

CORPORATE GOVERNANCE REPORT

The Board and Management of UMS Integration Limited (the “**Company**”) is committed to maintaining high standards of corporate governance and practices that are essential to protect the interest of shareholders. Excellence in corporate governance will not only enhance and safeguard the interest of all our shareholders; it will also foster the stability and sustainability of the Group’s performance that is crucial in the building of long-term shareholders’ value.

This report describes the Group’s corporate governance policies and processes with reference to the Code of Corporate Governance 2018 issued in August 2018 (the “**Code**”). The Board is pleased to confirm that for the financial year ended 31 December 2024, the Company has generally adhered to the principles and guidelines of the Code and any deviations will be specified in this report.

The Board’s Conduct of its Affairs – Principle 1

The Board comprises five Directors at the end of the year 2024, of which three, are Independent Non-Executive Directors. The Board provides entrepreneurial leadership, set strategic aims, and ensures that the necessary financial and human resources are in place for the Company to meet its objectives. It also establishes a framework of prudent and effective controls which enable risks to be assessed and managed. In addition, it reviews management performance, set the Group’s values and standards, and ensure that obligations to shareholders and others are understood and met. The Board also sets the tone for the Company in respect of code of conduct, ethics, values and desired organisational culture, and also ensures proper accountability within the Group.

The key responsibilities of the Board include:

- Approving business direction and strategies;
- Monitoring management’s performance;
- Ensuring the adequacy, efficiency and effectiveness of internal controls, risk management procedures, financial reporting and compliance;
- Approving annual budget, major funding, investment and divestment proposals;
- Approving the nominations of the Board of Directors and appointments to the various Board committees; and
- Assuming the responsibility for overall corporate governance of the Group.

The Group has in place, a set of internal guidelines setting forth matters that require the Board’s approval. Matters that specifically require the Board’s approval are those involving:

- Release of all results and any other relevant announcements;
- Group’s annual budget;
- Appointment of Directors and key personnel;
- Group’s corporate and strategic directions, key operational initiatives;
- Major funding and investment initiatives;
- Merger and acquisition transactions;
- Declaration of interim dividend and proposal of final dividends;
- Interested party transactions;
- Matters involving conflict of interests for substantial shareholders or Directors; and
- All other matters of material importance.

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

CORPORATE GOVERNANCE REPORT

All Directors recognize that they have to discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board is a representation of the shareholders in the Company and is accountable to them through effective governance of the business. To ensure smooth and effective running of the Group and to facilitate decision making, the Board has established various committees to assist in the discharge of its responsibilities. These committees operate under clearly defined terms of reference, which are headed by Independent Non-Executive Directors. The three committees are:

- Audit Committee (“AC”)
- Nominating Committee (“NC”)
- Remuneration Committee (“RC”)

The Board meets regularly at least four times a year, to coincide with the announcement of the Group’s half year and full year results as well as business updates of the Group for its first and third quarters. Ad-hoc Board meetings are also convened as and when deemed necessary by the Board to address any specific or significant matters that may arise. At meetings of the Board, the Directors are free to discuss and openly challenge the views presented by management and other Directors. The decision-making process is an objective one. In lieu of physical meetings, written resolutions are also circulated for approval by the members of the Board. All Directors are furnished with the relevant agenda and Board papers not less than a week to enable them to make informed decisions and considerations prior to the meeting.

During the current financial year, the Board met four times. The Company’s Constitution provides for the meetings of the Board by means of conference telephone or similar communications equipment. The number of General Meetings, Board and Board Committee meetings held and the attendance of each board member at the meetings for the financial year ended 31 December 2024 are disclosed below:

Name of Director	Board Meetings		Audit Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings		Annual General Meeting		Extraordinary General Meeting	
	No Held	No Attended	No Held	No Attended	No Held	No Attended	No Held	No Attended	No Held	No Attended	No Held	No Attended
Mr Luong Andy [^]	4	4	N.A	N.A	1	1	N.A	N.A	1	1	1	1
Mr Loh Meng Chong Stanley ⁺	4	4	N.A	N.A	N.A	N.A	N.A	N.A	1	1	1	1
Ms Gn Jong Yuh Gwendolyn [#]	4	4	4	4	1	1	1	1	1	1	1	1
Datuk Phang Ah Tong [#]	4	4	4	4	1	1	1	1	1	1	1	1
Mr Chay Yowmin [#] (Retired on 25 April 2024)	4	1	4	1	1	–	1	–	1	1	1	–
Mr Chua Siong Kiat [#] (Appointed on 6 May 2024)	4	3	4	3	1	–	1	–	1	–	1	1

- [^] Executive Chairman
⁺ Executive Director
[#] Independent Non-Executive Director

As part of the Board renewal process, the Board, with the recommendation of the NC, has appointed Mr Chua Siong Kiat as an Independent Director, the Chairman of the AC and a member of the NC and RC with effect from 6 May 2024. He replaced Mr Chay Yowmin, who retired as the Lead Independent Non-Executive Director, the Chairman of the AC and member of the NC and RC on 25 April 2024. Additionally, Datuk Phang Ah Tong has been appointed as the Lead Independent Non-Executive Director of the Company with effect from 6 May 2024.

CORPORATE GOVERNANCE REPORT

The Board recognises the importance of appropriate orientation training and continuing education for its Directors. Whenever a new Director is appointed on the Board, the Company will arrange for the First-time Director to attend Mandatory Training conducted by Singapore Institute of Directors in accordance to Rule 201(5) of the Listing Manual, at the expense of the Company, to enable him/her to discharge his/her duties effectively. There are update sessions to inform the Directors on new legislations and/or regulations which are relevant to the Group. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with regulatory changes, where these changes have an important bearing on the Company's or Directors' disclosure obligations, Directors are briefed at Board meetings. The Board as a whole is updated regularly on changes to the Listing Rules and the Code, as well as on risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and international financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members.

All the Directors are informed and encouraged to attend seminars, courses and other programs, from time to time, in order to discharge their duties as Directors. All the costs are borne by the Company. All the Directors had attended and completed the mandated sustainability training course organised by Singapore Institute of Directors and the Institute of Singapore Chartered Accountants (ISCA) as required by the enhanced SGX sustainability reporting rules announced in December 2021.

All Directors are appointed to the Board by way of a formal letter of appointment or service agreement setting out the scope of their duties and obligations.

The Company Secretaries or their representative(s) attend all Board and Board Committees meetings and prepare minutes of Board and Board Committees meetings. The Company Secretaries assists the Directors in ensuring that Board procedures are followed and reviewed in accordance with the Company's Constitution so that the Board functions effectively and the relevant requirements of the Companies Act 1967 of Singapore ("**Companies Act**") are complied with. The Company Secretaries or their representative(s) advise the Board on all governance matters, ensuring that legal and regulatory requirements as well as Board policies and procedures are complied with. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

The Directors either individually or as a group may seek independent professional advice in furtherance of their duties and costs of such service will be borne by the Company.

Board Composition and Guidance – Principle 2

Board Independence

The Board recognize the important of independence and objectivity in its decision making process. The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinion, advice and judgement to ensure the interest of the Group, shareholders, employees, customers and other stakeholders in which the Group conduct its businesses are well presented and taken into account.

As at 31 December 2024, the Board comprises 5 Directors, 3 of whom are Independent Non-Executive Directors. The Board, taking into account the nature and scope of the Company's businesses and the number of Board Committees' members, considers that a Board with majority of members being Independent Non-Executive is necessary. Although the Chairman is not independent, the majority of the Board is made up of Independent and Non-Executive Directors which is in compliance with provisions 2.2 and 2.3 of the Code.

CORPORATE GOVERNANCE REPORT

The Board has adopted the Code's criteria of an independent director in its review and is of the view that all Non-Executive and Independent Directors have satisfied the criteria of independence. All Directors are required to disclose any relationship or appointment which would impair their independence to the Board on a timely basis. The NC reviews annually the independence of each Director in accordance with the Code's definition of what element constitutes an independent director. The NC has reviewed the "Confirmation of Independence" forms completed by each Independent Director and is of the view that the three Independent Directors (who represent a majority of the Board) are independent, i.e. they have no relationship with the Company, its related companies, its substantial shareholders with shareholdings of 5% or more in the voting shares of the Company, or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interest of the Group, and they are able to exercise objective judgement on corporate affairs independently from the Management and the substantial shareholders with shareholder of 5% or more in the voting shares of the Company.

On 11 January 2023, the Singapore Exchange Securities Trading Limited has announced the amendment to the Listing Manual to limit the tenure of independent directors serving on the boards of listed companies to nine years and the removal of the Two-Tier Voting (i.e. the removal of Rule 210(5)(d)(iii) of the SGX-ST Listing Manual). In this regard, Ms Gn Jong Yuh Gwendolyn will have served on the Board for an aggregate period of 9 years by 5 May 2025 since her first appointment. She has decided to retire at the conclusion of the forthcoming AGM and will not be seeking for re-election, to support progressive renewal of the Board.

Following the conclusion of the forthcoming AGM, Ms Gn Jong Yuh Gwendolyn will cease to be an Independent Non-Executive Director, the Chairman of the RC and a member of the AC and NC.

In view of the retirement of Ms Gn Jong Yuh Gwendolyn, the number of members in each of the AC and RC will fall below the minimum number of three. The Company shall endeavour to fill the vacancy within two (2) months but in any case, not later than three (3) months.

Board Diversity

The Company has in place a Board Diversity Policy, which endorses the principle that its Board should have a balance of skill, knowledge, experience and other aspects of diversity such as gender and age as well as to have appropriate number of Independent Non-Executive Directors to the Company's business to promote the inclusion of different perspectives and ideas, mitigate against group think and ensure that the Company has the opportunity to benefit from all available talent. Each year, the NC reviews the composition and size of the Board and each Board Committee and takes into careful consideration a combination of factors when reviewing appointments to the Board and the continuation of those appointments. These factors include skills, core competencies, knowledge, professional experience, educational background, gender, age and length of service. Core competencies, which are taken into account in the selection and appointment of Directors, include banking, finance, accounting, business acumen, management experience, technology expertise, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls. The NC also in its deliberations, takes into account gender and age diversity in relation to the composition of the Board.

The main objective of the Board Diversity Policy is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company. The Board diversity policy provides that the NC shall endeavor to ensure that female candidates are included for consideration when identifying candidates to be appointed as new directors, with the aim of having not less than one female director on the Board, and will target to achieve 20% female Board representation perpetually. Currently, one out of five directors on the Board (20% of the Board) is female.

The Board, taking into account the views of the NC, considers that its Directors meet the criteria under its Board Diversity Policy and possess the necessary competencies and knowledge to lead and govern the Company effectively. The Non-Executive Directors who are also the Independent Directors make up a majority of the Board. Nonetheless, the NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval.

CORPORATE GOVERNANCE REPORT

Board Guidance

An effective and robust Board, whose members engage in open and constructive debate and challenge Management on its assumptions and proposals, is fundamental to good corporate governance. A Board should also aid in the development of strategic proposals and oversee effective implementation by Management to achieve set objectives. For this to happen, the Board, in particular its Independent Non-Executive Directors, must be kept well informed of the Company's businesses and be knowledgeable about the industry. To ensure that Independent Non-Executive Directors are well supported by accurate, complete and timely information, Independent Non-Executive Directors have unrestricted access to Management, the Company Secretaries and external advisers (where necessary) at the Company's expense. Independent Non-Executive Directors also receive periodic information papers and Board briefings on the latest market developments and key business initiatives. Regular informal meetings are held for Management to brief Directors on prospective deals and potential developments in the early stages, before formal Board approval is sought. If a Director is unable to attend a Board or Board Committees meeting, the Director may nevertheless provide his/her comments to the Chairman or relevant Board Committees Chairman separately.

Meeting of Directors without Management

Where appropriate, the Independent Non-Executive Directors, led by the Lead Independent Non-Executive Director, will meet without the presence of the Executive Directors where applicable/necessary, and the Lead Independent Non-Executive Director will provide feedback to the Executive Chairman and Chief Executive Officer after such meetings.

Chairman and Chief Executive Officer – Principle 3

Mr Luong Andy is currently the Executive Chairman of the Board and also the Chief Executive Officer of the Group. The Board is of the view that accountability and independence have not been compromised despite the Chairman and Chief Executive Officer being the same person. The Chairman and Chief Executive Officer have defined responsibilities which, during his tenure so far, have not conflicted with each other. Major business proposals are discussed at Board meetings before decisions are made. As the Chairman, Mr Luong's responsibilities, among others, include the following:

- Lead the Board to ensure its effectiveness to all aspects of its role and set its agenda;
- Ensure that the Directors receive accurate, timely and clear information;
- Ensure effective communication with shareholders;
- Encourage constructive relations between the Board and Management;
- Facilitate the effective contribution of Non-Executive Directors to the Board;
- Encourage constructive relations between the Non-Executive Directors and Executive Directors; and
- Promote high standards of corporate governance.

The Chairman and Chief Executive Officer is responsible for the operations and oversees the day-to-day management of the business operations. He is instrumental in formulating strategies, business development, goals and performance targets and ensuring objectives are met.

The Board is of the view that combining the roles of Chairman and Chief Executive Officer brings about clear leadership and accountability and extensive knowledge regarding the strategic challenges and growth opportunities facing the Group. Mr Luong is the founder of the Company and has played an instrumental role in developing the business since its establishment. He has considerable industry experience and a wide business network. The Board is of the view that the Company has benefitted from his strong leadership and entrepreneurial acumen; and that it is in the interest of the Company to continue under his visionary leadership to ensure effective implementation of the Company's strategic objectives.

Furthermore, the Chairman and Chief Executive Officer have defined responsibilities which, during his tenure so far, have not conflicted with each other. Mr Luong's roles are outlined above.

CORPORATE GOVERNANCE REPORT

Major business proposals are discussed at Board meetings before decisions are made. The Board believes there is sufficient element of independence and adequate safeguards against a concentration of power in one single person.

In addition, the Independent Non-Executive Directors form the majority of the Board, numbering three out of five members of the Board. This ensures a high level of accountability, promotes an appropriate balance of power and authority and allows for independent decision-making at the Board level in keeping with the spirit of good corporate governance.

The appointment of the Lead Independent Non-Executive Director, Datuk Phang Ah Tong adds to the independent element on the Board. The strong level of independence on the Board enables it to engage in robust decision-making, monitor results, and assess and remunerate management on its performance.

The Board believes that the Company has complied with Provision 3.1 of the Code.

Pursuant to Provision 3.3 of the Code, as the Chairman is non-independent, the Board has appointed Datuk Phang Ah Tong as the Lead Independent Non-Executive Director and is of the view that there is sufficiently strong independent element on the Board to enable the independent exercise of objective judgement on corporate affairs of the Group by members of the Board, taking into account factors such as the number of Independent Non-Executive Directors on the Board, as well as the size and scope of the affairs and operations of the Group.

The Lead Independent Non-Executive Director is available to shareholders via ahongphang@gmail.com where they have concerns which contact through the normal channels of the Chairman and Chief Executive Officer or Chief Financial Officer has failed to resolve or for which such contact is not appropriate.

Board Membership – Principle 4

Composition of Nominating Committee

The appointment of new Directors to the Board is recommended by the NC. As at the date of this report, the NC comprises three Independent Non-Executive Directors and one Executive Director, namely Datuk Phang Ah Tong, Mr Chua Siong Kiat, Ms Gn Jong Yuh Gwendolyn and Mr Luong Andy. The Lead Independent Non-Executive Director, is the Chairman of the NC.

Name	Role in NC	Role In Board
Datuk Phang Ah Tong	Chairman	Lead Independent Non-Executive Director
Mr Luong Andy	Member	Executive Chairman and Chief Executive Officer
Ms Gn Jong Yuh Gwendolyn	Member	Independent Non-Executive Director
Mr Chua Siong Kiat	Member	Independent Non-Executive Director

The Chairman of the NC is not directly associated with any substantial shareholder of the Company. The NC works within the written terms of reference, which describes the responsibilities of its members. The key terms of reference of the NC include the following:

- Review of succession plans for Directors and make recommendations to the Board on all board appointments, retirements and re-nomination having regards to the Director's contribution and performance;
- Review and determine the independence of each Director and ensure that the Independent Non-Executive Directors make up at least half of the Board;
- Review and decide if a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, when he/she has multiple board representations; and
- Determine how the Board's performance may be evaluated, and propose objective performance criteria to assess the effectiveness of the Board as a whole.

CORPORATE GOVERNANCE REPORT

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, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations. The Board has determined that a Director may hold up to 8 listed company board representations and principal commitments. Currently, the Company does not have alternate Directors.

Selection and appointment of new Director

In identifying for appointment of new Directors, the NC applies the following main principles:-

- The Board shall have a majority of Directors who are not substantial shareholders of the Company and are independent of the substantial shareholders of the Company; and
- The NC must be satisfied that each candidate is fit and proper for the position or office and is the best or most qualified candidate nominated for the position or office taking into account the candidate's track record, age, experience, capabilities, and other relevant factors.

In its deliberations on the re-election of existing Directors, the NC takes into consideration the relevant Director's competency, commitment, contribution and performance (including, if applicable, his contribution and performance as a Director). The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board Committees as well as the quality of input and contributions.

Under the Constitution of the Company, one-third of the Directors for the time-being (or, if their number is not multiple of three, the number nearest to but not less than one third) shall retire from office by rotation each year. For avoidance of doubt, each Director shall retire at least once every three years. In addition, a director newly appointed to the Board shall hold office until the next AGM and subject to re-election. The NC assesses and recommends to the Board whether the retiring Directors are suitable for re-election. Each member of the NC is also required to abstain from voting on resolutions, making recommendations and/or participating in matters in which he/she is interested.

Ms Gn Jong Yuh Gwendolyn who are due for retirement at the forthcoming AGM will not seek for re-election, to support progressive renewal of the Board.

The NC has reviewed and recommended the re-election of Mr Luong Andy and Mr Chua Siong Kiat, who are retiring at the forthcoming annual general meeting to be held on 24 April 2025. The Board has accepted the recommendations and the retiring Directors will be offering themselves for re-election at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, Directors seeking re-election at a general meeting have to provide the information as set out in Appendix 7.4.1 of the Listing Manual. The required information on the said Directors seeking re-election at the forthcoming AGM are appended herein:

Name of Director	Luong Andy	Chua Siong Kiat
Date of appointment	1 April 2004	6 May 2024
Date of last re-appointment (if applicable)	27 April 2022	Not applicable
Age	65	53
Country of principal residence	Singapore	Singapore
The Board's comments on the NC's recommendation for re-election	The Board has accepted the NC's recommendation, who has reviewed and considered Mr Luong's performance as an Executive Chairman and Chief Executive Officer of the Company.	The Board has accepted the NC's recommendation, who has reviewed and considered Mr Chua's performance as an Independent Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive, responsible for the overall management and operations of the Group, setting and executing the strategic directions and expansion plans for the growth and development of the Group, including sourcing for investment opportunities to promote the growth of the Group's business.	Non- Executive
Job title	Executive Chairman and Chief Executive Officer, Member of Nominating Committee	Independent Non-Executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee
Professional qualifications	Joined the work force after high school	<ul style="list-style-type: none"> ● Master of Business Administration and Diploma of the Imperial College in Management (MBA, DIC) from Imperial College London Business School, University of London ● Fellow Member of Association of Chartered Certified Accountants (FCCA) ● Certified Internal Auditor (CIA), Institute of Internal Auditors ● Chartered Accountant of Singapore (CA Singapore) ● Chartered Valuer and Appraiser (CVA) ● Senior Accredited Director conferred by Singapore Institute of Directors (SID)

CORPORATE GOVERNANCE REPORT

Name of Director	Luong Andy	Chua Siong Kiat
Working experience and occupation(s) during the past 10 years	President and Founder of UMS Group since 2005	<ul style="list-style-type: none"> (i) Memiontec Holdings Limited - Chief Financial Officer - April 2023 to current (ii) Lighthouse Business Consulting Pte Ltd - Director - November 2015 to current (iii) TEE International Limited - Group Chief Financial Officer - October 2021 to January 2023 (iv) Wai Fong Construction Pte Ltd - Chief Financial Officer - August 2020 to September 2021 (v) (Global Hospitality Trust Project), Amare Investment Management Group Pte Ltd - Chief Financial Officer - July 2017 to January 2018 (vi) Pacific Star Development Limited (formerly known as LH Group Limited) - Executive Director and Head of Non-Property Business (February 2017 to July 2017), Alternate Director (March 2016 to February 2017) and Interim Group Chief Operating Officer (July 2016 to February 2017) (vii) Libra Group Limited - Executive Director (Appointed in November 2013) and Chief Financial Officer - July 2013 to September 2015
Shareholding interest in the listed issuer and its subsidiaries	Mr Andy Luong is deemed to be interested in 108,963,286 shares held through UBS AG Singapore which is a nominee which holds the Shares in custodian accounts for Luong Andy, 71 Trust LLC and SY Private Trust LLC.	Nil
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil

CORPORATE GOVERNANCE REPORT

Name of Director	Luong Andy	Chua Siong Kiat
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes	Yes
Other Principal Commitments Including Directorships	<p><u>Other Principal Commitment:</u> Executive Chairman and Chief Executive Officer of JEP Holdings Ltd</p> <p><u>Present Directorship:</u> UMS Aerospace Pte. Ltd. UMS International Pte. Ltd. UMS Pte. Ltd. UMS Solutions Pte. Ltd. UMS Systems Pte. Ltd. Kalf Engineering Pte. Ltd. 浙江凯富环境治理工程有限公司 Ultimate Machining Solutions (M) Sdn Bhd. Ultimate Manufacturing Solutions (M) Sdn Bhd. Allstar Manufacturing Sdn Bhd Ultimate Mechanical System Sdn Bhd Starke Singapore Pte Ltd. Starke Asia Sdn. Bhd. Integrated Manufacturing Technologies Pte. Ltd. Integrated Manufacturing Technologies Inc. JEP Holdings Ltd JEP Precision Engineering Pte Ltd JEP Industrades Pte Ltd JEP Engineering Pte Ltd JEP Precision Engineering (M) Sdn Bhd</p> <p><u>Past Directorship (for the past 5 years):</u> Nil</p>	<p><u>Other Principal Commitment:</u> Chief Financial Officer of Memiontec Holdings Limited ("Memiontec")</p> <p><u>Present Directorship:</u> VCI Global Limited Coolan Group Limited (fka New Silkroutes Group Limited) Ever Glory United Holdings Ltd Lighthouse Business Consulting Pte Ltd Starwork Vision Pte. Ltd. Robotic Vision Inc. Pte. Ltd. MIT Investment Pte. Ltd. (a wholly owned subsidiary of Memiontec) VCI Global (Singapore) Pte. Ltd.</p> <p><u>Past Directorship (for the past 5 years):</u> Heatec Jietong Holdings Limited China Yuanbang Property Holdings Limited Nutryfarm International Limited JES International Holdings Limited Axington Inc. (currently known as Serial Achieva Limited) Kitchen Culture Holdings Limited (currently known as SDAI Limited) China Star Food Group Limited (currently known as Zixin Group Holdings Limited) National Arthritis Foundation TEE Infrastructure Pte Ltd Trans Equatorial Engineering Pte Ltd</p>

CORPORATE GOVERNANCE REPORT

Name of Director	Luong Andy	Chua Siong Kiat
Any prior experience as a Director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	He has been a director of the Company since 2005.	He has been a director of the Company since 2024.
If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the NC's reasons for not requiring the Director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.
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 questions 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 or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Luong Andy	Chua Siong Kiat
<p>(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?</p>	<p>No</p>	<p>Yes</p> <p>Mr Chua Siong Kiat was previously (i) the interim group chief operating officer of PSDL from July 2016 to February 2017, and (ii) the executive director and head of non-property business of PSDL from February 2017 to July 2017. He was also the executive director of Durabeau Industries Pte Ltd (“DIPL”) and LH Aluminium Industries Pte. Ltd. (“LHAI”), wholly-owned subsidiaries of PSDL, from February 2017 to July 2017. In May 2019, PSDL had announced its decision to discontinue its aluminium business division for commercial reasons and placed both DIPL and LHAI under creditors’ voluntary liquidation (“CVL”). Mr Chua Siong Kiat had resigned as the executive director and head of non-property business of PSDL, and the executive director of DIPL and LHAI in July 2017, and was not involved in the subsequent events which led to the CVL of DIPL and LHAI in May 2019 (which had commenced almost two (2) years after his resignation).</p> <p>Mr Chua Siong Kiat was the group chief financial officer of TEE from October 2021 to January 2023. In December 2021, TEE announced that it had commenced the winding up process of its wholly-owned subsidiary, Trans Equatorial by way of CVL. Mr Chua Siong Kiat was requested by the board of directors of TEE to be appointed as a director of Trans Equatorial just prior to the commencement of the CVL proceedings in order to facilitate and assist the appointed liquidators with the CVL process. Mr Chua Siong Kiat was not previously involved in the events which led to the liquidation of Trans Equatorial. Following his resignation as TEE’s group chief financial officer, Mr Chua Siong Kiat also ceased to be a director in Trans Equatorial in January 2023.</p>

CORPORATE GOVERNANCE REPORT

Name of Director	Luong Andy	Chua Siong Kiat
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Luong Andy	Chua Siong Kiat
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	Yes Mr Chua Siong Kiat was an independent non-executive director of Axington from July 2020 to August 2020. In July 2021, following an internal review conducted by the board of Axington, Axington was required to, among others, investigate the circumstances surrounding a placement exercise completed in August 2020. Axington subsequently released an executive summary ("Executive Summary") of the independent review, which highlighted (a) potential breaches of certain rules of the Listing Manual Section B: Rules of Catalist ("Catalist Rules"), and (b) potential breach of fiduciary duties by other individuals. Mr Chua Siong Kiat was not involved in the logistics leading up to the completion of the placement, nor was he involved in the internal review or the independent review. To the best of Mr Chua Siong Kiat's knowledge, there were no investigations conducted by the SGX-ST or any government authorities in respect of the potential breaches highlighted in the Executive Summary.

CORPORATE GOVERNANCE REPORT

Name of Director	Luong Andy	Chua Siong Kiat
		<p>Mr Chua Siong Kiat was an independent non-executive director of a company listed on the SGX-ST when such company and its board of directors received a show cause letter from the SGX-ST in respect of potential breaches of certain rules of the listing manual of the SGX-ST (the "Listing Manual"). The SGX-ST had issued a private warning to the company and a private reminder to the relevant directors of the company (which includes Mr Chua Siong Kiat) relating to the breach of certain rules of the Listing Manual. Save for these, no other action was taken against the company and its relevant directors by the SGX-ST for these breaches.</p>
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity of business trust?	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Luong Andy	Chua Siong Kiat
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

The NC considers that the multiple board representations held presently by some of the Directors do not impede their performance in carrying out their duties to the Company and in fact, enhances the performance of the Board as it broadens the range of the experience and knowledge of the Board.

Please refer to the "Further Information on Directors" section in the Annual Report for key information on the Director.

Board Performance – Principle 5

We believe that the Board's performance is ultimately reflected in the performance of the Company. The Board should ensure compliance with applicable laws and Board members should act in good faith, with due diligence and care in the best interests of the Company and its shareholders. In addition to these fiduciary duties, the Board is charged with two key responsibilities: setting strategic directions and ensuring that the Company is ably led and managed.

Based on the recommendations of the NC, the Board has established a formal assessment of the effectiveness of the Board as a whole, and of each Board Committee separately as well as the contribution by the Chairman and each individual Director to the effectiveness of the Board. The NC has also established an appraisal process to assess the performance and effectiveness of the Board as a whole, and each Board Committee separately as well as to assess the contribution of individual Directors. It focuses on a set of performance criteria which includes the evaluation of the size and composition of the Board, the Board's access to information, the Board processes and accountability, communication with key management personnel and the Directors' standards of conduct. Assessment of the Board Committees focused on size and composition of the Board and Board Committees' processes. Review of the Board and Board Committees' performance, as appropriate, is undertaken collectively by the NC annually and informally on a continual basis.

The NC is responsible for the following functions:-

- To make recommendations to the Board on relevant matters relating to the review of board succession plans for Directors;
- To review and determine the independence of each Director;
- To make recommendations to the Board on all nominations for appointment and re-appointment of Directors;
- To implement a process for assessing the effectiveness of the Board as a whole and the contribution by each Director;
- To evaluate the independence of each Director as well as the size and composition of the Board;
- To propose the Board's performance evaluation criteria; and
- Reviewing Director training programs

No external facilitator was used in FY2024. However, if need arises, the NC has full authority to engage external facilitator to assist the NC to carry out the evaluation process at the Company's expense.

CORPORATE GOVERNANCE REPORT

Procedures for Developing Remuneration Policies – Principle 6

There should be a formal and transparent procedure for developing policies on Director and executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.

As at the date of this report, the RC comprises the following Directors -:

Name	Role in RC	Role In Board
Ms Gn Jong Yuh Gwendolyn	Chairman	Independent Non-Executive Director
Datuk Phang Ah Tong	Member	Lead Independent Non-Executive Director
Mr Chua Siong Kiat	Member	Independent Non-Executive Director

The RC members comprise entirely of Independent Non-Executive Directors. The members of the RC have extensive experience in the formulation and implementation of wage policies and compensation schemes. If necessary, the RC will seek expert advice on human resource matters or on remuneration of all Directors, either within or outside the Company.

The RC's responsibilities include the following:

- Recommending to the Board a framework of remuneration, and the specific remuneration packages for each Director and key executives (including but not limited to Director's fees, salaries, allowances, bonuses, variable incentives, options and benefits in kind). If necessary, the RC will seek expert advice inside and/or outside the company on remuneration of all Directors;
- Review the adequacy and form of compensation of executive Directors in accordance with predetermined key performance indicators ("KPIs") to ensure that the compensation realistically commensurate with the responsibilities and risks involved in being an effective executive Director;
- The performance-related elements of remuneration are designed to align interest of executive Directors with those of shareholders and link rewards to corporate and individual performance based on predetermined KPIs. These KPIs are appropriate and meaningful measures for the purpose of assessing executive Directors' performance;
- Recruiting executive Directors of the Company and determining their employment terms and remuneration;
- Positioning the Company's executive remuneration package relative to other companies or its competitors based on advice and recommendations by experts inside and/or outside the company;
- Reviewing and recommending to the Board the terms of renewal for those executive Directors whose current employment contracts have expired, including reassessing KPIs;
- Ensuring adequate disclosure in the Directors' remuneration as required by regulatory bodies such as SGX-ST;
- Overseeing the payment of fees to non-executive Directors;
- Reviewing and recommending to the Board the terms of renewal for material service contracts which are due to expire or have expired based on predetermined KPIs; and
- Reviewing the fairness and reasonableness of the termination clauses of the service agreements of the Executive Directors.

Level and Mix of Remuneration – Principle 7

The level of remuneration should be appropriate to attract, retain and motivate the Directors needed to run the Company successfully but companies should avoid paying more for this purpose, taking into account the strategic objectives of the company. A significant proportion of Executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance. Performance-related remuneration should be aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

CORPORATE GOVERNANCE REPORT

The RC adopts a formal procedure for fixing the remuneration packages of individual Directors and Key Management Personnel. In setting the remuneration package of the individual Directors, the Company takes into consideration the following factors:

- Pay and employment conditions within the industry and in comparable companies;
- The Company's relative performance and the performance of the individual Directors;
- The attractiveness of the remuneration package so as to retain the Directors and motivate them to run the Company successfully;
- Significance of performance related elements of remuneration; and
- Effort, time spent and responsibilities of the individual Directors.

The remuneration policies for the Executive and Independent Non-Executive Directors have been endorsed by the RC and the Board. Currently, the Company does not have any long-term incentive schemes.

Disclosure on Remuneration – Principle 8

Executive Directors:

Executive Directors receive their remuneration in two key components, that is, fixed monthly salary and variable bonus and incentives. The fixed monthly salary includes car allowance and central provident fund contribution. The variable bonus and incentives depends largely on the performance of the Group. In exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company, the Group will be able to reclaim incentive components of remuneration from the Executive Directors.

Independent Non-Executive Directors:

Independent Non-Executive Directors are paid a Director's fee on a quarterly basis in arrears. In determining the quantum of Directors' fees, factors such as financial performance of the Company, effort and time spent, and responsibilities of the Directors are taken into account. Independent Non-Executive Directors are paid a basic fee and allowance for attending any additional meeting. An additional fee for serving as Chairman on any Board Committee is also being paid to Independent Non-Executive Directors. A bonus fee is also paid when the Company achieves good financial performance. The RC ensures that none of the Independent Non- Executive Directors are over-compensated to the extent that their independence may be compromised. The Directors' fees are subject to shareholders' approval at the Annual General Meeting.

Remuneration Details of the Directors

Rule 1207(10D) of the SGX Listing Manual which requires enhanced disclosure of the remuneration of Directors and Chief Executive Officer. Under new Rule 1207(10D), the names, exact amounts and breakdown of remuneration paid to each individual Director and the Chief Executive Officer by the Company and its subsidiaries must be disclosed in annual reports prepared for financial years ending on or after 31 December 2024.

CORPORATE GOVERNANCE REPORT

The actual remuneration of Directors for the financial year ended 31 December 2024 received from the Company and its subsidiaries during the financial year are set out below:

Name of Director	Salary	Variable Bonus and Incentives	Allowances	Central Provident Fund Contribution	Directors Fees	Total
	S\$	S\$	S\$	S\$	S\$	S\$
Non-Executive Directors						
Ms Gn Jong Yuh Gwendolyn	–	–	–	–	65,000	65,000
Datuk Phang Ah Tong	–	–	–	–	65,000	65,000
Mr Chua Siong Kiat (Appointed on 6 May 2024)	–	–	–	–	44,343	44,343
Mr Chay Yowmin (Retired on 25 April 2024)	–	–	–	–	25,657	25,657
Executive Directors						
Mr Luong Andy	1,015,194	3,183,440	1,302,657	23,460	–	5,524,751
Mr Loh Meng Chong Stanley	321,885	338,862	20,400	15,300	–	696,447

Remuneration of the top five key management personnel of the Group

The Company believes that it is in the best interests of the Company not to disclose the absolute number, the remuneration breakdown of the top 5 key management personnel, to avoid such information being exploited by competitors and to maintain confidentiality regarding remuneration matters. After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration of the top 5 key management personnel presented herein in this report is sufficient to provide shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complied with Principle 8 of the Code.

The breakdown remuneration of the top 5 key management personnel (who are not Directors or CEO and substantial shareholders of the Company) in percentage terms for the financial year ended 31 December 2024 are set out below:

Name of Key Management Personnel	Salary	Variable Bonus and Incentives	Allowances	Central Provident Fund Contribution	Total
	%	%	%	%	%
S\$500,000 to S\$749,999					
Mr Damien Luah Kian Tiong	73%	19%	6%	2%	100%
S\$250,000 to S\$499,999					
Mr Gobinath Gunaselan	53%	36%	4%	7%	100%
Mr Eddie Goh Kuan Teck	51%	38%	5%	6%	100%
Ms Pang Su Chun	46%	45%	4%	5%	100%
Mr Darren Zee Yu Liang	47%	40%	6%	7%	100%

The total remuneration paid to the above key management personnel for the financial year ended 31 December 2024 was S\$2.0 million.

CORPORATE GOVERNANCE REPORT

Other than as disclosed, the Company does not have any employee who is an immediate family member of a Director or CEO and substantial shareholders, whose remuneration exceeds S\$100,000 during the financial year.

Currently, the Company does not have any employee share schemes.

The Company has not engaged any remuneration consultants in FY2024 and will continue to monitor the need to engage external remuneration consultants going forward and where applicable, will review the independence of the external firm before any engagement.

Risk Management and Internal Controls – Principle 9

The Group has established a system of internal controls to address the financial, operational and compliance risks of the Group. The Board recognizes the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's overall internal control framework, and for reviewing the effectiveness, adequacy and integrity of those systems on an annual basis.

The internal control and risk management functions are performed by the Group's key management personnel and the CEO and CFO have confirmed the adequacy and effectiveness of the internal controls and risk management systems and the financial records have been properly maintained and the financial statements give a true and fair view of the Group's business operations and finances. It should be noted, in the opinion of the Board, that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The AC selects and approves the appointment of the internal auditor ("**IA**"). The internal audit function of the Group is outsourced to BDO LLP ("**BDO**"). The IA reports directly to the AC. The AC had reviewed and approved the internal audit plan and reviewed the results of the internal audit. The AC is satisfied that the internal audit work is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The IA have unfettered access to all the Company's documents, records, properties and personnel, including access to the Board, the AC and the Management to perform their internal audit review, where necessary, and have the right to seek information and explanation.

The Group's IA conduct review in accordance with the audit plans of the Group and its key internal controls, including financial, operational and compliance controls. Any material non-compliance or failures in internal controls and recommendations for improvement are reported to Management and to the AC. The audit conducted by IA will assist the AC in the assessment of and obtaining assurance on the adequacy, efficiency and effectiveness of the Group's internal control environment. The AC is satisfied that the internal audit function is adequately resourced and has appropriate standing within the Company. The AC conducted a review and concluded that the internal audit function is adequately resourced, effective and independent for FY2024 and is also satisfied that the IA is staffed by suitably qualified and experienced personnel.

During the financial year, Management had taken remedial actions recommended by the internal and external auditors in prior financial year so as to enhance certain internal control procedures. New areas of improvement were also recommended and implemented during the current financial year.

The Board also recognises the importance of establishing a risk management framework to facilitate the governance of risks and monitoring the effectiveness of internal controls. Accordingly, to facilitate the compliance of the Listing Manual, a Risk Advisory Committee comprising key senior management executives has been established to advise the Board of the various financial, operational and compliance risks affecting the Group. Weightage were assigned to these risks and appropriate actions were taken to mitigate or avoid these risks. In addition, the Board sets the appropriate risk tolerance limits for each risk by considering the relative importance of the objectives. The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC.

The Company has previously commissioned a big four auditing firm to perform a risk assessment review and subsequently established a risk identification and management framework. In the Company, risks are identified and addressed, with the Board and senior management personnel of the Group and its subsidiaries taking ownership of these risks. Action plans to manage the risks are continually being monitored by Management and the Board.

CORPORATE GOVERNANCE REPORT

The IA will review policies and procedures as well as key controls over the selected areas as approved by the Audit Committee, and will highlight any issues to the Directors and the AC. Additionally, in performing their audit of the financial statements, the external auditors perform a review of the adequacy and effectiveness of the Group's key internal controls to the extent of their scope as laid out in their audit plan. Significant non-compliance and internal control weaknesses noted during the audit are reported to the AC together with the recommendations of the external auditors.

Based on the internal control framework established and maintained by Management, the reports from the internal and external auditors, and assurance reviewed from Management, the Board opines, with the concurrence of the AC, that the system of internal controls including financial, operational, compliance, information technology controls and risk management systems (which include consideration with respect to any sanctions related risk) maintained by the Group's Management that was in place throughout the financial year up to the date of this report, is adequate and effective to meet the needs of the Group in its current business environment. The Board, together with the AC and Management has also confirmed that the Company is not aware of any sanctions-related risks or any risk of the Company being subject to sanctions for the current financial year and will continue to enhance and improve the existing internal control framework to identify and mitigate these risks as stated above.

Audit Committee – Principle 10

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

Name	Role in AC	Role In Board
Mr Chua Siong Kiat	Chairman	Independent Non-Executive Director
Ms Gn Jong Yuh Gwendolyn	Member	Independent Non-Executive Director
Datuk Phang Ah Tong	Member	Lead Independent Non-Executive Director

The AC members have many years of experience in their respective fields of accounting, audit, financial management, law and business. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.

The AC has the authority to investigate any matters within its terms of reference and the discretion to invite any Director to attend its meetings. The management shall grant full cooperation and resources to enable it to discharge its functions properly. The roles and responsibilities of the AC are to:

- Recommend to the Board, the external auditors to be appointed and the remuneration and terms of engagement letter therein;
- Review with the internal and external auditors, the audit plan, including the nature and scope of the audit and its cost effectiveness before the audit commences;
- Review with the internal auditors and external auditors, their evaluation of the adequacy and effectiveness of the system of internal accounting controls and compliance functions;
- Review the Group's audited annual report and other quarterly financial statements and related notes and formal announcements thereto; accounting principles adopted and the external auditors' report prior to recommending to the Board for approval;
- Review the nature, scope, extent and cost effectiveness of non-audit services provided by the external auditors and ensuring that these do not affect the independence and objectivity of the external auditors;
- Review any significant financial reporting issues, judgment and estimates made by the Management, so as to ensure the integrity of the financial statements of the Company;
- To review the cooperation given by the Management to the external auditor;
- Discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);
- Review the adequacy and effectiveness of the Company's material internal controls, including financial, operational and compliance controls via reviews carried out by the internal auditors; and
- Review interested party transactions on a regular basis.

CORPORATE GOVERNANCE REPORT

In respect of the overall audit process, the AC has:-

- Provided an open avenue of communication between the external auditors, internal auditors, the Management and the Board; and
- Kept under review the scope and results of the external audit, internal audit, and their effectiveness and reported to the Board on any significant findings.

The AC is guided by its terms of reference which provides explicit authority to investigate any matters within its terms of reference, full access to and co-operation by the Management and full discretion to invite any Director and executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC has also put in place an anti-fraud policy, whereby staff and business associates of the Group may raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters and ensure that arrangements are in place for independent investigations of such matters and appropriate follow up actions. The AC is responsible for oversight and monitoring whistleblowing policy. The AC has designated an independent function to investigate whistleblowing reports made in good faith and ensures that the identity of the whistleblower is kept confidential and the Group is committed to ensure protection of the whistleblower against detrimental or unfair treatment.

The AC and Board noted that no incidents in relation to whistle-blowing matters have been raised during the year by any staff to indicate possible improprieties in matters of financial reporting, financial control, or any other matters.

The AC meets with external auditors, and with internal auditors, without the presence of the Company's Management, at least once a year.

The AC has reviewed the key audit matters disclosed in the independent external auditor's report and is of the view that there is no material inconsistency between the audit procedures adopted by the independent external auditors and Management's assessment and is satisfied that the key audit matters have been appropriately dealt with.

The Company has appointed a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit. Moore Stephens LLP was appointed as the Company's external auditors on 7 November 2007. Ms Chong Jia Yun Michelle was appointed as the audit engagement partner in charge of the audit of the Company for financial year ended 31 December 2023. The Company confirms that Rule 712 of the SGX-ST's Listing Manual is complied with.

The auditors of the Company's subsidiaries are disclosed in the notes to the financial statements in this annual report. The Company confirms that the Company and the Group has complied with Rule 715 of the SGX-ST's Listing Manual.

For FY2024, the total amount of fees in respect of statutory audit services provided by the external auditors for the Company amounted to approximately S\$353,000. The total non-audit fee paid to external auditors in FY2024 amounted to approximately S\$80,000.

The AC is satisfied with the independence and objectivity of the external auditors during the financial year and has recommended to the Board the re-appointment of Moore Stephens LLP as external auditors at the forthcoming Annual General Meeting of the Company.

No former partner or Director of the Company's existing auditing firm or auditing corporation, within a period of 2 years from the date of his/her ceasing to be a partner of the auditing firm or Director of the auditing corporation, is appointed to the AC.

CORPORATE GOVERNANCE REPORT

Shareholder Rights and Conduct of General Meetings – Principle 11

Engagement with Shareholders – Principle 12

Engagement with Stakeholders – Principle 13

Shareholder Rights

The Company is fully committed to treat all shareholders fairly and equitably. All shareholders enjoy specific rights under the Constitution and the relevant laws and regulations. The Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet. The Company recognises that the release of timely, regular and relevant information regarding the Company's performance, progress and prospects aids shareholders in their investment decisions.

Shareholders are entitled to attend the general meetings and are accorded the opportunity to participate effectively in and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate shareholder, through its appointed representative). Shareholders are also informed of the rules, including the voting procedures that govern the general meetings. Indirect investors who hold the Company's shares through a nominee company or custodian bank or through a CPF agent bank may attend and vote at the AGM.

Conduct of General Meetings

Shareholders are informed of general meetings through notices sent to all shareholders or at the shareholder's election, made available electronically. Shareholders may download the Annual Report and Notice of AGM from SGXNet as well as the Company's IR Website. The general meeting procedures provide shareholders the opportunity to raise questions relating to each resolution tabled for approval.

Shareholders or their appointed proxies are given the opportunity to vote at the general meetings of shareholders. The Company has been conducting electronic poll voting for all the resolutions passed at the general meetings of shareholders for greater transparency in the voting process. An independent external consultant is also appointed as scrutineer for the electronic poll voting process. Prior to the commencement of the general meeting of shareholders, the scrutineer would review the proxies and the proxy process. A proxy verification process agreed upon with the scrutineer is also in place. Votes cast for, or against, each resolution will be tallied and displayed live-on-screen to shareholders or their appointed proxies immediately after each poll conducted at the meeting. The Company maintains an audit trail of all votes cast at the general meeting of shareholders. The outcome of the general meeting of shareholders (including total numbers and percentage of votes cast for or against the resolutions) are also promptly disclosed on SGXNet on the same day after the general meeting. Each share is entitled to 1 vote. The Company currently does not provide for voting in absentia.

All Directors, including the Chairman of each of the AC, NC and RC, external auditors, senior management and legal adviser (where necessary), are present at general meetings to address queries from the meeting attendees.

The Board noted that there should be separate resolutions on each substantially separate issue that may be tabled at the general meeting. Notices of general meetings are dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 clear calendar days before the meeting for ordinary resolutions and/or at least 21 clear calendar days before the meeting for special resolutions.

The Company Secretaries prepare minutes of the general meetings, which capture the essence of the comments or queries from meeting attendees and responses from the Board and Management. These minutes will not be published on the Corporate website but will be made available to shareholders upon their requests.

Shareholders were also given the opportunities to submit their questions related to the resolutions to be tabled for approval in advance of the AGM. The responses to those substantial and relevant questions received from shareholders were published via SGXNet before the AGM. In addition, the Company will publish the minutes of the forthcoming AGM on SGXNet within one month from the AGM.

The Company will hold physical AGM for FY2024, all directors, external auditors, senior management and legal adviser (where necessary) will endeavor to be physically present at the AGM for FY2024 to address to the shareholders' questions.

CORPORATE GOVERNANCE REPORT

Disclosure of Information on a Timely Basis

The Company is committed to disclosing to its shareholders as much relevant information as is possible, in a timely, accurate, fair and transparent manner.

In addition to comprehensive, accurate and timely disclosure of information that is material or that may influence the price of the Company shares on SGXNet in compliance with the requirements of the Listing Manual, the Company adopts the practice of regularly communicating major developments in its businesses and operations through the appropriate media. Such channels include news releases, annual reports, shareholder circulars, shareholders' meetings, and direct announcements.

The Company released its results for the first three quarters to shareholders no later than 45 days from the end of the quarter. Full-year results are released within 60 days from the financial year-end.

Briefings to present quarterly and full-year results are held for the media and analysts.

Interaction with Shareholders

At each AGM, the Directors (including the Chairman of the respective Board committees), are in attendance to address queries and concerns about the Company. The Company's external auditors also attends to address shareholders' queries relating to the conduct of the audit and the preparation and content of the external auditors' report.

Dividend Policy

The Company has adopted a dividend policy since 15 May 2012 to declare dividends on a quarterly basis. The form, frequency, the amount of any dividend will depend on the Group's earnings and financial position, results of operation, capital expenditure requirements, future expansion and investment plans, profit after tax position, other funding requirements, and other factors. The Directors will continually review the dividend policy and reserve the right to update, amend, modify or cancel this dividend policy.

Over the past five years, the Group has declared total annual dividends at the rate of approximately 34% to 95% of the net profit after tax based on the audited consolidated financial statements. Any dividend payments are clearly communicated to shareholders via announcements on SGXNET.

The dividend policy of the Company aims to provide shareholders with a sustainable and progressive dividend that is consistent with the Company's long term growth.

Corporate Website

The Group adopts transparent, accountable and effective communication practices as a key means to enhance standards of corporate governance. We aim to provide clear and continuous disclosure of our corporate governance practices through efficient use of technology. The following information is made available on SGX's corporate website:

- (a) Board of Directors profiles;
- (b) Notice of AGM and Proxy Forms;
- (c) Annual Report;
- (d) Letter/Circular to Shareholders;
- (e) Company announcements;
- (f) Press releases; and
- (g) Financial Results.

The latest Annual Report, financial and company announcements are posted on the website following their release to the market, to ensure fair dissemination to shareholders.

CORPORATE GOVERNANCE REPORT

The Company's corporate website (www.umsgroup.com.sg) has a dedicated 'Investor Relations' link. The contact details of the Investor Relations team are available on the dedicated link to enable shareholders to contact the Company easily. Investor Relations has procedures in place for addressing investors' queries or complaints as soon as possible.

Managing Stakeholder Relationships

The Company has in place an Investor Relations Policy which sets out the process and mechanism to engage its stakeholders, including the channel of communication (as described above) for questions to be posed by shareholders and through which the Company may respond accordingly.

Through the Investor Relations team, the Company engages its shareholders, investors and analysts through investor roadshows, and participation in major investor conferences. The Company is committed to actively engaging the investment community to convey its investment proposition, as well as obtain feedback on its expectations.

The Company's approach to the engagement with key stakeholders and materiality assessment will be disclosed in the Company's Sustainability Report for FY2024, which will be uploaded on the SGXNet no later than 30 April 2025.

Please refer to the section on "Stakeholder Engagement" in the sustainability report for more information on how the Company manages its stakeholder relationships.

Dealing in Company's Securities

An internal Code on Dealings in Securities is also in place to prescribe the internal regulations pertaining to the securities of the Company and its listed subsidiaries. The code prohibits securities dealings by Directors and employees while in possession of unpublished price-sensitive information of the Group. The Company, all Directors and employees are also prohibited from dealing in the securities of the Company during the period beginning two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements and ending on the date of the announcement of the financial results. Directors and officers are also advised not to deal in the Company's securities for short term considerations and they are expected to observe insider-trading laws at all times. The Company issues regular internal memorandums to the Directors and officers of the Group to remind them of the aforementioned prohibitions.

Interested Person Transactions and Material Contracts

The Company has an internal policy to deal with interested person transactions. All interested person transactions will be documented and submitted to the AC on a quarterly basis for their review and approval to ensure that the transactions are carried out at arm's length.

During the current year, there were interested person transactions involving Mr Luong Andy and Sure Achieve Consultant Pte Ltd, a company in which Mr Luong's wife, Mrs Sylvia SY Lee Luong is a shareholder and Director. All interested person transactions were conducted on arm's length basis and on normal commercial terms within the regulatory guidelines. The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the Audit Committee and the transactions are carried out on normal commercial terms and will not be prejudicial to the interest of the Company and its minority shareholders. Details of the interested person transactions are found on the supplementary financial information disclosures page of this Annual Report.

Except as disclosed in the interested person transactions note found on the supplementary financial information disclosures page of this Annual Report, there was no material contract or loan entered into between the Company and any of its subsidiaries involving interests of any of the CEO, Director or controlling shareholder, either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

Use of proceeds

The Company raised net proceeds of approximately S\$49,918,000 from the placement of 40,000,000 shares pursuant to Proposed Subscription. The Proposed Subscription was completed on 31 January 2024. As at the date of annual report, the net proceeds have not been utilized and the balance as follows:

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