2.18 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

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

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.19 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.20 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

2. Summary of material accounting policies (Continued)

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

3. Significant accounting estimates and judgements

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

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

Impairment of financial assets

The Group follows the guidance of SFRS(I) 9 in assessing its financial assets for impairment. This assessment requires significant judgement. The Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

The Group also assesses whether there are reasonable expectations of recovering a financial asset in its entirety or a portion thereof, failing which the Group will write off the financial asset to reduce the gross carrying amount of the financial asset. In its assessment, the Group considers various factors, including the debtor's historical payment trends, the latter's financial ability and the existence of collateral.

Determination of functional currency

The Group translates foreign currency items into the respective functional currency of the Company and its subsidiaries. In determining the functional currency of the respective entity, judgement is used by the Group to determine the currency of the primary economic environment in which the respective entity operates that mainly influences sales prices of goods and services and the currency of the country whose consideration factors include the currency competitive forces and regulations mainly determines the sales prices of its goods and services.

Revenue recognition from tooling

The Group recognised revenue from tooling when the performance obligation is satisfied upon the delivery of the end product per agreed terms and conditions. In determining the revenue recognition policy for such contracts entered into with its customers, the Group applied SFRS(I) 15, in consideration of a myriad of factors, including and are not limited to, its extent of control of the product as it satisfies the performance obligation and its enforceability of right to payment for performance completed to date.

3. Significant accounting estimates and judgements (Continued)

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

Impairment of property, plant and equipment

Property, plant and equipment are assessed at the end of each financial year to ascertain whether there is an indication of impairment, if such indications are found, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in profit or loss.

Management judgement is required in the area of asset impairment, particularly in assessing (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the market value or the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in estimating the market value of preparing the cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, could materially affect the net present value used in the impairment test and as a result may potentially affect the Group's results. The carrying amounts of the Group's and the Company's property, plant and equipment at 31 December 2023 were S$1,050,000 (2022: S$8,361,000) and S$943,000 (2022: S$1,176,000) respectively.

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 1 to 20 years. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's and the Company's property, plant and equipment at 31 December 2023 were S$1,050,000 (2022: S$8,361,000) and S$943,000 (2022: S$1,176,000) respectively.

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's current tax payable as at 31 December 2023 was S$Nil (2022: S$497,000). The carrying amounts of the Group's deferred tax liabilities as at 31 December 2023 was S$9,000 (2022: S$9,000).

3. Significant accounting estimates and judgements (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's and Company's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 December 2023 was S$1,403,000 (2022: S$13,613,000).

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where applicable, the Company's determination of the recoverable value is based on the estimation of the value-in-use of the applicable assets as defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amounts of investments in subsidiaries as at 31 December 2023 was S$1,104,000 (2022: S$1,320,000).

Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors, and significant macro-economic factors, where applicable, specific to the debtors and the economic environment, which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses and estimates, for example, the gross domestic production growth rates of the countries (i.e. Singapore, Bangladesh and Cambodia) and the growth rates of the major industries in which its customers operate. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 December 2023 was S$1,636,000 (2022: S$2,726,000).

4. Revenue

	Group 2023 S$'000	Group 2022 S$'000 (Restated)
Continuing operations		
Revenue from contracts with customers	11,027	14,061

Disaggregation of revenue from contracts with customers:

The Group derives revenue from the transfer of goods and services at a point in time in the following business and geographical segments. Revenue is attributed to countries by location of customers as follows:

	Tooling		Communications, electronics and equipment distribution: Equipment distribution		Communications, electronics and equipment distribution: Supply and installation of goods		Communications, electronics and equipment distribution: Maintenance of goods		Others		Total	
	2023 S$'000	2022 S$'000 (Restated)	2023 S$'000	2022 S$'000 (Restated)	2023 S$'000	2022 S$'000 (Restated)	2023 S$'000	2022 S$'000 (Restated)	2023 S$'000	2022 S$'000 (Restated)	2023 S$'000	2022 S$'000 (Restated)
Geographical markets												
PRC (including HK)	-	35	-	-	-	-	-	-	-	-	-	35
Singapore	-	-	2,032	1,670	64	859	996	1,292	-	-	3,092	3,821
Europe (including UK)	1,543	1,376	-	-	-	-	-	-	-	-	1,543	1,376
Rest of Asia	-	-	5,498	8,012	-	-	-	-	-	-	5,498	8,012
North America and others	894	618	-	-	-	-	-	-	-	199	894	817
Total	2,437	2,029	7,530	9,682	64	859	996	1,292	-	199	11,027	14,061

4. Revenue (Continued)

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations on 31 December and expected to be realised in the following financial year is as follows:

	Group	
	2023 **S$'000**	**2022** **S$'000** **(Restated)**
Continuing operations		
Within one year	-	1,891

The Group has applied the practical expedient permitted under SFRS(I) 15 for which the aggregated transactions price allocated to unsatisfied contracts which are part of contracts, that have an original expected duration of one year or less, is not disclosed.

5. Other income

	Group	
	2023 **S$'000**	**2022** **S$'000** **(Restated)**
Continuing operations		
Secondary income from leased premises	2	11
Foreign exchange gain	34	575
Compensation from premature termination of tenancy agreement *	1,330	-
Government grants	22	19
Gain on disposal of subsidiary	-	56
Trade payables written-off	30	-
Other payables written-off	12	266
Write-back of trade receivables	-	121
Administrative and support services	77	66
Others	-	36
	1,507	1,150

* On 13 October 2007, the Company had leased its premises at 17 Jurong Port Road, Singapore 619092 ("JPR Lease") from SSH Corporation Ltd ("SSH") for the period to 30 May 2027. On 3 April 2023, the Company signed a termination agreement with SSH to terminate the lease of 17 Jurong Port Road with compensation of S$1,330,000. Upon the termination of JPR Lease, the Company will lease 19 Jurong Port Road from SSH under the same terms and conditions under the JPR Lease. The Company received S$700,000 during the financial year and the remaining S$630,000 (Note 16) will be payable by SSH upon the lease commencement date of 19 Jurong Port Road.

6. Raw materials and consumables used

	Group	
	2023 **S$'000**	**2022** **S$'000** **(Restated)**
Continuing operations		
Raw materials and consumables used	6,087	8,145
Subcontracting of works	1,717	1,932
	7,804	10,077

7. Finance costs

	Group 2023 S$'000	Group 2022 S$'000 (Restated)
Continuing operations		
Interest expense on bank overdrafts	61	55
Interest expense on trust receipts and bills payable	559	456
Interest expense on lease liabilities	48	53
Others	54	54
	722	618

8. Loss before income tax

The following charges/(credit) were included in the determination of loss before income tax:

	Group 2023 S$'000	Group 2022 S$'000 (Restated)
Continuing operations		
Directors' remuneration of the Company		
- Short-term benefits[2]	301	301
- Employers' contribution to defined contribution plans[2]	5	5
- Directors' fees[2]	103	104
Employee benefits expense (excluding Directors' remuneration)		
- Salaries, wages, bonuses and other staff benefits[2]	3,017	3,181
- Employers' contribution to defined contribution plans[2]	228	211
Audit fees paid to auditors:		
- Auditors of the Company[1]	165	165
- Other auditors of subsidiaries[1]	-	2
Allowance on impairment of inventory obsolescence[1]	-	2
Write-back of impairment of inventory obsolescence[1]	-	(142)

[1] Included in "Other operating expenses" in the Group's profit or loss.
[2] Included in "Employee benefits expense" in the Group's profit or loss.

9. Income tax expense

	Group 2023 S$'000	Group 2022 S$'000 (Restated)
Current income tax:		
- Current financial year	1,011	816
- Under provision in respect of prior years	94	-
	1,105	816

9. Income tax expense (Continued)

	Group	
	2023 **S$'000**	**2022** **S$'000** **(Restated)**
Income tax expense attribute to the following:		
- Continuing operations	2	-
- Discontinued operations (Note 10)	1,103	816
	1,105	816

Reconciliation of effective tax rate is as follows:

	Group	
	2023 **S$'000**	**2022** **S$'000** **(Restated)**
(Loss)/Profit before income tax		
- Continuing operations	(2,051)	(867)
- Discontinued operations	1,930	896
	(121)	29
Taxation at statutory rate of 17% (2022: 17%)	(21)	5
Tax effects of:		
Income not subject to tax	(40)	(274)
Effect of expenses not deductible for tax purposes	(160)	107
Effect of different tax rates of subsidiaries operating in other jurisdictions	-	57
Deferred tax assets not recognised	1,232	921
Under provision in respect of prior years	94	-
	1,105	816

The Company is incorporated in Singapore and accordingly is subject to an income tax rate of 17% (2022: 17%). There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

Deferred tax assets of certain subsidiaries have not been recognised as it is not probable that future taxable profits will be available against which the Group can utilise the benefits. The unrecognised deferred tax assets arise mainly from unutilised tax losses of S$60,922,000 (2022: S$53,676,000).

The tax losses are subjected to an agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate.

Pursuant to the PRC Enterprise Income Tax Law which was promulgated on 22 February 2008, dividends distributed by PRC entities for profits generated before 1 January 2008 are exempted from withholding tax. Dividends paid in respect of profits generated on or after 1 January 2008 from the Group’s foreign invested PRC enterprises will be subjected to a withholding tax of 5%.

Deferred tax has not been provided in respect of temporary differences in relation to the undistributed earnings of the subsidiaries as at 31 December 2023 and 2022 amounting to approximately S$1.7 million and S$2.6 million respectively, as the Group is able to control the timing of the reversal and it is probable that such differences will not be reversed in the foreseeable future.

10. Discontinued operations and disposal group classified as held-for-sale

During the financial year ended 31 December 2023, the Group, via one of the subsidiaries, Global Tech Pte Ltd (“GT”), entered into conditional sale and purchase arrangements with two respective third party vendors to sell two subsidiaries, being Acot Plastic (Xiamen) Co., Ltd (“APX”) and Acot Tooling (Xiamen) Co., Ltd (“ATX”).

Planned disposal of APX

On 15 November 2023, GT entered into a conditional sale and purchase agreement with Xiamen Voke Mold & Plastic Engineering Co., Ltd, a third party, to dispose of its entire interests in APX for consideration comprising the following elements:

- RMB60 million (equivalent to approximately S$11,166,000) to be paid in cash and in tranches from the completion date; and

- Sum of dividends of RMB3.940 million (equivalent to S$733,000) and 50% of profits (if any) generated during the period 30 June to 30 November 2023, netted of amounts due to a third party creditor of RMB1,788 million and any qualifying amounts owing by the Group to APX on the completion date.

On 28 March 2024, an Extraordinary General Meeting is held, and shareholders have approved this disposal. The transaction is expected to be completed in the calendar year 2024.

As of the date of this report, the Group is unable to provide an estimate of the financial effect, given the significant uncertainty therein.

Planned disposal of ATX

On 29 December 2023, GT entered into a conditional sale and purchase agreement with Madam Fong Choy Yoke, a third party, to dispose of its entire interests in ATX for S$1. As of 31 December 2023, ATX reported a net liability position in its standalone statement of financial position. There was an unforeseen change in the plan which resulted in the abortion of the sale to the third party. ATX was subsequently placed in liquidation by order of the Xiamen court on 9 May 2024.

As of the date of this report, the Group is unable to provide an estimate of the financial effects, given the significant uncertainty therein.

As at 31 December 2023, the assets and liabilities relating to APX and ATX are classified as a disposal group held-for-sale and are presented in the statement of financial position as “Assets of disposal group classified as held-for-sale” and “Liabilities of disposal group classified as held-for-sale”. APX and ATX’s results are presented separately in the statement of profit or loss and other comprehensive income as “Profit for the year from discontinued operations, net of taxation”. APX and ATX constitute the Group’s tooling and plastic injection moulding segment.

The comparative consolidated statement of profit or loss and other comprehensive income has been restated to show the discontinued operation separately from continuing operations.

10. Discontinued operations and disposal group classified as held-for-sale (Continued)

The major classes of assets and liabilities of APX and ATX as at 31 December 2023 (after intercompany eliminations) are as follows:

	APX S$'000	ATX S$'000	Total S$'000
Assets:			
Property, plant and equipment	836	-	836
Right-of-use assets	2,010	-	2,010
Inventories	5,670	1,672	7,342
Trade and other receivables	10,463	2,395	12,858
Cash and bank balances	1,569	1,534*	3,103
Assets of disposal group classified as held-for-sale	20,548	5,601	26,149
Liabilities:			
Contract liabilities from contracts with customers	(430)	(216)	(646)
Lease liabilities	(2,402)	-	(2,402)
Bank borrowings	(780)	-	(780)
Trade and other payables	(8,557)	(4,096)	(12,653)
Income tax payables	(466)	-	(466)
Liabilities of disposal group classified as held-for-sale	(12,635)	(4,312)	(16,947)
Net assets of disposal group classified as held-for-sale	7,913	1,289	9,202

* Cash and bank balances held by ATX have been restricted by court order due to lawsuits.

All the financial assets and liabilities held by APX and ATX are denominated in Chinese renminbi.

The results of APX and ATX for the financial years ended 31 December are as follows:

	APX		ATX		Total	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Revenue	32,509	32,407	5,720	5,638	38,229	38,045
Other income	399	719	1,840	744	2,239	1,463
Cost and expenses						
Raw materials and consumables used	(14,923)	(17,506)	(1,064)	(3,163)	(15,987)	(20,669)
Changes in inventories of finished goods and work-in-progress	(1,412)	168	(3,113)	364	(4,525)	532
Employee benefits expense	(5,819)	(6,121)	(2,983)	(2,880)	(8,802)	(9,001)
Finance costs	(145)	(237)	(54)	(77)	(199)	(314)
Depreciation of property, plant and equipment	(1,406)	(1,708)	(836)	(897)	(2,242)	(2,605)
Other operating expenses	(6,267)	(4,839)	(748)	(1,755)	(7,015)	(6,594)
Remeasurement of loss allowance on financial assets, net	135	(67)	97	106	232	39
Pre-tax profit/(loss) for the financial year	3,071	2,816	(1,141)	(1,920)	1,930	896
Income tax expense (Note 9)	(1,103)	(816)	-	-	(1,103)	(816)
Profit/(Loss) for the year from discontinued operations	1,968	2,000	(1,141)	(1,920)	827	80

10. Discontinued operations and disposal group classified as held-for-sale (Continued)

Cash flows statement disclosures

	2023 S$'000	2022 S$'000
Operating	4,438	2,070
Investing	(136)	(375)
Financing	(2,064)	(2,337)
	2,238	(642)

Earnings per share disclosures

	2023	2022
Earnings per share from discontinued operations attributable to owners of the Company (cents):		
Basic and diluted	1.90	0.20

The basic and diluted earnings per share is the same as there were no potentially dilutive instruments.

11. (Loss)/Profit per share

The calculation of the basic (loss)/profit per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group					
	Continuing operations		Discontinued operations		Total	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
(Loss)/Profit attributable to ordinary shareholders	(1,747)	(799)	827	80	(920)	(719)

	2023 '000	2022 '000
Weighted average number of ordinary shares in issue at beginning and end of the financial year	42,391	42,391

	2023	2022
Loss per share attributable to owners of the Company (cents):		
Basic and diluted	(2.20)	(1.70)

The basic and diluted (loss)/profit per share is the same as there were no potentially dilutive instruments.

12. Property, plant and equipment

	Leasehold land S$'000	Leasehold buildings and improvements S$'000	Furniture and equipment S$'000	Motor vehicles S$'000	Plant and machinery S$'000	Total S$'000
Group						
Cost						
At 1 January 2022	2,142	15,313	6,115	953	27,662	52,185
Additions	-	2,074	30	78	310	2,492
Disposal	-	-	(4)	-	(949)	(953)
Disposal of subsidiary (Note 13 (c))	-	(1,521)	-	-	-	(1,521)
Expiration of lease	-	(1,813)	-	-	-	(1,813)
Written-off	-	-	(13)	(45)	(911)	(969)
Currency realignment	-	(1,048)	(192)	(12)	(2,310)	(3,562)
At 31 December 2022	2,142	13,005	5,936	974	23,802	45,859
Additions	-	-	72	-	164	236
Disposal	-	-	-	-	(622)	(622)
Transfer to assets of disposal group classified as held-for-sale (Note 10)	-	(9,867)	(1,658)	(59)	(15,132)	(26,716)
Termination of lease (Note 22)	-	(1,991)	-	-	-	(1,991)
Written-off	-	(134)	(1,817)	(37)	(7,350)	(9,338)
Currency realignment	-	(422)	(72)	(4)	(828)	(1,326)
At 31 December 2023	2,142	591	2,461	874	34	6,102

12. Property, plant and equipment (Continued)

	Leasehold land S$'000	Leasehold buildings and improvements S$'000	Furniture and equipment S$'000	Motor vehicles S$'000	Plant and machinery S$'000	Total S$'000
Group						
Accumulated depreciation						
At 1 January 2022	763	9,665	5,808	848	24,836	41,920
Depreciation	254	1,986	93	77	725	3,135
Disposal	-	-	(4)	-	(949)	(953)
Disposal of subsidiary (Note 13 (c))	-	(787)	-	-	-	(787)
Expiration of lease	-	(1,813)	-	-	-	(1,813)
Written-off	-	-	(13)	(45)	(898)	(956)
Currency realignment	-	(740)	(174)	(12)	(2,122)	(3,048)
At 31 December 2022	1,017	8,311	5,710	868	21,592	37,498
Depreciation	255	1,697	79	47	501	2,579
Disposal	-	-	-	-	(622)	(622)
Transfer to assets of disposal group classified as held-for-sale (Note 10)	-	(7,813)	(1,566)	(49)	(14,442)	(23,870)
Termination of lease liabilities (Note 22)		(1,217)	-	-	-	(1,217)
Written-off	-	(134)	(1,815)	(46)	(6,232)	(8,227)
Currency realignment	-	(259)	(65)	(1)	(764)	(1,089)
At 31 December 2023	1,272	585	2,343	819	33	5,052
Net carrying value						
At 31 December 2023	870	6	118	55	1	1,050
At 31 December 2022	1,125	4,694	226	106	2,210	8,361

12. Property, plant and equipment (Continued)

	Leasehold land S$'000	Leasehold improvements S$'000	Furniture and equipment S$'000	Motor vehicles S$'000	Plant and machinery S$'000	Total S$'000
Company						
Cost						
At 1 January 2022	2,142	588	1,447	273	20	4,470
Additions	-	3	2	-	-	5
At 31 December 2022	2,142	591	1,449	273	20	4,475
Additions	-	-	56	-	-	56
At 31 December 2023	2,142	591	1,505	273	20	4,531
Accumulated depreciation						
At 1 January 2022	763	573	1,423	197	20	2,976
Charge for the year	254	6	8	55	-	323
At 31 December 2022	1,017	579	1,431	252	20	3,299
Charge for the year	255	6	7	21	-	289
At 31 December 2023	1,272	585	1,438	273	20	3,588
Net carrying value						
At 31 December 2023	870	6	67	-	-	943
At 31 December 2022	1,125	12	18	21	-	1,176

12. Property, plant and equipment (Continued)

Property, plant and equipment of the Group and Company includes right-of-use assets of S$887,000 and S$870,000 (2022: S$5,877,000 and S$1,146,000) respectively which are presented together with the owned assets of the same class as the underlying assets. Details of the right-of-use assets are disclosed in Note 22(a).

In prior year, the Group's leasehold improvements with carrying amount of S$149,000 are mortgaged to secure the Group's bank loan (Note 23). These leasehold improvements have been fully amortised in current year.

13. Investments in subsidiaries

	Company	
	2023 S$'000	2022 S$'000
Unquoted equity shares, at cost	381,680	356,579
Deemed investment arising from financial guarantees provided to banks on behalf of subsidiaries	1,458	1,320
	383,138	357,899
Less: Impairment loss	(382,034)	(356,579)
Carrying amount	1,104	1,320

The Company issued financial guarantees to financial institutions for credit facilities obtained by its subsidiaries and recorded a deemed financial guarantee fee income in accordance with SFRS(I) 9. The deemed income was amortised over the period of the guarantee. The guarantee fee was not charged by the Company to the subsidiaries. The full amount of the guarantee fee is deemed to be the additional investment in subsidiaries.

Movements in the Company's provision of impairment losses for its investment in subsidiaries as at 31 December are as follows:

	Company	
	2023 S$'000	2022 S$'000
At 1 January	356,579	349,059
Additions during the year	25,455	7,520
At 31 December	382,034	356,579

An assessment is made on whether there are indicators that the Company's investments are impaired. During financial year ended 31 December 2023, impairment loss of S$25,101,000 and S$354,000 were recognised for its investment in Acma Technologies Pte Ltd and deemed investment in Acot Holdings Pte Ltd respectively. Acma Technologies Pte Ltd is in the process of striking off.

In prior year, an impairment loss of S$7,520,000 was recognised for its investment in subsidiary arising from Acma Investments Pte Ltd as the subsidiary is in the process of liquidation.

13. Investments in subsidiaries (Continued)

Details of subsidiaries directly held by the Company and their cost of investment to the Company as at 31 December are as follows:

	Company 2023 S$'000	Company 2022 S$'000
Acma ICCL Pte Ltd	13,039	13,039
Acma Investments Pte Ltd	102,920	102,920
Acma Technologies Pte Ltd	190,401	165,300
Lityan Systems (S) Pte Ltd	75,320	75,320
	381,680	356,579
Deemed investment in subsidiaries	1,458	1,320
	383,138	357,899

(a) Details of subsidiaries held by the Company and its subsidiaries at 31 December are as follows:

Name of company	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2023 %	Percentage of effective equity held by the Group 2022 %
Held by the Company				
*Acma ICCL Pte Ltd	Investment holding	Singapore	100	100
Acma Investments Pte Ltd (iv)	Investment holding	Singapore	-	100
Acma Technologies Pte Ltd (v)	Investment holding	Singapore	100	100
*Lityan Systems (S) Pte Ltd	Sales, maintenance and rental of communication equipment, computer equipment, peripherals and other office and industrial equipment and supplies	Singapore	100	100
Held by Subsidiaries				
*Acma Engineers Private Limited	Distributor of Hitachi air-conditioner packaged units and multi-split units	Singapore	70	70
*Acot Holdings Pte Ltd	Investment holding and trading of tools and moulds	Singapore	100	100
**Acot Plastics (Xiamen) Co., Ltd (1)	Manufacturing of tools, automotive moulds and plastic injection moulding	PRC	100	100
**Acot Tooling (Xiamen) Co., Ltd (1)	Manufacturing of tools and automotive moulds	PRC	100	100
*Global Tech Pte Ltd	Investment holding	Singapore	100	100
*Ray Tech Acot Singapore Pte Ltd	Mould making and plastic injection parts	Singapore	82.5	82.5
**Xenon Manufacturing Pte Ltd (v)	Investment holding	Singapore	51	51

13. Investments in subsidiaries (Continued)

(a) Details of subsidiaries held by the Company and its subsidiaries at 31 December are as follows (Continued):

Note:
(i) Companies indicated with (*) are audited by Forvis Mazars LLP, Singapore.
(ii) Companies indicated with (**) are audited by other auditors
(1) Audited by Zhongshen Zhonghuan, China
(iii) All active companies are operating in their respective country of incorporation.
(iv) This subsidiary is in the process of liquidation.
(v) These subsidiaries are in the process of striking off.

(b) Included in the Group are subsidiaries which have non-controlling interests ("NCI") that are material to the Group:

Subsidiaries	Proportion of ownership interest held by NCI		(Loss)/Profit allocated to NCI during the financial year		Accumulated NCI at the reporting date	
	2023 %	2022 %	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Acma Engineers Private Limited	30	30	(291)	(127)	458	749
Xenon Manufacturing Pte Ltd	49	49	-	68	-	(1,752)

Summarised financial information (before inter-company eliminations) based on its SFRS(I)s financial statements is as follow:

	Acma Engineers Private Limited		Xenon Manufacturing Pte Ltd	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Assets				
Non-current	99	92	-	-
Current	6,241	8,068	-	(*)
Liabilities				
Non-current	509	694	-	-
Current	4,305	4,968	-	3,576
Net assets/(liabilities)	1,526	2,498	-	(3,576)
Revenue	8,656	11,833	-	22
(Loss)/Profit after income tax, representing total comprehensive (loss)/profit	(970)	(424)	(*)	139
Net cash flows generated from operation	26	460	(*)	6

(*) denotes amount less than S$1,000

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group except for cash and bank balances held in PRC of S$3,103,000 (Note 10) (2022: S$865,000) which are subject to local exchange control regulations which restrict the amount of currency to be exported other than through dividends.

13. Investments in subsidiaries (Continued)

(c) Disposal of Rinzai Limited

On 24 September 2022, the Company disposed of its entire interest in Rinzai Limited to a third party, Gliston Company Limited for cash consideration of USD119,180 (equivalent to S$169,200).

Carrying amounts of the assets and liabilities as at the date of disposal are as follows:

	Carrying amounts S$'000
Property, plant and equipment	734
Other receivables	14
Cash and bank balances	19
	767
Other payables	(654)
	(654)
Net assets	113
Cash consideration	169
Cash and bank balances of subsidiary disposed off	(19)
Net cash inflows on disposal	150
Gain on disposal:	
Cash consideration received	169
Net assets derecognised	(113)
Cumulative exchange differences relating to Rinzai Limited reclassified from equity	(*)
Gain on disposal	56

(*) denotes amount less than S$1,000

14. Other assets

	Group 2023 S$'000	Group 2022 S$'000
Long-term prepaid expenses, at cost	93	97
Non-refundable deposits	26	29
Currency realignment	(1)	(5)
Written-off	(7)	-
Less: Accumulated amortisation	(111)	(42)
Net carrying value	-	79

Movement in the accumulated amortisation are as follows:

	Group 2023 S$'000	Group 2022 S$'000
Balance at 1 January	42	-
Charge for the year	70	44
Currency realignment	(1)	(2)
Balance at 31 December	111	42

15. Inventories

	Group 2023 S$'000	Group 2022 S$'000
Materials	-	2,416
Work-in-progress	-	5,870
Finished products	10	3,942
Trading	1,393	1,385
	1,403	13,613

Inventories are stated after providing the allowance for inventories obsolescence as follows:

	Group 2023 S$'000	Group 2022 S$'000
At 1 January	925	1,057
Allowance on impairment of inventory obsolescence	369	505
Write-back	-	(575)
Currency realignment	-	(62)
Transfer to assets of disposal group classified as held-for-sale	(1,032)	-
At 31 December	262	925

In the prior financial year, the Group has recognised a reversal of S$575,000 being part of allowance for inventory obsolescence, as inventory has been sold in the financial year ended 31 December 2023.

16. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	S$'000	S$'000	S$'000	S$'000
Trade receivables	3,050	16,811	-	-
Less: Loss allowance	(1,636)	(2,726)	-	-
Net trade receivables	1,414	14,085	-	-
Other receivables	1,243	844	648	-
Less: Loss allowance	(465)	(584)	-	-
Net other receivables	778	260	648	-
Prepayments	366	3,686	4	9
Sundry deposits	318	668	58	-
Recoverable amounts	136	157	915	923
Tax recoverable	13	13	9	3
Accrued revenue	139	675	-	-
Total	3,164	19,544	1,634	935

Trade receivables are non-interest bearing and are generally on 30 to 135 days (2022: 30 to 135 days) credit terms.

Other receivables and sundry deposits are non-trade in nature, non-interest bearing, unsecured, and repayable on demand. Other receivables mainly consist of receivable from SSH amounting to S$630,000 on the premature termination of tenancy agreement (Note 5).

The accrued revenue relates to the revenue recognised to date for satisfied performance obligations but has not been invoiced to the customer as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers. Accrued revenue for the financial year ended 31 December 2023 decreased due to lesser orders remain unbilled to customers.

Prepayments mainly consist of advances made to suppliers. Prepayments for the financial year ended 31 December 2023 decreased due to transfer of prepayments for both APX and ATX to assets of disposal group classified as held-for-sale.

Net trade and other receivables are mainly denominated in the following currencies as at the reporting date:

	Group		Company	
	2023	2022	2023	2022
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	1,695	975	1,634	935
United States dollar	1,446	12,624	-	-
Chinese renminbi	-	5,440	-	-
Euro	-	490	-	-
Others	23	15	-	-
	3,164	19,544	1,634	935

17. Amounts owing by/(to) subsidiaries

	Company	
	2023 S$'000	2022 S$'000
Amounts owing by subsidiaries	36,536	36,343
Less: Loss allowance	(31,453)	(16,882)
Carrying amount	5,083	19,461
Amounts owing to subsidiaries	(4,267)	(17,052)

The amounts owing by/(to) subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

Amounts owing by/(to) subsidiaries are denominated in Singapore dollar.

18. Cash and bank balances

	Group		Company	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Cash and bank balances	1,237	3,090	60	76
Bank overdrafts (Note 23)	(1,398)	(1,000)	-	-
Discontinued operations (Note 10)	3,103	-	-	-
Cash and cash equivalents for statement of cash flows	2,942	2,090	60	76

Cash and bank balances are mainly denominated in the following currencies as at the reporting date:

	Group		Company	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Singapore dollar	429	851	59	74
United States dollar	797	1,375	1	2
Euro	8	13	-	-
Chinese renminbi	-	848	-	-
Others	3	3	-	-
	1,237	3,090	60	76

19. Share capital

	Group and Company			
	2023	2022	2023	2022
	No. of ordinary shares			
	'000	'000	S$'000	S$'000
Issued and fully paid:				
At 1 January and 31 December	42,391	42,391	195,039	195,039

The holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share without restrictions and have no par value at meetings of the Company.

The Group's and the Company's net asset value per share as at 31 December is as follows:

	Group		Company	
	2023	2022	2023	2022
Total equity excluding non-controlling interests (S$'000)	2,080	5,098	2,235	3,907
Total number of shares ('000)	42,391	42,391	42,391	42,391
Net asset value per share (cents)	5	12	5	9

20. Capital reserve

The capital reserve comprises statutory reserve which is computed based on 11% (2022: 11%) of the net profits of subsidiaries established in PRC in accordance with local laws and regulations.

During the financial year, the Group transferred the accumulated non-controlling interests in Xenon Manufacturing Pte Ltd of S$1,752,000 to capital reserve as part of the strike off process of Xenon Manufacturing Pte Ltd.

21. Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group, as well as from the translation of foreign currency loans which form part of the Group's net investments in foreign operations.

22. The Group as a lessee

The Group leases motor vehicle and land as at the reporting date. The land under a 20-year lease arrangement, with no option to renew the lease after that date. The Group has made an upfront payment to secure the right-of-use of the 20-year leasehold land. This lease also contains a variable lease payment that are based on a percentage of the land rent paid by the landlord to Jurong Town Corporation.

In prior year, the Group leases office factory and certain office equipment for 3 to 10 years, and motor vehicles and certain plant and machinery for 2 to 7 years. The Group has several lease contracts with extension options exercisable by the Group up to 180 days before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation. These lease liabilities have been transferred to liabilities of disposal group classified as held-for-sale as at reporting date.

<u>Recognition exemptions</u>

The Group has certain office leases, warehouse lease and rented apartments with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

(a) Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment are as follows:

	Leasehold land S$'000	Leasehold buildings and improvements S$'000	Motor vehicles S$'000	Plant and machinery S$'000	Total S$'000
Group					
At 1 January 2022	1,379	5,372	109	460	7,320
Additions	-	2,072	-	-	2,072
Disposal of subsidiary (Note 13(c))	-	(734)	-	-	(734)
Depreciation	(254)	(1,895)	(61)	(284)	(2,494)
Currency realignment	-	(262)	-	(25)	(287)
At 31 December 2022	1,125	4,553	48	151	5,877
Transfer to assets of disposal group classified as held-for-sale (Note 10)	-	(2,010)	-	-	(2,010)
Termination of lease (Note 12)[(@)]	-	(774)	-	-	(774)
Depreciation	(255)	(1,621)	(31)	(144)	(2,051)
Currency realignment	-	(148)	-	(7)	(155)
At 31 December 2023	870	-	17	-	887
Company					
At 1 January 2022	1,379	-	76	-	1,455
Depreciation	(254)	-	(55)	-	(309)
At 31 December 2022	1,125	-	21	-	1,146
Depreciation	(255)	-	(21)	-	(276)
At 31 December 2023	870	-	-	-	870

[(@)] Being termination of ATX's leasehold building.

The total cash outflows for leases during the financial year ended 31 December 2023 is S$2,294,000 (2022: S$2,545,000).

22. The Group as a lessee (Continued)

(b) Lease liabilities

	Group		Company	
	2023 S$'000	**2022 S$'000**	**2023 S$'000**	**2022 S$'000**
Non-current	393	3,909	393	561
Current	176	2,089	168	160
	569	5,998	561	721

The maturity analysis of lease liabilities is disclosed in Note 31.

Lease liabilities are denominated in the following currencies as at 31 December:

	Group		Company	
	2023 S$'000	**2022 S$'000**	**2023 S$'000**	**2022 S$'000**
Singapore dollar	569	752	561	721
Chinese renminbi	-	5,246	-	-
	569	5,998	561	721

(c) Amounts recognised in profit or loss

	Group	
	2023 S$'000	**2022 S$'000**
Expense relating to short-term leases	499	267
Expense relating to low-value assets	18	18

23. Bank borrowings

	Group	
	2023 S$'000	**2022 S$'000**
Secured		
Bank loan	-	812
Unsecured		
Bank loan	188	353
Bank overdrafts (Note 18)	1,398	1,000
Trust receipts and bills payable	4,509	5,411
	6,095	6,764

23. Bank borrowings (Continued)

	Group	
	2023 S$'000	2022 S$'000
Non-current	-	177
Current	6,095	7,399
	6,095	7,576

Bank borrowings bear interest at rates ranging from 4.32% to 8.31% (2022: 4.36% to 7.51%) per annum.

The effective interest rate of the bank loan at reporting date is 4.50% (2022: 3.90% to 4.50%) per annum and the interest rate is repriced monthly.

Trust receipts and bills payable have maturities between 1 to 5 months (2022: 1 to 5 months).

In prior year, the Group's secured bank borrowing relates to Renminbi denominated bank loan that is secured by first mortgage over the leasehold improvements (Note 12). The effective interest rate of the bank loan was 3.90% per annum. The secured bank loan has been transferred to liabilities of disposal group classified as held-for-sale as at reporting date.

Bank borrowings are denominated in the following currencies as at the reporting date:

	Group	
	2023 S$'000	2022 S$'000
Singapore dollar	1,586	1,435
United States dollar	3,926	4,757
Chinese renminbi	-	812
Euro	583	572
	6,095	7,576

24. Provision

	Group and Company	
	2023 S$'000	2022 S$'000
Provision for reinstatement	147	140

25. Deferred tax liabilities

Details of deferred tax liabilities are as follows:

	Group	
	2023 S$'000	2022 S$'000
Deferred tax liabilities:		
Differences in timing of deduction of certain expenses	9	9

25. Deferred tax liabilities (Continued)

The movements in deferred tax liabilities were as follows:

	Group	
	2023	**2022**
	S$'000	**S$'000**
At 1 January and 31 December	9	9

26. Trade and other payables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Non-current				
Other payables	700	700	200	200
Current				
Trade payables	1,882	16,281	590	440
Accruals	2,841	4,186	824	496
Other tax payables	38	49	-	-
Other	58	108	-	12
	4,819	20,624	1,414	948

Non-current other payables consist of amount due to a third party and amount due to a director of S$500,000 (2022: S$500,000) and S$200,000 (2022: S$200,000) respectively. The amount due to a third party is unsecured, with an interest rate of 10.80% (2022: 10.80%) per annum and repayable 30 months (2022: 30 months) from the date of receipt of loan whereas the amount due to a director is unsecured, interest-free and repayable on demand.

Trade payables are non-interest bearing and are generally settled within 30 to 90 days (2022: 30 to 90 days) credit terms.

Trade and other payables are denominated in the following currencies as at the reporting date:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Singapore dollar	3,170	1,404	1,614	1,148
Chinese renminbi	-	15,882	-	-
United States dollar	2,165	3,831	-	-
Euro	179	207	-	-
Other	5	-	-	-
	5,519	21,324	1,614	1,148

27. Contract liabilities from contracts with customers

	Group		1 January
	2023	2022	2022
	S$'000	S$'000	S$'000
Deposits from customers	1,040	4,894	3,892

Deposits from customers relate to revenue not recognised to date but have been paid by the customers as at the financial year end, and is transferred to revenue, at the point when the performance obligation is satisfied.

Contract liabilities for the financial year ended 31 December 2023 decreased due to lesser deposits received from equipment distribution segment's customers and the transfer of APX and ATX's contract liabilities of disposal group classified as held-for-sale (Note 10).

The Group's revenue recognised in the financial years that was included in the contract liabilities balance at the beginning of the respective financial years is as follows:

	Group	
	2023	2022
	S$'000	S$'000
- Tooling	3,552	3,051
- Equipment distribution	1,342	841
	4,894	3,892

28. Operating lease commitments

As a lessor

The Group has committed to lease its long-term operating lease, under the non-cancellable agreements for a period of 6 years.

On 24 September 2022, the Group has terminated the lease agreement when it disposed off its entire interest in Rinzai Limited (Note 13(c)).

29. Contingent liabilities, unsecured

As at 31 December 2023, the Company has given guarantees amounting to S$12.5 million (2022: S$12.5 million) to certain banks and suppliers in respect of banking facilities and credit terms granted to the subsidiaries.

The Company has not recognised further liability in addition to the amount initially recognised less cumulative amortisation in respect of the guarantees given to the banks for banking facilities granted to the subsidiaries as the Company's directors have assessed that the likelihood of the subsidiaries defaulting on repayment of its loan is remote.

As at the end of the financial year, the total amount of unsecured loans drawn down and outstanding covered by the guarantees is S$6.1 million (2022: S$6.8 million). Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facilities.

As at the end of the financial year, the Company has also given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

30. Segment information

Reporting format

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. For each of the strategic business units, the management reviews internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

The management also considers the business from both the business and geographical segment perspective.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same as those described in the summary of material accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before income tax expense not including non-recurring gains or losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, which approximate market prices. These inter-segment transactions are eliminated on consolidation.

Business segments

The Tooling and Plastic Injection Moulding segments are the discontinued segments that manufacture moulds mainly for the automotive and electronics industries and produces plastic injected parts for the manufacturing sector.

The Communications, Electronics and Equipment Distribution segment is a diverse supplier of tele-communications, electronics and packaged air-conditioners. It offers products and services in distribution of packaged air-conditioners, and in supply of microwave tele-communications systems and electronic/computer related products.

The Investment segment relates to the investment holding activities of the Group.

Geographical segments

In the Group's geographical segmentation, revenue is segmented based on the locations of the customers in relation to the contractual transactions with the legal entities within the Group. Assets are segmented based on the location where they are situated in relation to the location of the legal entities within the Group.

30. Segment information (Continued)

(a) *Business segments*

The following table presents revenue and results information regarding the Group's business segments for the year ended 31 December:

Group	Tooling and plastic injection moulding S$'000	Communications, electronics and equipment distribution S$'000	Investment S$'000	Tooling and plastic injection moulding (discontinued) S$'000	Elimination S$'000	Consolidated S$'000
2023						
Revenue						
External customers	2,437	8,590	-	38,229	-	49,256
Inter-segment(*)	-	-	1,174	130	(1,304)	-
Total revenue	2,437	8,590	1,174	38,359	(1,304)	49,256
(Loss)/Profit from operations	(245)	377	(930)	5,621	-	4,823
Depreciation of property, plant and equipment	(13)	(36)	(288)	(2,242)	-	(2,579)
Interest income	-	-	-	41	-	41
Finance costs	(561)	(118)	(43)	(199)	-	(921)
Amortisation of other assets	-	-	-	(70)	-	(70)
Write-off of property, plant & equipment	-	-	-	(1,111)	-	(1,111)
Write-off of other assets	-	-	-	(7)	-	(7)
Termination of lease liabilities	-	-	-	34	-	34
Allowance on impairment of inventory obsolescence	-	-	-	(369)	-	(369)
Remeasurement of loss allowance on financial assets, net	10	(246)	-	232	-	(4)
Other payables written-off	-	-	12	-	-	12
Trade payables written-off	-	-	30	-	-	30
(Loss)/Profit before income tax	(809)	(23)	(1,219)	1,930	-	(121)
Income tax expense	-	(2)	-	(1,103)	-	(1,105)
Net (loss)/profit for the financial year	(809)	(25)	(1,219)	827	-	(1,226)

(*) Inter-segment revenues are eliminated on consolidation.

30. Segment information (Continued)

(a) *Business segments (Continued)*

The following table presents revenue and results information regarding the Group's business segments for the year ended 31 December:

Group	Tooling and plastic injection moulding S$'000	Communications, electronics and equipment distribution S$'000	Investment S$'000	Tooling and plastic injection moulding (discontinued) S$'000	Elimination S$'000	Consolidated S$'000
2022						
Revenue						
External customers	2,029	12,032	-	38,045	-	52,106
Inter-segment(*)	-	-	1,174	1,253	(2,427)	-
Total revenue	2,029	12,032	1,174	39,298	(2,427)	52,106
Profit/(Loss) from operations	313	906	(1,475)	3,870	-	3,614
Depreciation of property, plant and equipment	(12)	(195)	(323)	(2,605)	-	(3,135)
Interest income	-	-	-	3	-	3
Finance costs	(461)	(107)	(50)	(314)	-	(932)
Amortisation of other assets	-	-	-	(44)	-	(44)
Remeasurement of loss allowance on financial assets, net	260	(185)	-	39	-	114
Allowance on impairment of inventory obsolescence	-	(2)	-	(503)	-	(505)
Write-back on impairment of inventory obsolescence	-	142	-	433	-	575
Gain on disposal of subsidiary	-	-	56	-	-	56
Gain on disposal of property, plant and equipment	-	-	-	30	-	30
Other payables written-off	266	-	-	-	-	266
Written off of property, plant and equipment	-	-	-	(13)	-	(13)
Profit/(Loss) before income tax	366	559	(1,792)	896	-	29
Income tax expense	-	-	-	(816)	-	(816)
Net profit/(loss) for the financial year	366	559	(1,792)	80	-	(787)

(*) Inter-segment revenues are eliminated on consolidation.

30. Segment information (Continued)

(a) Business segments (Continued)

The following table presents assets and liabilities regarding the Group's business segments as at 31 December:

Group	Tooling and plastic injection moulding S$'000	Communications, electronics and equipment distribution S$'000	Investment S$'000	Tooling and plastic injection moulding (discontinued) S$'000	Consolidated S$'000
2023					
Segment assets	1,514	3,507	1,833	26,149	33,003
Total assets	1,514	3,507	1,833	26,149	33,003
Total liabilities	(6,880)	(4,177)	(2,322)	(16,947)	(30,326)
Net (liabilities)/assets	(5,366)	(670)	(489)	9,202	2,677
Capital expenditure - tangible assets	-	5	55	176	236
Other material non-cash items:					
Depreciation of property, plant and equipment	13	36	288	2,242	2,579
Interest income	-	-	-	(41)	(41)
Finance costs	561	118	43	199	921
Amortisation of other assets	-	-	-	70	70
Remeasurement of loss allowance on financial assets, net	(10)	246	-	(232)	4
Allowance on impairment of inventory obsolescence	-	-	-	369	369
Write-off of property, plant and equipment	-	-	-	1,111	1,111
Write-off of other assets	-	-	-	7	7
Termination of lease liabilities	-	-	-	(34)	(34)
Trade payables written-off	-	-	(30)	-	(30)
Other payables written-off	-	-	(12)	-	(12)
2022					
Segment assets	37,217	6,087	1,383	-	44,687
Total assets	37,217	6,087	1,383	-	44,687
Total liabilities	(33,311)	(5,066)	(2,061)	-	(40,438)
Net assets/(liabilities)	3,906	1,021	(678)	-	4,249
Capital expenditure - tangible assets	351	65	4	-	420
Other material non-cash items:					
Depreciation of property, plant and equipment	12	195	323	2,605	3,135
Interest income	-	-	-	(3)	(3)
Finance costs	461	107	50	314	932
Amortisation of other assets	-	-	-	44	44
Remeasurement of loss allowance on financial assets, net	(260)	185	-	(39)	(114)
Gain on disposal of subsidiary	-	-	(56)	-	(56)
Gain on disposal of property, plant and equipment	-	-	-	(30)	(30)
Other payables written-off	(266)	-	-	-	(266)
Written off of property, plant and equipment	-	-	-	13	13
Allowance on impairment of inventory obsolescence	-	2	-	503	505
Write-back on impairment of inventory obsolescence	-	(142)	-	(433)	(575)

30. **Segment information (Continued)**

(b) *Geographical segments*

The following table presents revenue and certain assets information regarding the Group's geographical segments for the financial years ended 31 December 2023 and 2022:

	PRC (including HK)		Singapore		Europe (including UK)		Rest of Asia		North America and others		PRC (including HK) (discontinued)		Consolidated	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Group														
Revenue														
- Continued operations	-	35	3,092	3,821	1,543	1,376	5,498	8,012	894	817	-	-	11,027	14,061
- Discontinued operations	-	-	335	376	6,607	5,614	-	-	8,853	8,815	22,434	23,240	38,229	38,045
Other geographical information:														
Segment assets	-	33,383	6,854	11,304	-	-	-	-	-	-	26,149	-	33,003	44,687
Total assets	-	33,383	6,854	11,304	-	-	-	-	-	-	26,149	-	33,003	44,687
Total liabilities	-	(24,008)	(13,379)	(16,430)	-	-	-	-	-	-	(16,947)	-	(30,326)	(40,438)
Net assets/ (liabilities)	-	9,375	(6,525)	(5,126)	-	-	-	-	-	-	9,202	-	2,677	4,249
Non-current assets	-	7,158	1,050	1,282	-	-	-	-	-	-	-	-	1,050	8,440

30. Segment information (Continued)

Reconciliations of reportable segment revenue, profit or loss and other material items

	2023 S$'000	2022 S$'000
Revenue		
Total revenue for reportable segments	49,256	52,106
Elimination of discontinued operations	(38,229)	(38,045)
Consolidated revenue	11,027	14,061
Profit or loss		
Total loss for reportable segments	(2,051)	(867)
Elimination of discontinued operations	1,930	896
Consolidated loss before income tax	(121)	29

	Reportable segments S$'000	Tooling and plastic injection moulding (discontinued) S$'000	Total S$'000
Other material items 2023			
Depreciation of property, plant and equipment	(2,579)	2,242	(337)
Finance costs	(921)	199	(722)
Remeasurement of loss allowance on financial assets, net	(4)	(232)	(236)

31. Financial instruments and financial risks

	Group		Company	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Financial assets				
Trade and other receivables (excluding prepayments, tax recoverable and accrued revenue)	2,646	15,170	1,621	923
Amounts owing by subsidiaries	-	-	5,083	19,461
Cash and bank balances	1,237	3,090	60	76
Financial assets at amortised cost	3,883	18,260	6,764	20,460
Financial liabilities				
Lease liabilities	569	5,998	561	721
Bank borrowings	6,095	7,576	-	-
Trade and other payables (excluding other tax payables)	5,481	21,275	1,615	1,148
Amounts owing to subsidiaries	-	-	4,267	17,052
Financial liabilities at amortised cost	12,145	34,849	6,443	18,921

31. Financial instruments and financial risks (Continued)

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

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances, trade and other receivables and other debt instruments carried at amortised cost. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, and/or where contractual payments are 90 days past due as per SFRS(I) 9's presumption.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Group has concentrations of credit risk to certain customers. The five largest customers of the Group accounted for approximately 55% (2022: 27%) of the Group's revenue for the year ended 31 December 2023. The Group has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

At 31 December 2023, 72% (2022: 43%) of the Group's trade receivables was due from 5 (2022: 5) major customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

31. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk [Note 1]	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition [Note 2] or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired [Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount [Note 4]	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information.

Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

31. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cash flows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

With reference to Note 29, the Company provides financial guarantees to certain banks in respect of bank facilities granted to certain subsidiaries. The date when the Group becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Group considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

As at the end of the financial year, other than as disclosed above, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

<u>Trade receivables and accrued revenue (Note 16)</u>

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables and accrued revenue, where the loss allowance is equal to lifetime ECL.

The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses and estimates, for example, the gross domestic production growth rates of the countries (i.e. Singapore, Bangladesh and Cambodia) and the growth rates of the major industries in which its customers operate.

31. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Trade receivables and accrued revenue (Note 16) (Continued)

Trade receivables and accrued revenue are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

The loss allowance for trade receivables and accrued revenue are determined as follows:

	Current	Past due less than 90 days	Past due 90 to 180 days	Past due more than 180 days	Total
31 December 2023					
Expected credit loss rates	0%	0%	0%	95.0%	
Trade receivables and accrued revenue (S$'000)	996	457	13	1,723	3,189
Loss allowance (S$'000)	-	-	-	1,636	1,636
31 December 2022					
Expected credit loss rates	0%	0%	0.9%	65.7%	
Trade receivables and accrued revenue (S$'000)	9,572	2,865	911	4,138	17,486
Loss allowance (S$'000)	-	-	8	2,718	2,726

Other receivables (Note 16)

As of 31 December 2023, the Group and the Company recorded other receivables of S$778,000 (2022: S$260,000) and S$648,000 (2022:S$Nil) respectively. Other than the credit-impaired receivable classified under category 4, the Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables have no significant increase in credit risk. Using 12-month ECL, the Company determined that the ECL is insignificant.

Amounts owing by subsidiaries (Note 17)

As of 31 December 2023, the Company recorded amount owing by subsidiaries of S$5,083,000 (2022: S$19,461,000) consequent to an extension of loans to subsidiaries. Other than the credit-impaired receivable classified under category 4, the Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables have no significant increase in credit risk. Using a 12-month ECL, the Company determined that the ECL is insignificant.

31. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables and accrued revenue and other receivables are as follows:

Group	Trade receivables and accrued revenue					Other receivables			
Internal credit risk grading	Note (i) S$'000	Category 3 S$'000	Category 4 S$'000	Category 5 S$'000	Total S$'000	Category 1 S$'000	Category 4 S$'000	Category 5 S$'000	Total S$'000
Loss allowance									
At 1 January 2022	1,090	1,185	759	-	3,034	-	789	-	789
Currency realignment	(93)	(67)	-	-	(160)	-	(3)	-	(3)
Remeasurement of loss allowance on financial assets, net	432	(371)	-	-	61	-	(175)	-	(175)
Reclassification between categories	(209)	(747)	747	209	-	-	(27)	27	-
Write-off of receivables	-	-	-	(209)	(209)	-	-	(27)	(27)
At 31 December 2022	1,220	-	1,506	-	2,726	-	584	-	584
Remeasurement of loss allowance on financial assets, net	4	-	-	-	4	-	-	-	-
Write-off of receivables	-	-	-	-	-	-	(114)	-	(114)
Transfer to assets of disposal group classified as held-for-sale	(347)	-	(747)	-	(1,094)	-	(5)	-	(5)
At 31 December 2023	877	-	759	-	1,636	-	465	-	465
Gross carrying amount									
At 31 December 2022	15,980	-	1,506	-	17,486	260	584	-	844
At 31 December 2023	2,430	-	759	-	3,189	778	465	-	1,243
Net carrying amount									
At 31 December 2022	14,760	-	-	-	14,760	260	-	-	260
At 31 December 2023	1,553	-	-	-	1,553	778	-	-	778

Note (i): For trade receivables and accrued revenue, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

31. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Company's exposure to credit risk in respect of the amounts owing by subsidiaries and other receivables are as follows:

Company	Amounts owing by subsidiaries and other receivables		
Internal credit risk grading	Category 1 S$'000	Category 4 S$'000	Total S$'000
Loss allowance			
At 1 January 2022	-	17,527	17,527
Remeasurement of loss allowance on financial assets, net	-	(645)	(645)
At 31 December 2022	-	16,882	16,882
Remeasurement of loss allowance on financial assets, net	-	14,571	14,571
At 31 December 2023	-	31,453	31,453
Gross carrying amount			
At 31 December 2022	15,538	20,805	36,343
At 31 December 2023	648	35,888	36,536
Net carrying amount			
At 31 December 2022	15,538	3,923	19,461
At 31 December 2023	648	4,435	5,083

Market risks

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. Except for foreign currency forward contracts used to hedge against foreign currency risk, the Group did not enter into derivative financial instruments to hedge against foreign currency risk and interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk relates to interest bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

The Group's interest rate risk arises primarily from the floating rate borrowing with financial institutions.

31. Financial instruments and financial risks (Continued)

Market risks (Continued)

Interest rate risk (Continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on exposure to interest rate risk at the end of financial years. For floating rate liabilities, the analysis is prepared assuming the amount of liabilities outstanding at the end of financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 5% change in the interest rates from the end of the financial year, with all variables held constant.

	Effective interest rate	Increase in loss before income tax	
		2023 S$'000	2022 S$'000
Trust receipts and bills payable	Note 23	225	271

Foreign currency risk

The Group is exposed to foreign exchange risk on sales, purchases, trade and other receivables, cash and bank balances, trade and other payables, bank borrowings and lease liabilities that are denominated in currencies other than the functional currencies of the respective entities in the Group. The currencies giving rise to this risk are primarily the United States dollar ("USD"), Euro ("EUR") and Chinese renminbi ("RMB").

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

	2023			2022		
	USD S$'000	RMB S$'000	EUR S$'000	USD S$'000	RMB S$'000	EUR S$'000
Monetary assets:						
Trade and other receivables	1,368	-	-	9,243	4,851	490
Cash and bank balances	797	-	8	1,375	848	13
	2,165	-	8	10,618	5,699	503
Monetary liabilities:						
Trade and other payables	(2,165)	-	(179)	(3,831)	(15,882)	(207)
Bank borrowings	(3,926)	-	(583)	(4,757)	(812)	(572)
Lease liabilities	-	-	-	-	(5,246)	-
	(6,091)	-	(762)	(8,588)	(21,940)	(779)
Net monetary (liabilities)/assets	(3,926)	-	(754)	2,030	(16,241)	(276)
Add:						
Currency exposure of those denominated in the respective entity's functional currency	(26)	-	-	-	16,241	-
Currency exposure of monetary (liabilities)/assets net of those denominated in the respective entity's functional currency	(3,952)	-	(754)	2,030	-	(276)

31. Financial instruments and financial risks (Continued)

Market risks (Continued)

Foreign currency sensitivity analysis

At 31 December 2023, it is estimated that a five percentage point weakening of foreign currencies against the functional currency of respective entities, with all variables held constant, would increase the Group's post-tax profit by approximately S$195,000 (2022: S$48,000). A five-percentage point strengthening of foreign currencies against the functional currency, with all variables held constant, would have an equal but opposite effect. 5% is the sensitivity rate used when reporting foreign currency risks internally to key management personnel and represents management's assessment of the possible changes in foreign exchange rate.

If the following foreign currencies strengthens by 5% (2022: 5%) against the functional currency of each Group entity, profit or loss will (decrease)/increase by:

	Loss before income tax	
	2023 S$'000	2022 S$'000
USD	(198)	102
EUR	(38)	(14)

Liquidity risk

Liquidity risk refers to the risk in which the Group is unable to meet its short-term obligations. Liquidity risk is managed by matching the payments and receipts cycle.

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

The Group prepares cash flows projections on a regular basis for its core operations to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group's operations are financed mainly through trade financing and internal funds. In addition, the Group has access to lines of credit from financial institutions, and within the Group companies, where necessary, as follows:

	Group	
	2023 S$'000	2022 S$'000
Unutilised credit facilities		
- bank overdrafts facilities	102	500
- trade facilities	5,991	5,089

31. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Effective interest rate %	Less than 1 year S$'000	1 to 5 years S$'000	Total S$'000
Group				
Undiscounted financial assets				
Cash and bank balances	-	1,237	-	1,237
Trade and other receivables	-	2,646	-	2,646
As at 31 December 2023		3,883	-	3,883
Cash and bank balances	-	3,090	-	3,090
Trade and other receivables	-	15,170	-	15,170
As at 31 December 2022		18,260	-	18,260
Undiscounted financial liabilities				
Trade and other payables	10.80	4,781	700	5,481
Lease liabilities	5.01 - 5.25	204	421	625
Bank borrowings	4.32 - 8.31	6,095	-	6,095
As at 31 December 2023		11,080	1,121	12,201
Trade and other payables	10.80	20,575	700	21,275
Lease liabilities	4.74 - 5.25	2,332	4,125	6,457
Bank borrowings	4.36 - 7.51	7,399	177	7,576
As at 31 December 2022		30,306	5,002	35,308
Total net undiscounted financial liabilities				
- at 31 December 2023		(7,197)	(1,121)	(8,318)
- at 31 December 2022		(12,046)	(5,002)	(17,048)

31. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	Effective interest rate %	Less than 1 year S$'000	1 to 5 years S$'000	Total S$'000
Company				
Undiscounted financial assets				
Trade and other receivables	-	1,621	-	1,621
Amounts owing by subsidiaries	-	5,083	-	5,083
Cash and bank balances	-	60	-	60
As at 31 December 2023		6,764	-	6,764
Trade and other receivables	-	923	-	923
Amounts owing by subsidiaries	-	19,461	-	19,461
Cash and bank balances	-	76	-	76
As at 31 December 2022		20,460	-	20,460
Undiscounted financial liabilities				
Lease liabilities	5.25	196	421	617
Trade and other payables	-	1,415	200	1,615
Amounts owing to subsidiaries	-	4,267	-	4,267
Maximum amount of financial guarantee	-	5,907	-	5,907
As at 31 December 2023		11,785	621	12,406
Lease liabilities	5.25	196	617	813
Trade and other payables	-	948	200	1,148
Amounts owing to subsidiaries	-	17,052	-	17,052
Maximum amount of financial guarantee	-	6,411	-	6,411
As at 31 December 2022		24,607	817	25,424
Total net undiscounted financial liabilities				
- at 31 December 2023		(5,021)	(621)	(5,642)
- at 31 December 2022		(4,147)	(817)	(4,964)

32. Fair value of assets and liabilities

The carrying amounts of cash and bank balances, bank borrowings, current trade and other receivables and payables approximate their respective fair values due to the relative short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

Valuation policies and techniques

The management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regards, the management reports to the Group's Audit and Risk Committee.

32. Fair value of assets and liabilities (Continued)

Valuation policies and techniques (Continued)

It is the Group's policy that where assessed necessary by the management, the Group would engage experts to perform significant complex financial reporting valuations. The management is responsible for selecting and engaging such external experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement* guidance. The Group's internal financial personnel will undertake non-complex financial reporting valuations.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. The management also reviews at least on an annual basis, the appropriateness of the valuation methodologies and assumptions adopted and evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

The analysis and results of the external valuations are then reported to the Audit and Risk Committee for the latter's comments before presenting the results to the Board of Directors for approval.

33. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from 2022.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings, lease liabilities and trade and other payables, less cash and bank balances. Total capital is calculated as total equity including non-controlling interests, as shown in the statement of financial position, plus net debt.

The gearing ratio is as follows at the reporting date:

	2023 S$'000	2022 S$'000
Total borrowings, lease liabilities and trade and other payables	12,183	34,898
Less: cash and bank balances (Note 18)	(1,237)	(3,090)
Net debt	10,946	31,808
Total equity	2,677	4,249
Total capital	13,623	36,057
Gearing ratio	80.3%	88.2%

The Company is not subjected to externally imposed capital requirements for the financial years ended 31 December 2023 and 2022 except as disclosed in Note 20 to the consolidated financial statements. PRC subsidiaries are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subjected to approval by the relevant PRC authorities. The Group is in compliance with the externally imposed requirement for the financial years ended 31 December 2023 and 2022.

34. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

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

Associates are related parties and include those that are associates of the holding and/or related companies. Many of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, other than those disclosed elsewhere in the financial statements, the Group had no significant transactions with related parties.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel remuneration:

	Group		Company	
	2023 **S$'000**	**2022** **S$'000**	**2023** **S$'000**	**2022** **S$'000**
Short-term benefits	849	849	301	301
Employers' contribution to defined contribution plans	23	23	5	5
Directors' fees	103	104	103	104
	975	976	409	410

STATISTICS OF SHAREHOLDERS

AS AT 17 MAY 2024

Number of Shares Issued	:	**42,390,998**
Class of Shares	:	Ordinary Shares

ANALYSIS OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 99	3,787	45.10	116,353	0.27
100 - 1,000	3,314	39.47	1,304,355	3.08
1,001 -10,000	1,078	12.84	3,432,066	8.10
10,001 - 1,000,000	210	2.50	11,086,749	26.15
1,000,001 & above	8	0.09	26,451,475	62.40
Total	**8,397**	**100.00**	**42,390,998**	**100.00**

TOP TWENTY SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Shares
CHEW HUA SENG	6,444,037	15.20
QUEK SIM PIN	5,816,771	13.72
ALLINGHAM INVESTMENTS LIMITED	4,554,455	10.74
CITIBANK NOMINEES SINGAPORE PTE LTD	3,457,690	8.16
UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,927,199	4.55
TAN ENG CHUA EDWIN	1,504,986	3.55
S P QUEK INVESTMENTS PTE LTD	1,396,337	3.29
BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	1,350,000	3.18
DBS NOMINEES (PRIVATE) LIMITED	695,441	1.64
ZHOU JIANBIAO	520,100	1.23
JOSCA WOO KONG HWA	420,000	0.99
LIM & TAN SECURITIES PTE LTD	401,603	0.95
GOH GEOK KHIM	400,001	0.94
CHUA HEE TECK	370,000	0.87
MAYBANK SECURITIES PTE. LTD.	317,092	0.75
PHILLIP SECURITIES PTE LTD	300,806	0.71
LIM HOW TECK	284,482	0.67
OCBC SECURITIES PRIVATE LIMITED	217,827	0.51
GAN ENG THYE	200,000	0.47
NG SOON HOCK (HUANG SHUNFU)	193,405	0.46
	30,772,232	**72.58**

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest	Deemed Interest	Total	%	Notes
QUEK SIM PIN	5,816,771	1,424,462	7,241,233	17.08	(1)
VICTOR LEVIN	-	7,237,128	7,237,128	17.07	(2)
CHEW HUA SENG	6,444,037	60,000	6,504,037	15.34	(3)
ALLINGHAM INVESTMENTS LIMITED	4,554,455	-	4,554,455	10.74	

Notes:

(1) Quek Sim Pin is deemed interested in 1,396,337 Acma shares through his ownership of S P Quek Investments Pte Ltd, and 28,125 Acma shares held by his nominees.

(2) Victor Levin is deemed interested in 4,554,455 Acma shares through his ownership of Allingham Investments Limited, and 2,682,673 Acma shares held by his nominees.

(3) Chew Hua Seng is deemed interested in 60,000 Acma shares held by his nominees.

SHAREHOLDINGS HELD IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 17 May 2024, 50.51% of the issued ordinary shares of the Company was held by the public and therefore Rule 723 of the Listing Manual's complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Ninth Annual General Meeting ("AGM") of ACMA LTD. (the "Company") to be held at 19 Jurong Port Road, Singapore 619093 on 18 June 2024 at 9.00 a.m. to transact the following businesses.

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditor's Report thereon. **[Resolution 1]**

2. To approve the proposed Directors' Fees of S$103,000/- for the financial year ended 31 December 2023. [2022: S$104,000/-] **[Resolution 2]**

3. To re-elect Mr Low Cheng Joo, a Director retiring pursuant to Article 99 of the Company's Constitution. **[Resolution 3]**
[See Explanatory Notes]

4. To re-elect Mr Yap Ching Heng Andrew, a Director retiring pursuant to Article 99 of the Company's Constitution. **[Resolution 4]**
[See Explanatory Notes]

5. To note the retirement of Mr Robert Low Mui Kiat, a Director retiring pursuant to Article 93 of the Company's Constitution, who will not be seeking for re-election and will retire as Director of the Company at the conclusion of the AGM.

   Upon Mr Robert Low's retirement, he will relinquish his positions as the Lead Independent Director, Chairman of Audit and Risk Committee as well as member of the Nominating and Remuneration Committees of the Company.

6. To note the retirement of Mr Tan Keng Lin, a Director retiring pursuant to Article 93 of the Company's Constitution, who will not be seeking for re-election and will retire as Director of the Company at the conclusion of the AGM.

   Upon Mr Tan's retirement, he will relinquish his positions as the Chairman of Nominating Committee and member of the Audit and Risk Committee as well as Remuneration Committee of the Company.

7. To re-appoint Messrs Mazars LLP, as the Company's Auditors and to authorise the Directors to fix their remuneration. **[Resolution 5]**

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without any modifications:-

9. Authority to allot and issue shares up to fifty per cent (50%) of issued share capital

   "THAT pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be and are hereby authorised to issue and allot new shares in the capital of the Company ("Shares") (whether by way of rights, bonus or otherwise) 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, PROVIDED ALWAYS that the aggregate number of Shares and convertible securities to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares excluding treasury shares and subsidiary holdings in each class of the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings in each class of the Company, and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the Company's next Annual General Meeting is required by law or by the Constitution of the Company to be held, whichever is the earlier."

[Resolution 6]
[See Explanatory Notes]

BY ORDER OF THE BOARD

Keloth Raj Kumar (Mr)
Company Secretary

Singapore,
3 June 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes to Ordinary Business:

(i) **Resolution 3:**

Mr Low Cheng Joo is an Independent Director. He will continue in the said capacity upon re-election as a Director of the Company.

Detailed information on this Director (including information as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited) can be found under "Supplemental Information on Directors Seeking Re-election" and "Board of Directors" in the Company's Annual Report 2023.

(ii) **Resolution 4:**

Mr Yap Ching Heng Andrew is an Independent Director. He will continue in the said capacity upon re-election as a Director of the Company.

Detailed information on this Director (including information as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited) can be found under "Supplemental Information on Directors Seeking Re-election" and "Board of Directors" in the Company's Annual Report 2023.

(iii) **Resolution 6:**

The percentage of issued share capital is calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings in each class at the time of the passing of the resolution approving the mandate after adjusting for:- (a) new shares arising from the conversion or exercise of any convertible securities; (b) new shares arising from the exercise of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of SGX-ST; and (c) any subsequent bonus issue, consolidation or subdivision of shares.

The proposed **Resolution 6**, if passed, will empower the Directors of the Company from the date of the above AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied and revoked by the Company in a general meeting, whichever is earlier, to allot and issue new shares in the Company (whether by way of rights, bonus or otherwise).

The number of shares which the Directors may issue under this Resolution shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings in each class of the Company). For issue of shares other than on a pro-rata basis to shareholders of the Company, the aggregate number of shares and convertible securities to be issued shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings in each class of the Company).

Notes:

Voting by proxy

1. The AGM is being convened and will be held physically at 9.00 a.m. on 18 June 2024 at 19 Jurong Port Road, Singapore 619093.

2. Printed copies of this Notice of AGM, the accompanying Proxy Form and Request Form will be sent by post to members. These documents will also be published on the Company's website at the URL https://www.acmaltd.com/agm-egm and SGXNet.

3. A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

4. A member who is not a relevant intermediary (as defined in section 181 of the Singapore Companies Act 1967) is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument appointing a proxy(ies).

5. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two 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(ies).

6. The duly executed Proxy Form must be submitted through any one of the following means: (a) by depositing a physical copy at the registered office of the Company at 19 Jurong Port Road, Singapore 619093; or (b) by sending a scanned PDF copy by email to enquiries@acmaltd.com, in each case, no later than 9.00 a.m. on 16 June 2024, and failing which, the Proxy Form will not be treated as valid.

7. The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.

10. In the case of a member of the Company whose shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

11. A member of the Company who holds his/her shares through a Relevant Intermediary* (including CPF or SRS Investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/ her Relevant Intermediary (including his/her CPF Agent Bank or SRS Operator) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM.

    * A Relevant Intermediary is:

    (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

    (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act 2001 of Singapore and who holds shares in that capacity; or

    (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

12. All Shareholders may submit substantial and relevant questions relating to the business of the AGM by 10 June 2024 at 9.00 a.m. ("**Cut-off Time**") by either:

    (a) post to Company's registered office at 19 Jurong Port Road, Singapore 619093; or

    (b) electronic mail to enquiries@acmaltd.com.

13. After the Cut-Off Time, if there are subsequent clarifications or follow-up on the questions submitted, these will be addressed at the AGM.

14. The Company will endeavour to address questions which are substantial and relevant and received from members who are verifiable against the Depository Register or the Register of Members.

PERSONAL DATA PRIVACY

By attending the Physical AGM and/or any adjournment thereof and/or submitting the Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Physical AGM and/or any adjournment thereof, and/or submitting questions relating to the resolution to be tabled for approval at the AGM or the Company's businesses and operations, a member of the Company consents to the collection, use and disclosure of such member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration, analysis and facilitation by the Company (or its agents or service providers) of his/her/its appointment of the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

PROXY FORM

ACMA LTD.
(Incorporated in the Republic of Singapore)
Company Registration No. 196500233E

IMPORTANT
This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Singapore Companies Act), including CPF/SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including CPF/SRS investors), if they wish to vote, should contact their respective relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least 7 working days before the AGM to specify voting instructions.

I/We ______________________________ (Name) NRIC/Passport no. ____________________

of ____ (Address)

being a *member/members of ACMA Ltd. (the "Company"), hereby appoint: -

Name	Address	NRIC / Passport No.	Proportion of Shareholdings	
			No. of Shares	%

And/or (delete as appropriate)

Name	Address	NRIC / Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing *him/her/them, the Chairman of the Annual General Meeting (the "AGM") of the Company, as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the AGM of the Company to be held on Tuesday, 18 June 2024 at 9.00 a.m. at 19 Jurong Port Road, Singapore 619093 and at any adjournment thereof.

The proxy is required to vote as indicated with an "✓" on the resolutions set out in the Notice of Meeting and summarised below. If no specific direction as to voting is given, the proxy/proxies may vote or abstain at his/her/their discretion.

No.	Resolution	Number of Votes For**	Number of Votes Against**	Number of Votes Abstain**
	Ordinary Business			
1.	To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditors' Report thereon.			
2.	To approve the proposed Directors' Fees of S$103,000/- for the financial year ended 31 December 2023. [2022: S$104,000/-]			
3.	To re-elect Mr Low Cheng Joo as Director of the Company.			
4.	To re-elect Mr Yap Ching Heng Andrew as Director of the Company.			
5.	To re-appoint Messrs Mazars LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.			
	Special Business			
6.	Authority to allot and issue shares up to fifty per cent (50%) of issued share capital.			

**Delete accordingly*

***Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant Resolution, please insert the relevant number of Shares in the boxes provided.*

Signed this day of 2024

Total No. of Shares Held	No. of Shares
1) CDP Register	
2) Register of Members	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTE OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

a) If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

b) (1) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(2) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

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

c) A proxy need not be a member of the Company.

d) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor is a corporation under its common seal or under the hand of its attorney.

e) Where an instrument appointing a proxy or proxies 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 instrument of proxy, failing which the instrument may be treated as invalid.

f) The appointment of a proxy or proxies by this instrument shall not preclude a member from attending and voting in person at the Meeting. If a member attends the Meeting in person the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the Meeting.

g) The duly executed Proxy Form must be submitted through any one of the following means: (a) by depositing a physical copy at the registered office of the Company at 19 Jurong Port Road, Singapore 619093; or (b) by sending a scanned PDF copy by email to enquiries@acmaltd.com, in each case, no later than 9.00 a.m. on 16 June 2024, and failing which, the Proxy Form will not be treated as valid.

h) The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

i) The Company shall be entitled to reject this instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms as set out in the Notice of Annual General Meeting.

ACMA LTD. 19 Jurong Port Road Singapore 619093