



AVI-TECH HOLDINGS LIMITED

# ***EMPOWERING EXCELLENCE NAVIGATING OPPORTUNITIES***

ANNUAL REPORT 2024

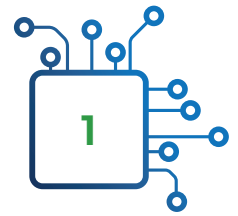
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## EMPOWERING EXCELLENCE, NAVIGATING OPPORTUNITIES

The theme "Empowering Excellence, Navigating Opportunities" comes to life on our annual report cover with Avi-Tech's logo embedded in a semiconductor chip. As a cornerstone of the technological revolution, semiconductors ignite a wave of limitless possibilities. This design symbolises our commitment to being at the heart of innovation and excellence, reflecting our drive to push boundaries and seize new opportunities in a rapidly evolving world.





# CORPORATE PROFILE

## WHO WE ARE

Avi-Tech Electronics Limited (which was renamed as Avi-Tech Electronics Pte. Ltd.) was incorporated in Singapore in 1981 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited in 2007. Following the successful completion of our corporate restructuring exercise in December 2021, Avi-Tech Holdings Limited is our listed entity with Avi-Tech Electronics Pte. Ltd. as our wholly-owned subsidiary. Starting as a provider of burn-in solutions, we have since expanded our capabilities to include manufacturing and printed circuit board assembly services and engineering services. Today, we are one of the leading total solutions providers for the semiconductor, electronics, life sciences and other emerging industries.



## OUR MARKETS

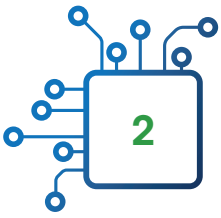
Headquartered in Singapore, our production facility is equipped with advanced burn-in systems, many of which are designed and fabricated in-house. Our customers are global leaders, including Original Equipment Manufacturers and Original Design Manufacturers, in semiconductor automotive, networking, life sciences, avionics and other industrial products. Our market presence has expanded beyond Singapore to Malaysia, Thailand, Vietnam, the Philippines, Taiwan, China, Japan, Europe and the United States.



## OUR AWARDS AND ACHIEVEMENTS

Business excellence and quality assurance are of utmost importance in our business. We are proud to be one of a few local SMEs to be conferred the prestigious Singapore Quality Award by the Enterprise Singapore SQA Governing Council for achieving a world-class standard of performance excellence which reaffirms our strong credentials in the international market. We also received the Singapore Quality Class award from the Singapore Economic Development Board ("EDB") (formerly SPRING Singapore) and were awarded the EDB Enterprise 50 Awards (Ranking: 1st). In addition, we have achieved ISO 9001 and ISO 14001 certifications.





## BUSINESS SEGMENTS

### BURN-IN SERVICES

We provide Static Burn-In, Dynamic Burn-In, Test During Burn-In and High Power Burn-In services for semiconductor manufacturers, serving the segment of the industry that requires fail-safe or high-reliability semiconductor devices such as microprocessors and microcontrollers for automotives including electric vehicles, Internet of Things and networking products, and mobile devices. Our portfolio of customers spans the Asia-Pacific, Europe and the United States and includes some of the key players in the global semiconductor industry.



### MANUFACTURING AND PRINTED CIRCUIT BOARD ASSEMBLY ("PCBA") SERVICES

We engage in the design, manufacture and assembly of a wide range of Burn-In boards and Automatic Test Equipment/Load boards for the various types of Burn-In systems as well as boards for other types of reliability tests such as High Temperature Operating Life Test and Highly Accelerated Stress Test. We are qualified and licensed to build Burn-In boards for high-power devices. In addition, we provide industrial imaging and diagnostic solutions, design Printed Circuit Boards and provide niche PCBA Services for the medical, mobile communications, optics and aviation industries. We are constantly challenging ourselves to raise our competencies in board design and manufacturing, and assembly capabilities to meet the dynamic and increasingly sophisticated customer requirements.

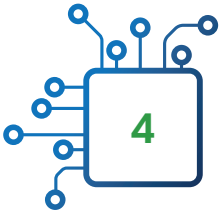
### ENGINEERING SERVICES

Our engineering services range from design and development to full turnkey outsourced manufacturing and system integration for semiconductor equipment and lab automation systems for the life sciences and biotech industries. We also recommend enhancements and improvements to our customers' designs and design for manufacturability as a value-added service to them. One of our competitive strengths is the provision of system integration services for refrigeration-based High Power Burn-In Systems and Lithography Tool for semiconductor front-end applications. We have significantly expanded our engineering services in this area of specialisation since 2006. Our integration projects also include Charged Coupled Device cameras for application in the astronomy and life sciences sectors, digital imagers as well as customised Light-Emitting Diode drivers and products for various applications. In addition, we distribute and service third-party Mixed Signal Testers used in the semiconductor industry.





Empowering Excellence,  
**Embracing Technological Evolution**



## CORPORATE MILESTONES AND TRACK RECORD

Our corporate history spans over 40 years starting as a provider of burn-in solutions. Since then, we have expanded our breadth of capabilities to include manufacturing and PCBA services and engineering services. Today, we are one of the leading total solutions providers for burn-in, manufacturing and PCBA, and engineering services for our global customers in the semiconductor, electronics and life sciences industries. We are proud of the many milestones we have reached, and achievements we have garnered over the years.

### 1981 – 1989

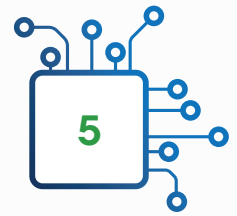
- Incorporated in Singapore
- Commenced operations with 23 personnel and three Burn-In Systems with a total area of 782 sq. m.
- Qualified by our two largest customers, Texas Instruments Singapore and National Semiconductor Pte Ltd, as a burn-in service provider due to our fast turnaround and good engineering support

### 1990 – 1999

- Expanded our business to include the provision of engineering services to design and build semiconductor Burn-In Systems
- Formed a strategic alliance with Motay Electronics (which was acquired by Unisys Corporation, a US company providing system integration, network engineering, project management, and technical support services)
- Extended our capabilities to provide Tape and Reel Services to semiconductor manufacturers
- Relocated to our own facility with a total built-up area of approximately 12,000 sq. m. and equipped with advanced Burn-In Systems, many of which were designed and fabricated in-house
- Awarded the EDB Enterprise 50 Awards (Ranking: 1st) in recognition of our business excellence

### 2000 – 2010

- Expanded our services to provide distribution of third-party Burn-In and test-related equipment for use in the semiconductor testing environment and provided Test During Burn-In services
- Initiated a new project with Unisys Corporation which significantly expanded our engineering services in the area of system integration of High Power Burn-In Systems



# CORPORATE MILESTONES AND TRACK RECORD

## 2000 – 2010

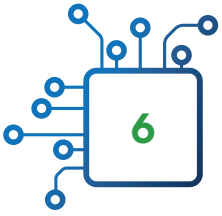
- Entered into an agreement with another technology partner in system integration of High Power Burn-In Systems
- Mainboard listing on the Singapore Exchange Securities Trading Limited
- Conferred the prestigious Singapore Quality Award
- Successfully ventured into the US for Burn-In Boards business and system integration for the life sciences industry
- Established subsidiary Avi-Tech, Inc. in the US to meet the upsurge in demand for Burn-In boards

## 2011 – 2020

- Secured our first front-end semiconductor customer with the award of a multimillion-dollar contract for system integration of Lithography Equipment
- Attained ISO 9001:2015 (quality management systems), ISO 14001:2015 (environmental management systems) and ISO 13485:2016 (quality management systems for medical devices)
- Diversified into the provision of services for the medical, mobile communications and aviation industries
- Acquired new customers in the Digital Imaging Systems space
- Successful transfer of Burn-In business from an overseas semiconductor customer to support customer's outsourcing strategy
- Recognised by RHB Bank in their 25 Jewels 2017 for good investor returns and conferred with the Charger Award 2017 by Storm-Asia media for strong growth prospects
- Conferred the Singapore Corporate Awards 2019 "Best Managed Board (Bronze)" award as a recognition of upholding best practices in corporate governance and transparency
- Named as one of the Top Singapore Small Cap Companies in RHB 20 Jewels 2020

## 2021 – 2024

- Completed corporate restructuring with Avi-Tech Holdings Limited becoming the listed entity and Avi-Tech Electronics Pte. Ltd. (previously Avi-Tech Electronics Limited) as its wholly-owned subsidiary to facilitate business expansion efficiencies and risk management control
- Incorporated wholly-owned subsidiary Avi-Tech Electronics (Suzhou) Limited to better support customers and enhance market presence in China



# LETTER TO SHAREHOLDERS



## DEAR SHAREHOLDERS

As Avi-Tech Holdings Limited (“Avi-Tech” or the “Group”) closes the financial year ended 30 June 2024 (“FY2024”), we reflect on a year of significant challenges and emerging opportunities. Guided by our commitment to “Empowering Excellence, Navigating Opportunities,” we have navigated considerable turbulence in the semiconductor industry. The second half of FY2024 saw declines in enterprise demand (particularly for automotive semiconductors), due to shifting market dynamics and reduced capital expenditures. Despite these challenges, our focus on operational excellence and strategic development has allowed us to maintain our effectiveness and profitability.

## FINANCIAL PERFORMANCE

Our financial results for FY2024 reflect both the challenges we faced and the strength of our strategic responses. Revenue decreased to S\$25.1 million from S\$34.9 million in the financial year ended 30 June 2023 (“FY2023”), in line with the broader industry slowdown. Consequently, gross profit fell from S\$8.0 million to S\$6.5 million, largely due to lower sales across all business segments, which translated into higher underlying fixed costs. Despite this decline, our commitment to operational efficiency resulted in an improved gross profit margin of 26.0%, up from 22.9% in FY2023.

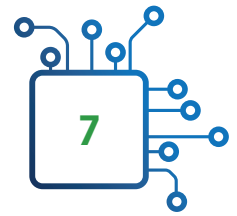
We ended FY2024 with a net profit of S\$2.8 million, demonstrating our ability to achieve profitability despite challenging market conditions. As at 30 June 2024, our balance sheet remains strong, with total assets amounting to S\$57.6 million against total liabilities of S\$6.1 million, and maintaining a healthy cash balance of S\$37.0 million. We generated net cash from operating activities of S\$8.2 million in FY2024.

## DIVIDEND

In line with our commitment to delivering shareholder value, the Board has proposed a final dividend of 0.75 cents per ordinary share. If approved by shareholders at the forthcoming annual general meeting, the final dividend will be paid to shareholders on 26 November 2024. This final dividend amounts to a total dividend payout of S\$1.3 million and represents approximately 45.6% of our FY2024 profit. The proposal follows a comprehensive review of the Group’s performance for FY2024, including assessments of our business operations, cash flow, and balance sheet.

Including the interim dividend of 0.75 cents, the total dividend for FY2024 will be 1.5 cents per ordinary share, amounting to a total dividend payout of S\$2.6 million. This represents approximately 91.2% of our profit for FY2024 and 31.1% of the cash flow generated from operating activities during the financial year. This dividend payout underscores our commitment to our dividend policy.





# LETTER TO SHAREHOLDERS

## OPERATIONAL HIGHLIGHTS

In FY2024, we focused on strengthening our operations and pursuing strategic initiatives to navigate a challenging landscape. Our emphasis on operational efficiency led us to explore and implement new strategies for process optimisation and cost management.

In FY2023, we had made investments in advanced equipment and technology (particularly within our Manufacturing and PCBA Services and Engineering Services business segments) which were aimed at expanding our capabilities and boosting productivity. These initiatives have been beneficial in addressing and mitigating the challenges we faced during FY2024. Specifically, they helped us adapt to decreased demand for burn-in services and a shift towards more complex board designs in the Manufacturing and PCBA Services business segment, while also enhancing our Engineering Services business segment capabilities. By adjusting our services and processes to meet these evolving needs, we have become better equipped to satisfy customer requirements and maintain operational effectiveness.

Simultaneously, we broadened our customer base and expanded our capabilities. Our focus on market development and strategic partnerships has yielded positive results, particularly for our business in China. We also pursued upstream initiatives by offering a comprehensive suite of solutions through collaborations with both US and local companies for Original Equipment Manufacturer and Original Design Manufacturer services. These client alliances

have facilitated new product introductions and enhanced the value we provide to customers.

In addition to strengthening our operations, managing our costs has been a key focus. We remained committed to cost management and operational streamlining. Rising costs of materials were addressed through our extensive vendor network, which helped mitigate margin pressures. To tackle heightened energy costs, we secured a fixed electricity contract, achieving approximately 20-30% in cost savings. Our proactive approach towards cost management has been crucial in managing operational expenses and maintaining our competitiveness.

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG")

Our commitment to ESG principles remains central to our strategy. We are pleased to report significant progress in our governance and transparency efforts. Our ranking in the Singapore Governance and Transparency Index 2023 improved remarkably, moving from No. 257 out of 474 listed companies in FY2022 to No. 36 out of 477 in FY2023 – an impressive 86% leap.

We are also pleased to share that we successfully met our targets for reducing Greenhouse Gas ("GHG") emissions in FY2024, recording a total of 1,663.79 tCO<sub>2</sub>e. Additionally, in our Task Force on Climate-related Financial Disclosures for FY2024, we conducted a scenario analysis to explore potential future outcomes and assess the resilience of our business activities and strategies

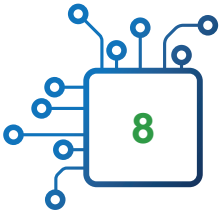
against climate change impacts. We evaluated climate scenarios of 4°C and less than 2°C for both the short to medium term (up to 2030) and the long term (up to 2050). This analysis took current trends, socio-economic factors, climate policies, and technological advancements into account.

We remain committed to combating climate change by aligning our approach with global sustainability frameworks and the Paris Agreement, with a target to reduce GHG emissions by 45% by 2030 and achieve net-zero carbon emissions by 2050. We will continue to reduce our environmental impact and progressively expand our GHG emission reporting to include Scope 3 emissions in our disclosures moving forward.

For more information on our ESG efforts, please refer to our Sustainability Report 2024.

## OUTLOOK AND GROWTH STRATEGIES

Looking ahead, the Group has a cautious outlook on the semiconductor industry, particularly in the enterprise and automotive sectors. Despite these challenges, we anticipate a continued but more moderate demand for burn-in and test capabilities. To address evolving technological advancements, we are committed to adapting our services and processes while adopting sustainable practices. These efforts aim to position us to meet customers' changing requirements and ensure both operational effectiveness and competitiveness.



# LETTER TO SHAREHOLDERS

Our strategic focus is on diversification and market expansion. We actively engage with trade forums and industry associations to stay informed about emerging trends and technologies. Such engagement fosters opportunities for strategic alliances, partnerships, and mergers and acquisitions, which are crucial for generating valuable leads and exploring new business opportunities. Our growth strategy emphasises exploring opportunities in life sciences, medical technology, and energy sectors. These areas align with current industry trends and market demands, positioning us to leverage these growth sectors effectively. Additionally, we will increase our participation in trade events and boost visibility in non-semiconductor markets to strengthen relationships with existing clients and broaden our customer base.

Our overall goal is to enhance our operations, navigate industry challenges, and capitalise on growth opportunities. We remain dedicated to driving sustainable performance and delivering long-term value to our shareholders.

## APPRECIATION

As we begin the new financial year, I want to extend my deepest appreciation to our Board members, especially Mr Michael Grenville Gray, who will be retiring and not seeking re-election at the conclusion of the forthcoming annual general meeting. Mr Gray has made significant contributions to our success through various phases of transformation since our public listing.

Supporting our Board's renewal efforts, the Board has, at the Nominating Committee's recommendation, nominated Mr Giang Sovann to stand for election at the forthcoming annual general meeting as a Non-Executive Independent Director. Mr Giang, Senior Director at RSM Singapore, specialises in corporate governance, risk management, and sustainability. He also teaches at the Institute of Singapore Chartered Accountants, the Singapore Management University, and the Singapore University of Social Sciences. His extensive experience includes serving as an independent director and on board committees for SGX-listed companies. Mr Giang's expertise will greatly contribute to our ESG initiatives and sustainability policies.

I also wish to express my gratitude to our customers, business partners, and staff. Your support and contributions have been vital to our achievements. Last but not least, to our shareholders, thank you for your continued trust in Avi-Tech. Together, we will continue to empower excellence, navigate opportunities, and achieve new milestones.

## Lim Eng Hong

Chief Executive Officer and  
Executive Chairman



## BOARD OF DIRECTORS



**MR LIM ENG HONG**

*Chief Executive Officer and  
Executive Chairman*

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### Background and Working Experience

Mr Lim Eng Hong is the founder of our Group. He has more than 40 years of experience in the semiconductor industry and has been the main driving force behind the growth and business expansion of the Group. Mr Lim oversees the Group's overall business activities and is particularly involved in the development of the strategies behind the Group's diversification into other related business areas.

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### Date of last re-election

27 October 2022

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### Shares in the Company or related corporations

62,612,875 shares in the Company  
(Direct & Deemed Interest)

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### Committee Memberships

- NIL

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### Academic & Professional Qualifications

- Diploma in Telecommunication Engineering, Singapore Polytechnic
- Diploma in Management Studies, Singapore Institute of Management

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### Present Directorships (as at 30 June 2024)

Listed Companies (excluding the Company)

- NIL

Other Non-Listed Companies  
(excluding Subsidiaries and Associates of the Company)

- NIL

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### Major Appointments (other than Directorships)

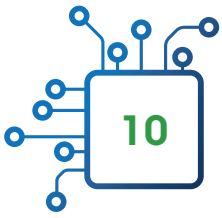
- NIL

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### Past Directorships in listed companies over the last 5 years

(excluding Subsidiaries and Associates of the Company)

- NIL
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## BOARD OF DIRECTORS



**MR LIM TAI MENG ALVIN**

*Chief Operating Officer and  
Executive Director*

### Background and Working Experience

Mr Lim Tai Meng Alvin is an Executive Director and Chief Operating Officer of our Group. He joined the Group in 2002 and is responsible for overseeing the Group's operations for Burn-In Services, Manufacturing and PCBA Services and Engineering Services divisions. Mr Lim also develops the competitive positioning and strategies of the Group and manages the sales, marketing and business development functions. Mr Lim was the Chief Operating Officer (USA Operations) from 2009 to 2011 and was responsible

for strategising and promoting the Group's business in the market. Mr Lim started as a Sales Engineer with the Group, responsible for the sales and marketing team for test equipment and sockets. He was subsequently promoted to Section Manager in the Engineering Services division to manage the manufacturing of System Level Test, Hybrid System Test thermal trays and Fusion System build to meet customers' needs, and thereafter became a Special Project Manager. With his vast experience in managing operations, Mr Lim was later promoted to oversee the Manufacturing and PCBA Services division, and Engineering Services manufacturing operations. In May 2013, Mr Lim was appointed Chief Operating Officer of the Group.

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#### Date of last re-election

30 October 2023

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#### Shares in the Company or related corporations

120,000 shares in the Company (Direct Interest)

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#### Committee Memberships

- NIL

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#### Academic & Professional Qualifications

- Bachelor's Degree in Electrical and Computer Engineering, University of Queensland, Australia
- Graduate Diploma in Business Administration, Singapore Institute of Management

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#### Present Directorships (as at 30 June 2024)

Listed Companies (excluding the Company)

- NIL

Other Non-Listed Companies

(excluding Subsidiaries and Associates of the Company)

- NIL

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#### Major Appointments (other than Directorships)

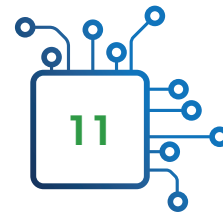
- NIL

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#### Past Directorships in listed companies over the last 5 years

(excluding Subsidiaries and Associates of the Company)

- NIL
-



## BOARD OF DIRECTORS



### MR MICHAEL GRENVILLE GRAY

*Non-Executive and  
Lead Independent Director*

#### Background and Working Experience

Mr Gray spent ten years in the shipping industry before training as a Chartered Accountant with Coopers & Lybrand in the United Kingdom in 1973. Prior to his retirement at the end of 2004, Mr Gray was a partner in PricewaterhouseCoopers, Singapore and before that, Territorial Senior Partner for PricewaterhouseCoopers Indochina (Vietnam, Cambodia and Laos).

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#### Date of last re-election

30 October 2023

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#### Shares in the Company or related corporations

870,000 shares in the Company (Direct Interest)

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#### Committee Memberships

- Audit and Risk Committee (Chairman)
- Nominating Committee
- Remuneration Committee

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#### Academic & Professional Qualifications

- Bachelor of Science in Maritime Studies, Plymouth University, United Kingdom
- Master of Arts in South East Asian Studies, National University of Singapore
- Fellow of Institute of Chartered Accountants in England & Wales
- Fellow of Institute of Singapore Chartered Accountants
- Fellow of Singapore Institute of Directors
- Fellow of Chartered Institute of Transport & Logistics

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#### Present Directorships (as at 30 June 2024)

Listed Companies (excluding the Company)

- FSL Trust Management Pte Ltd

Other Non-Listed Companies

(excluding Subsidiaries and Associates of the Company)

- NIL

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#### Major Appointments (other than Directorships)

- NIL

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#### Past Directorships in listed companies over the last 5 years

(excluding Subsidiaries and Associates of the Company)

- GSH Corporation Limited

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#### Awards

- Public Service Star (Bar) – B.B.M. [L] (2010)
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## BOARD OF DIRECTORS



### MR CHAN YU MENG

*Non-Executive and  
Independent Director*

#### Background and Working Experience

Mr Chan is the Head of Legal, Risk and Compliance at Golden Energy and Resources Pte. Ltd., which was previously listed on the Mainboard of the SGX-ST. He was previously a partner in the corporate department of Lee & Lee, a law firm in Singapore. He has more than 20 years of experience in the areas of mergers and acquisitions, capital markets, corporate finance, corporate restructuring, securities law, stock

exchange practice and corporate secretarial matters. He also has prior experience as a litigation counsel representing clients in both civil and criminal matters.

Mr Chan has held the role of independent director at several SGX-listed companies. He is an ordinary member of the Singapore Academy of Law and the Singapore Institute of Directors (SID), and is recognised as a Senior Accredited Director (SID-SRAD).

Mr Chan graduated from the University of Durham, United Kingdom, and is called to the Singapore Bar.

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#### Date of last election

27 October 2022

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#### Shares in the Company or related corporations

NA

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#### Committee Memberships

- Audit and Risk Committee
- Nominating Committee
- Remuneration Committee (Chairman)

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#### Academic & Professional Qualifications

- Bachelor of Laws (LLB), Durham University, United Kingdom
- Diploma in Singapore Law, National University of Singapore
- Postgraduate Practical Course in Law, Board of Legal Education, Singapore

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#### Present Directorships (as at 30 June 2024)

Listed Companies (excluding the Company)

- Livingstone Health Holdings Limited

Other Non-Listed Companies  
(excluding Subsidiaries and Associates of the Company)

- NIL

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#### Major Appointments (other than Directorships)

- Head of Legal, Risk and Compliance for Golden Energy and Resources Pte. Ltd.

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#### Past Directorships in listed companies over the last 5 years

(excluding Subsidiaries and Associates of the Company)

- NIL
-

## BOARD OF DIRECTORS



### MR TAN KA HUAT

*Non-Executive and  
Independent Director*

#### Background and Working Experience

Mr Tan Ka Huat began his career in 1975 as a process engineer for Texas Instrument Singapore, and subsequently worked as an operations manager from 1986 to 1990 in the semiconductor industry. In 1991, Mr Tan joined Singapore Technologies Venture as a business development director.

Thereafter, from 1992 to 1999, Mr Tan worked for Chartered Electronics Pte Ltd as its general manager, and vice president. From 2000 to 2021, Mr Tan held the position of managing director of CEI Limited. He continued to hold this position in 2022, after CEI Limited was renamed to CEI Pte. Ltd., following its delisting in 2021. From January 2023 to November 2023, Mr Tan was a business advisor to CEI Pte. Ltd.

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#### Date of last election

30 October 2023

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#### Shares in the Company or related corporations

NA

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#### Committee Memberships

- Audit and Risk Committee
- Nominating Committee (Chairman)
- Remuneration Committee

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#### Academic & Professional Qualifications

- Bachelor of Science (Physics), Nanyang University (n.k.a. Nanyang Technological University), Singapore
- Diploma in Business Administration, National University of Singapore
- Master of Business, University of Technology, Sydney, Australia

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#### Present Directorships (as at 30 June 2024)

Listed Companies (excluding the Company)

- Nil

Other Non-Listed Companies  
(excluding Subsidiaries and Associates of the Company)

- Dou Yee Enterprises (S) Pte. Ltd.

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#### Major Appointments (other than Directorships)

- NIL

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#### Past Directorships in listed companies over the last 5 years

(excluding Subsidiaries and Associates of the Company)

- CEI Limited (which has since been renamed to CEI Pte. Ltd., following its delisting in 2021)
-

## BOARD OF DIRECTORS



**Persons Standing for Election as Directors of the Company at the Forthcoming Annual General Meeting**

### MR GIANG SOVANN

*Non-Executive and Independent Director*

#### Background and Working Experience

Mr Giang Sovann is a Senior Director of Business Consulting at RSM Singapore and specialises in ESG and climate change reporting. He advises and conducts training for boards on, amongst other areas, the listing rules, charities governance and risk management. He has written many articles on corporate governance, risk management and sustainability reporting. His management concepts, "Four pillars of effective corporate oversight" and "Eight drivers of effective risk management" have been adopted by many organisations.

Outside of RSM Singapore, he teaches at the Singapore Management University and the Singapore University of Social Sciences on corporate governance, listing rules,

risk management and sustainability reporting. He also teaches on charity governance at the Institute of Singapore Chartered Accountants.

Mr Giang was an Executive Director of the Singapore Institute of Directors where he also sat on the Organising Committee of the Singapore Corporate Awards and co-managed the Best Managed Board Award for SGX-listed companies. He has more than 10 years of experience serving as an independent director of SGX-listed companies.

Mr Giang started his career as a public accountant with a Big 4 firm in Canada and Singapore. After leaving the public accounting practice, Mr Giang has served as a senior executive in a multinational company, an Indonesian regional conglomerate, a large public entity, and SGX-listed companies. He has over 30 years of operational and financial management experience across various industries, including aerospace, food and beverage, flexible packaging, precision engineering, mining, oil and gas, real estate, telecommunications, and trading and distribution.

Mr Giang qualified as a Chartered Accountant with the Canadian Institute of Chartered Accountants (now CPA Canada), and is also a Chartered Accountant, Singapore and Senior Accredited Director of the Singapore Institute of Directors. Mr Giang was also a Member of the Complaints and Disciplinary Panel, the Public Accountants Oversight Committee, Accounting and Corporate Regulatory Authority, Singapore.

#### Date of last re-election

NA

#### Shares in the Company or related corporations

NA

#### Committee Memberships

NA

#### Academic & Professional Qualifications

- Bachelor of Administration, University of Regina, Canada
- Chartered Accountant, Singapore
- Chartered Professional Accountant, Canada
- Senior Accredited Board Director, Singapore Institute of Directors

#### Present Directorships (as at 30 June 2024)

Listed Companies (excluding the Company)

- CNMC Goldmine Holdings Limited

Other Non-Listed Companies

(excluding Subsidiaries and Associates of the Company)

- Cambodia Post Bank PLC
- Funan Microfinance PLC
- Presbyterian Community Services
- Happinest Holdings Pte. Ltd.

#### Major Appointments (other than Directorships)

- Senior Director of Business Consulting at RSM Singapore
- Affiliate Faculty at Singapore Management University
- Teaching Associate at Singapore University of Social Sciences

#### Past Directorships in listed companies over the last 5 years

(excluding Subsidiaries and Associates of the Company)

- Rich Capital Holdings Limited
- Silkroad Nickel Pte. Ltd. (formerly known as Silkroad Nickel Ltd.)



## EXECUTIVE MANAGEMENT

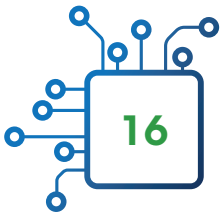


### MR JOSEPH WANG NIN CHOON

*Chief Financial Officer*

Mr Joseph Wang is our Chief Financial Officer. He oversees and manages the financial and accounting functions of our Group in addition to risk management. Mr Wang has more than 23 years of finance, corporate treasury management, corporate banking, global market and investment banking experience. Over the course of his career, he has held senior roles as Chief Financial Officer, Treasurer and Vice President of SGX-listed entities and Singapore Temasek linked companies such as Top Global, ST Engineering, PSA International and Singapore Technologies. He has strong banking experience, having held senior roles at Barclays Capital (Barclays Bank) and Deutsche Bank as their Vice President for client management.

In Mr Wang's previous executive roles, he was responsible for finance, corporate treasury, investments, SGX-ST reporting, planning, developing and implementing business strategies across the organisations. During his tenure with the aforementioned banks, he was responsible for supporting corporate clients with a wide range of financial services and products including acquisition financing, capital market financing, loan syndications, treasury and general advisory work; to assist them to manage their corporate financial risks and funding requirements effectively. Mr Wang holds a Bachelor of Arts (Economics) degree from Simon Fraser University, British Columbia, Canada.



## KEY PERSONNEL

### MR LAU TOON HAI

*Vice President of Quality Assurance*

Mr Lau Toon Hai is our Vice President of Quality Assurance. He joined our Group in 1994 and is responsible for setting up and maintaining a functional quality organisation and Business Excellence System for our Group. Areas falling under his duties and responsibilities include overseeing the quality assurance aspects of our entire Group and driving our Group's Business Excellence Management System to keep pace with current industrial and commercial standards such as Business Excellence, Responsible Business Alliance, Quality, Environmental management system and our customers' requirements. Mr Lau has over 20 years of experience in the electronics engineering industry. Prior to joining our Group, he worked with companies such as Philips (S) Pte Ltd, Archive (S) Pte Ltd and Conner Peripherals (S) Pte Ltd. Mr Lau holds a Diploma in Electronics and Communications Engineering from the Singapore Polytechnic.

### MR ALLAN NGO YU WEI

*Director of Operations  
(Manufacturing)*

Mr Allan Ngo is our Director of Operations (Manufacturing). He joined our Group in 2003 and is responsible for our operations related to Manufacturing and Printed Circuit Board Assembly Services ("PCBA") as well as Engineering Services. Mr Ngo was in charge of the Burn-In Board Manufacturing Services division where he was the Production Manager managing the planning, process, manufacturing and logistics operations of the department. He was promoted to Director of Operations (Manufacturing), overseeing the operational aspects of Manufacturing and PCBA Services and Engineering Services. Mr Ngo holds a Diploma in Electronics, Computer and Communication Engineering from Nanyang Polytechnic, Singapore, and a Bachelor of Science degree in Business from Singapore University of Social Sciences.

### MR BAMBANG HANDOKO SUTEDJO

*Director of Sales*

Mr Bambang Handoko Sutedjo is our Director of Sales. He joined our Group in 1993 and is responsible for the sales and marketing of Burn-In Services and Manufacturing and PCBA Services, both locally and overseas. Mr Sutedjo is also in charge of the Manufacturing and PCBA Services design team. Mr Sutedjo has more than 20 years of experience in the semiconductor industry. He was previously the Senior Manager of Sales and Marketing of our Group, responsible for the management of the Burn-In Board Manufacturing-related division's local and overseas sales. Prior to joining our Group, he was a Field Service Engineer with SETA Corporation in Charlotte, North Carolina, USA. Mr Sutedjo holds a Bachelor of Science in Electrical Engineering degree from the Tennessee Technological University of Cookeville, Tennessee, USA.

### MR DESMOND OW YANG CHIEN KHANG

*Director of Operations  
(Services)*

Mr Desmond Ow Yang is our Director of Operations (Services). He joined our Group in 1999 and oversees the Group's Burn-In operations. Mr Ow Yang is also responsible for the production, planning, engineering and maintenance support of the Group and is the lead auditor for ISO 9001 and internal auditor for ISO 14001 certifications. Mr Ow Yang started as a Burn-In Engineer with our Group and was in charge of the set up and introduction of new products and processes in Burn-In operations to meet customers' requirements. He was promoted to Senior Engineer and subsequently, Engineering Manager, to manage the Engineering team in providing technical solutions and support to customers. During that period, he was also responsible for Sales and Customer Services for Burn-In Services, Tape and Reel, Visual Inspection and other services, for both local and overseas customers. Mr Ow Yang holds a Bachelor of Engineering (Honours) degree from the University of Aberdeen, United Kingdom.

# OPERATIONS REVIEW

## BURN-IN SERVICES

For the financial year ended 30 June 2024 ("FY2024"), our Burn-In Services business segment accounted for 21.6% of the Group's total revenue, amounting to S\$5.4 million. This represents a decline of 13.4% from S\$6.2 million in the financial year ended 30 June 2023 ("FY2023"). The decrease in revenue was primarily due to reduced customer demand driven by shifts in market dynamics and evolving customer requirements.

Despite increased production volumes driven by increased customer demand in the first half of FY2024, this positive momentum was tempered by a downturn in the second half of FY2024. During this period, several key factors adversely impacted our production volumes. Firstly, shifts in technology led to a decrease in Burn-In volumes as customers transitioned to newer technologies. Additionally, efforts undertaken by our customers to streamline their processes resulted in changes to their requirements and production schedules.

To address these challenges and evolving customer needs, we implemented several strategic initiatives. We expanded our capabilities by developing and fabricating specialised hardware solutions tailored to the Burn-In systems of customers, allowing us to meet unique client requirements and adapt to technological changes. We also conducted engineering qualifications for new high-power Burn-In products, which were essential for maintaining our competitive edge and meeting the demands of increasingly sophisticated customer applications. Additionally, we made targeted investments in automation to enhance both quality and productivity. By integrating advanced automation



technologies, we aimed to improve operational efficiency, reduce manual errors, and deliver higher-quality products for our customers.

In tandem with enhancing our customer value and expanding our capabilities, we also focused on increasing our competitiveness. To manage rising costs, we negotiated with key electricity suppliers to secure a more favourable fixed rate for the next two years. Furthermore, we adjusted our work and shift patterns for both production and office staff to improve energy efficiency and lower costs.

Looking ahead, while the decrease in demand and evolving technology and processes have posed challenges, we see promising opportunities in advancements in semiconductor technology and the growing integration of chips in electric vehicles. We remain committed to adapting to these market shifts, continuing to provide comprehensive Burn-In solutions, and upholding the high standards of quality and operational excellence that are the core principles and founding values of the Group.

## MANUFACTURING AND PCBA SERVICES

The Manufacturing and PCBA Services business segment represented 50.2% of the Group's revenue in FY2024, maintaining its position as the largest revenue contributor. However, revenue for this business segment declined to S\$12.6 million, marking a 37.9% decrease from S\$20.3 million in FY2023. This decline is primarily due to a slowdown in demand among some of our major customers, driven by lower spending and a slower economy in their respective sectors. Additionally, evolving technologies have introduced new challenges and led to a shift towards new types of products.

Following the successful implementation of our state-of-the-art advanced manufacturing line in FY2023, we continue to reap the benefits of this investment. The enhanced production capabilities and optimised automation rate have significantly improved our ability to handle a diverse range of products, resulting in fewer errors, faster turnaround times, and higher quality of products. In FY2024, in response to growing customer needs, we introduced a new tester to better support our customers, particularly in the US, and address their specific requirements.

## OPERATIONS REVIEW

For our China customers, we have ramped up production to meet the growing demand for high-complexity and high-frequency boards. To support this expansion, we have bolstered our China team with the necessary expertise. We are also proud to have received a quality award for our Burn-In Boards from a key China customer, underscoring our commitment to excellence.

We remain vigilant about the challenges posed by rising material and labour costs. To address these issues, we have strengthened our partnerships with key suppliers and expanded our supplier network to secure competitive pricing and mitigate the impact of escalating material costs. Additionally, we have added to our design resources within our China office, and will continue to expand our team to effectively meet current and future market demands while staying competitive.

Looking ahead, we are actively seeking customers with niche commercial PCBAs, and aim to leverage our expertise to deliver added value in specialised markets. We are targeting emerging sectors and innovative applications that require high levels of customisation and advanced technology. Our goal is

to forge new partnerships and expand our customer base in these areas.

At the same time, we anticipate continued growth in the Greater China region. We are committed to leveraging our expanded team and enhanced resources to seize more opportunities in this dynamic market. Our efforts will focus on addressing the unique needs of this region and capitalising on emerging trends to drive sustained growth and success.

### ENGINEERING SERVICES

In FY2024, the Engineering Services business segment represented 28.2% of the Group's revenue, up from 24.0% in FY2023. Revenue for this segment decreased by 15.6%, totalling S\$7.1 million compared to S\$8.4 million in FY2023. This decline was primarily due to reduced demand from a customer in the semiconductor sector and a slowdown in new project acquisitions, as customers faced decreased demand amid a slowing economy.

In FY2024, we encountered challenges similar to those faced by our peers, including a slowing economy and reduced demand for industrial products. Consequently, customers scaled

back on capital expenditures to better manage their spending and investment.

Despite these dynamics, we remain committed to proactively seeking new opportunities to add value for our customers and expanding into new customer segments. In FY2024, we continued to gain market traction in the US, particularly in high-end lighting solution projects. Our major customer from the US specialising in advanced lighting solutions for cinema shoots and major sporting events has remained a key partner. We are also working closely with this customer on new developments and requirements. Additionally, we explored new system integration projects in the local government sector, aiming to diversify our customer base and expand our product offerings.

Moving forward, we remain optimistic about the prospects for our services and solutions, particularly in industrial Original Equipment Manufacturer equipment and high-end lighting solutions. We will focus on strengthening our engineering support and incorporating value-added activities to enhance margins. Our strategy includes expanding our business with customers, exploring new products and markets, and pursuing upstream opportunities. Additionally, we plan to pivot towards Original Design Manufacturer customer acquisition and proactively seek further business opportunities in both the US and China.

### CORPORATE SOCIAL RESPONSIBILITY

In FY2024, we continued to uphold our commitment to diversity and inclusivity by employing a diverse workforce that spans a broad range of age groups and nationalities. This approach



## OPERATIONS REVIEW



reflects our dedication to fostering an inclusive and dynamic work environment. Our workforce includes 127 employees across our Singapore headquarters and our China support office. In Singapore, about 47.9% of our employees are female, and the average age of our employees is approximately 44.97 years, highlighting our commitment to a diverse and experienced team. In line with government policies, we rehired eight employees nearing retirement, supporting their continued engagement and retaining valuable experience.

Employee training and development continue to be central to our people management strategy. Our management team participated in external courses designed to broaden their expertise, such as Workforce Skills Qualification (WSQ) and Integrated Assessment Pathway (IAP), which offer comprehensive professional development. Additionally, two managerial staff members completed online SAP training to advance their skills in enterprise resource planning.

To maintain high quality standards, we focused on advanced methodologies for our QA Engineers, including the

AIAG VDA Process (PFMEA), to ensure excellence in quality management. Our production staff underwent annual re-training, which is crucial for maintaining the quality and efficiency of our manufacturing operations. Additionally, we successfully retained our international certifications, including ISO 9001:2015 for quality management systems and ISO 14001:2015 for environmental management systems.

Regarding staff welfare, we actively promote health and well-being through regular health talks and checkups, encouraging employees to lead healthy lifestyles. We also engage staff through weekly "Walk-the-Lines" sessions to address their concerns, and present Long Service Awards to acknowledge their loyalty and contributions over the years.

For workplace health and safety, we provided lifesaving training, including Occupational First Aid and Automated External Defibrillator courses, to ensure staff readiness for emergencies. Additionally, two senior managers completed the Top Executive WSH Programme, highlighting our commitment to top safety practices. In FY2024, we achieved zero incidents of fatalities, high-consequence injuries, or work-related illnesses, meeting our target for the year.

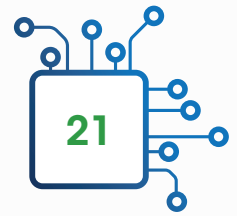
As part of our community engagement efforts, we continued our support for Bright Vision Hospital, a 317-bed facility providing essential intermediate and long-term care to about 1,500 new patients annually. Our financial donations help ensure the continuation of their valuable services.

For more details on our corporate social responsibility and sustainability efforts, please refer to our Sustainability Report on our website <http://avitech.listedcompany.com/>.



Navigating Opportunities,  
**Exploring New Horizons for Tomorrow**



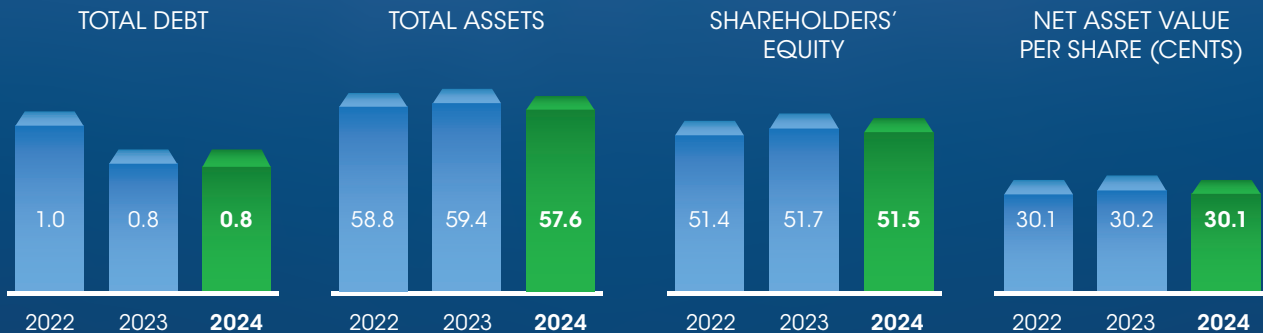


# FINANCIAL HIGHLIGHTS

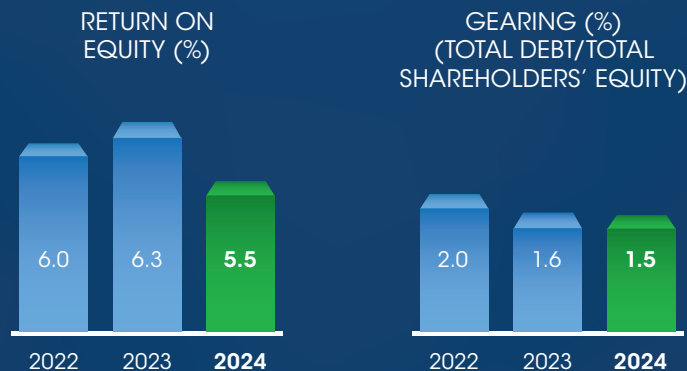
## PROFIT AND LOSS (\$'M)

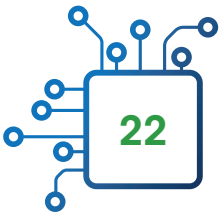


## BALANCE SHEET (\$'M)



## KEY FINANCIAL RATIOS





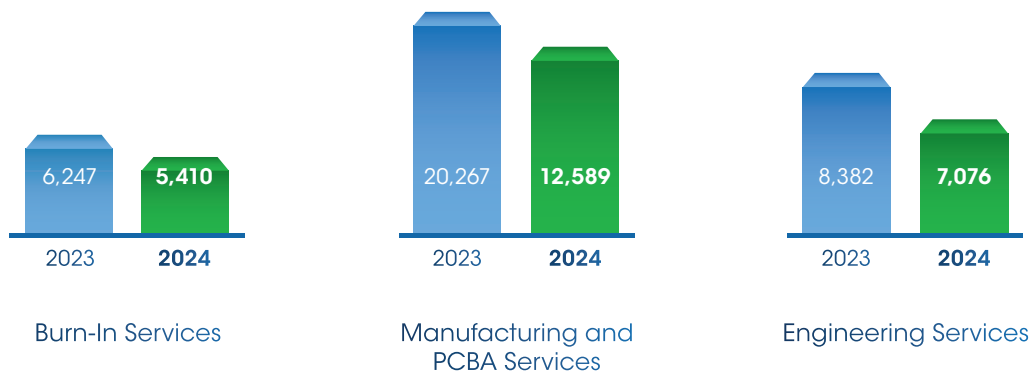
## FINANCIAL REVIEW

### CONSOLIDATED FINANCIAL PERFORMANCE (\$'000)

	FY2024	FY2023	Change %
Revenue	25,075	34,896	(28.1)
Cost of sales	(18,549)	(26,896)	(31.0)
Gross profit	6,526	8,000	(18.4)
Share of loss of associate	-	(29)	n.m.*
Administrative expenses	(5,046)	(5,077)	(0.6)
Profit before income tax	3,384	4,070	(16.9)
Income tax expense	(570)	(811)	(29.7)
<b>Profit for the year</b>	<b>2,814</b>	<b>3,259</b>	<b>(13.7)</b>

\* Not meaningful

### REVENUE BY BUSINESS SEGMENTS (\$'000)



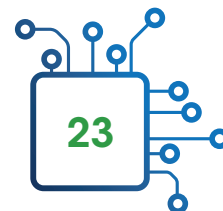
In FY2024, the Group reported revenue of \$25.1 million, a decrease of \$9.8 million or 28.1% as compared to revenue of \$34.9 million in FY2023.

The Burn-In Services business segment registered revenue of \$5.4 million in FY2024, as compared to revenue of \$6.2 million in FY2023.

The Manufacturing and PCBA Services business segment, which remained as the largest contributor to the Group's revenue, registered revenue of \$12.6 million in FY2024 as compared to revenue of \$20.3 million in FY2023.

The Engineering Services business segment registered revenue of \$7.1 million in FY2024 as compared to revenue of \$8.4 million in FY2023.





## FINANCIAL REVIEW

### COST OF SALES (\$'000)

	FY2024	FY2023	Change %
Cost of sales	18,549	26,896	(31.0)
Included in cost of sales:			
Cost of inventories	9,870	17,785	(44.5)
Salary and related cost	5,702	5,715	(0.2)
Depreciation	650	580	12.1
Electricity	941	1,394	(32.5)
Other direct overheads	1,386	1,422	(2.5)

### GROSS PROFIT (\$'000)

	FY2024	FY2023	Change %
Gross Profit	6,526	8,000	(18.4)
Gross Margin	26.0%	22.9%	13.5

The Group reported a gross profit of \$6.5 million in FY2024, a decrease of \$1.5 million or 18.4% as compared to \$8.0 million in FY2023.

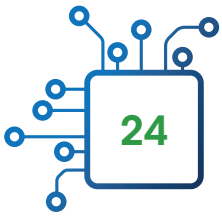
Despite a reduction in gross profit during the comparative period, the Group achieved an increase in gross profit margin. This improvement was primarily driven by the Engineering Services business segment.

### ADMINISTRATIVE EXPENSES (\$'000)

	FY2024	FY2023	Change %
Administrative expenses	5,046	5,077	(0.6)
Included in administrative expenses:			
Salary and related cost	2,374	2,314	2.6
Foreign currency exchange loss - net	91	458	(80.1)
Impairment loss on associate	171	-	n.m.*
Electricity	104	101	3.0
Depreciation	768	752	2.1

\* Not meaningful

Administrative expenses for FY2024 were largely consistent with that for FY2023.



## FINANCIAL REVIEW

### PROFIT FOR THE YEAR (\$'000)

	FY2024	FY2023	Change %
Profit before income tax	3,384	4,070	(16.9)
Income tax expense	(570)	(811)	(29.7)
Profit for the year	2,814	3,259	(13.7)

In line with the decrease in the Group's gross profit, the Group reported a profit of \$2.8 million for FY2024 compared to \$3.3 million for FY2023.

### LIQUIDITY AND CAPITAL RESOURCES (\$'000)

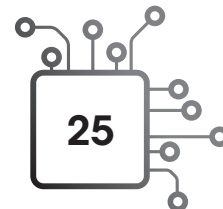
	FY2024	FY2023	Change %
Cash flow from (used in):			
- Operating activities	8,240	4,045	103.7
- Investing activities	(4,773)	(10,074)	(52.6)
- Financing activities	(3,265)	(3,240)	0.8
Net change in cash and cash equivalents	202	(9,269)	102.2
Cash and cash equivalents at end of year	8,048	7,846	2.6

The Group generated net cash from operating activities of \$8.2 million for FY2024.

Net cash used in investing activities was \$4.8 million, which was mainly attributed to the placement of fixed deposits with financial institutions over three (3)-month tenures. Net cash used in financing activities was \$3.3 million, which was primarily due to the dividend paid.

There was an increase in cash and cash equivalents of \$0.2 million for FY2024.

The Group closed FY2024 with cash and cash equivalents of \$8.0 million.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr Lim Eng Hong**  
*Chief Executive Officer and Executive Chairman*

**Mr Lim Tai Meng Alvin**  
*Chief Operating Officer and Executive Director*

**Mr Michael Grenville Gray**  
*Non-Executive and Lead Independent Director*

**Mr Chan Yu Meng**  
*Non-Executive and Independent Director*

**Mr Tan Ka Huat**  
*Non-Executive and Independent Director*

## AUDIT AND RISK COMMITTEE

**Mr Michael Grenville Gray**  
*Chairman*

**Mr Chan Yu Meng**  
*Member*

**Mr Tan Ka Huat**  
*Member*

## REMUNERATION COMMITTEE

**Mr Chan Yu Meng**  
*Chairman*

**Mr Michael Grenville Gray**  
*Member*

**Mr Tan Ka Huat**  
*Member*

## NOMINATING COMMITTEE

**Mr Tan Ka Huat**  
*Chairman*

**Mr Michael Grenville Gray**  
*Member*

**Mr Chan Yu Meng**  
*Member*

## COMPANY SECRETARY

**Mr Adrian Chan Pengee**  
*Lee & Lee*  
*Advocates & Solicitors, Singapore*

## REGISTERED OFFICE

**Avi-Tech Holdings Limited**  
*(Company Registration No. 202002889W)*  
*Address: 19A Serangoon North Avenue 5*  
*Singapore 554859*  
*Tel: +65 6482 6168*  
*Fax: +65 6482 6123*  
*Website: [www.avi-tech.com.sg](http://www.avi-tech.com.sg)*

## SHARE REGISTRAR

**Boardroom Corporate & Advisory Services Pte. Ltd.**  
*1 Harbourfront Avenue*  
*#14-07 Keppel Bay Tower*  
*Singapore 098632*

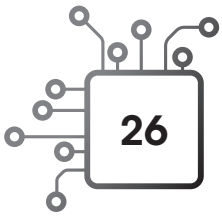
## AUDITOR

**Deloitte & Touche LLP**  
*Public Accountants and Chartered Accountants*  
*6 Shenton Way*  
*OUE Downtown 2 #33-00*  
*Singapore 068809*  
*Partner-in-charge of the audit: Ms Tan Puay Boon*  
*Date of appointment: 28 October 2021*

## PRINCIPAL BANKERS

**The Hongkong and Shanghai Banking Corporation Limited**  
*10 Marina Boulevard*  
*#48-01, Marina Bay Financial Centre*  
*Tower 2*  
*Singapore 018983*

**Standard Chartered Bank**  
*8 Marina Boulevard*  
*#27-01, Marina Bay Financial Centre*  
*(Tower 1) Level 1*  
*Singapore 018981*



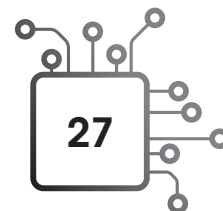
# CORPORATE GOVERNANCE REPORT

The Board is committed to setting and maintaining high standards of corporate governance to preserve and enhance the interests of all shareholders. The Board has adopted the recommendations of the Code of Corporate Governance 2018 (the “Code”).

This report describes the Company’s corporate governance processes and activities with specific reference to each of the principles and provisions set out in the Code. The Group has materially complied with all the provisions set out in the Code. In areas where the Company’s practices vary from any of the provisions of the Code, we have provided the reasons for the variation and explained how the practices the Company has adopted are consistent with the intent of the relevant principle, where appropriate.

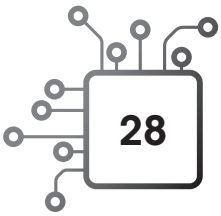
## BOARD MATTERS: THE BOARD’S CONDUCT OF AFFAIRS

Principle		
1.	The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.	
Provision		Disclosure
1.1	Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.	<p>All our Directors are tasked to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.</p> <p>The Board has established and functions within a defined set of terms of reference and procedures. The Board’s terms of reference provide that a Director facing conflicts of interest should not vote on the matter under discussion and should recuse himself from the portion of the meeting where there is a potential conflict. A Director should not be counted towards the quorum of any meeting for any resolution where he is recused or debarred from voting.</p> <p>To achieve a high standard of corporate governance, the Company has also implemented a business ethics policy, which establishes the Company’s ethical business practice and outlines fundamental principles of ethical business behaviour and the responsibilities of all employees and Company representatives in aligning with them. The Company has also adopted the Responsible Business Alliance (RBA) Supplier Code of Conduct as a corporate social responsibility model in delivering the highlighted standard of product quality and business integrity in dealing with suppliers, subcontractors and other service providers. Please refer to the Company’s sustainability report and website at <a href="http://www.avi-tech.com.sg">www.avi-tech.com.sg</a> for further details.</p>



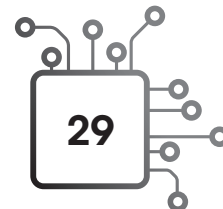
# CORPORATE GOVERNANCE REPORT

<p>1.2</p>	<p>Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.</p>	<p>The Board ensures that all incoming directors receive a comprehensive and tailored induction on joining the Board, including briefing them on their duties as a director (including the differences in roles as (i) an executive director which is to, <i>inter alia</i>, provide insights on the Company's day-to-day operations, and provide management's views without undermining management accountability to the Board, (ii) a non-executive director which is to, <i>inter alia</i>, constructively challenge management and help develop proposals on strategy, and (iii) an independent director, which is to, <i>inter alia</i>, provide an independent and objective check on management) and how to discharge those duties, and an orientation programme to ensure that they are familiar with the Group's business and governance practices. The Company also provides training for any new first-time director (who has no prior experience as a director in a listed company) in areas such as accounting, legal and industry-specific knowledge as appropriate. All new first-time directors (who have no prior experience as a director in a listed company on the Singapore Exchange Securities Trading Limited ("SGX-ST")) must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.</p> <p>Upon the appointment of any new director, the Company will provide a formal letter to the director, setting out the director's duties and obligations.</p> <p>With the objective of enhancing corporate performance and accountability, as well as protecting the interests of stakeholders, the Board has also taken adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Listing Manual of the SGX-ST (the "<b>Listing Rules</b>"), by establishing written policies where appropriate. The Independent Directors in consultation with management will request for management's consideration for the establishment of written policies for any particular matter that is deemed to be essential to form part of management control. The Board also reviews legislation and regulatory compliance reports from management to ensure that the Group complies with the relevant regulatory requirements, including requirements under the Listing Rules, with the assistance of the Group's legal advisors.</p>
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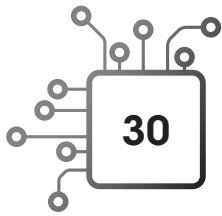
# CORPORATE GOVERNANCE REPORT

		<p>All Board members are encouraged to receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. The Board is mindful of the best practice in the Code to initiate programmes for Directors to meet their relevant training needs. In this regard, the Company is supportive of the Directors' participation in industry conferences and seminars, and will fund the Directors' attendance at any course or training programme in connection with their duties as directors.</p> <p>In the financial year under review, the Directors attended various training programmes and seminars, including:</p> <ul style="list-style-type: none"> <li>(a) training courses conducted by the Singapore Institute of Directors ("SID") such as "SID Directors Conference 2023", "The Board's Role in Talent Management", "From GRI to ISSB - What to consider?", "ASEAN Corporate Governance Scorecard Briefing", "Audit and Risk Committee Seminar 2024", "Challenges faced by SME's in ESG Integration" and "LED 9 - Environmental, Social &amp; Governance Essentials"; and</li> <li>(b) a training course conducted by the Singapore Academy of Law titled "Claims under the Common Law and the Work Injury Compensation Act (WICA)"; and</li> <li>(c) a training course conducted by NTUC Learning Hub titled "Top Executive WSH Programme".</li> </ul> <p>As required under Rule 210(5)(a) of the Listing Rules, in the financial year under review, the Board and management of the Company have appropriate experience and expertise to manage the Group's business, taking into account the nature and scope of the Group's operations, requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board committees.</p>
1.3	<p>The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.</p>	<p>The Board's role is, <i>inter alia</i>, to:</p> <ul style="list-style-type: none"> <li>• provide entrepreneurial leadership, set strategic objectives, with appropriate focus on value creation for shareholders, innovation and sustainability;</li> <li>• ensure that the necessary financial and human resources are in place for the Company to meet its objectives;</li> <li>• establish a framework of sound, prudent and effective controls which enables risks to be effectively monitored, assessed and managed, including safeguarding of shareholders' interests and the Group's assets, and to achieve an appropriate balance between risks and Company performance;</li> <li>• constructively challenge management and review management performance;</li> </ul>



# CORPORATE GOVERNANCE REPORT

		<ul style="list-style-type: none"> <li>• identify the key stakeholder groups, ensure transparency and accountability to key stakeholder groups and recognise that their perceptions affect the Company's reputation; and</li> <li>• set and instil the Company's corporate culture of values and standards (including ethical standards) and ensure that the Company's values, standards, policies, practices and obligations to shareholders and other stakeholders are consistent with the Company's corporate culture and such culture is understood and met.</li> </ul> <p>The Board's terms of reference have set forth the following matters which are specifically reserved to the Board for approval:</p> <ul style="list-style-type: none"> <li>• material acquisitions and disposal of assets;</li> <li>• corporate or financial restructuring;</li> <li>• share issuances (including stock options or other equity awards), dividends and other capital transactions and returns to shareholders;</li> <li>• approval of annual audited financial statements for the Group and the Directors' Statement thereto;</li> <li>• any public reports or press releases reporting the results of operations; and</li> <li>• matters involving a conflict or potential conflict of interest involving a substantial shareholder or a director.</li> </ul> <p>Clear directions have also been given to management that such matters must be approved by the Board.</p>
1.4	<p>Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.</p>	<p>In accordance with the Code, the Board has, without abdicating its responsibility, established Board committees to assist the Board in discharging its responsibilities and to enhance the Group's corporate governance framework.</p> <p>The Board committees comprise the Audit and Risk Committee ("<b>ARC</b>"), the Nominating Committee ("<b>NC</b>") and the Remuneration Committee ("<b>RC</b>"), which have been delegated with specific authority. Each Board committee has written terms of reference which clearly set out the authority and duties of the committee, and functions within its own defined terms of reference and procedures. All committees are chaired by a Non-Executive Independent Director. All Board members objectively make decisions in the interests of the Company. The composition and the terms of reference and description of each Board committee, any delegation of the Board's authority to make decisions to the Board committees, and a summary of the activities of each Board committee are set out in this report.</p>



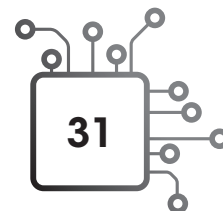
# CORPORATE GOVERNANCE REPORT

1.5	<p>Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.</p>	<p>The Board conducts regularly scheduled meetings for the first and third quarters of the financial year to receive updates on significant business activities and the overall business environment, in addition to the half-yearly meetings which coincide with the announcement of the Group's half-year and full-year results respectively. Ad-hoc meetings will be held as and when required to address any significant issues that may arise. The constitution of the Company (the "<b>Constitution</b>") permits meetings of directors to be held via conference telephone, videoconferencing or other means of similar communications equipment whereby all persons participating in the meeting can hear each other. Non-Executive Independent Directors are also encouraged to communicate amongst themselves, and with the Company's auditors and legal advisors without the presence of the Executive Director(s) and management.</p> <p>Details of each Director's attendance at the Board and Board committee meetings held during the financial year under review are summarised in the table below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Meetings of</th> <th style="text-align: center;">Board</th> <th style="text-align: center;">Audit and Risk Committee</th> <th style="text-align: center;">Nominating Committee</th> <th style="text-align: center;">Remuneration Committee</th> </tr> </thead> <tbody> <tr> <td>Total held in FY2024</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Lim Eng Hong</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Lim Tai Meng Alvin</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Michael Grenville Gray</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Chan Yu Meng</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Tan Ka Huat<sup>1</sup></td> <td style="text-align: center;">3</td> <td style="text-align: center;">3</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Goh Chung Meng<sup>2</sup></td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> </tbody> </table> <p>As Executive Directors, both Mr Lim Eng Hong and Mr Lim Tai Meng Alvin attend the meetings of the ARC, the NC and the RC, by invitation.</p> <p>Directors with multiple board representations have ensured that sufficient time and attention are given to the affairs of the Company in order to fulfil their responsibilities and duties to the Company and its shareholders.</p>	Meetings of	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee	Total held in FY2024	4	4	2	1	Lim Eng Hong	4	4	2	1	Lim Tai Meng Alvin	4	4	2	1	Michael Grenville Gray	4	4	2	1	Chan Yu Meng	4	4	2	1	Tan Ka Huat <sup>1</sup>	3	3	1	0	Goh Chung Meng <sup>2</sup>	1	1	1	1
Meetings of	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee																																						
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<sup>1</sup> Mr Tan Ka Huat was appointed as an Independent Director of the Company at the AGM held on 30 October 2023, and thereafter appointed as chairman of the NC and member of the ARC and the RC on 30 October 2023.

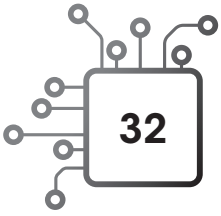
<sup>2</sup> Mr Goh Chung Meng retired as Non-Executive Independent Director of the Company at the conclusion of the AGM held on 30 October 2023.





# CORPORATE GOVERNANCE REPORT

1.6	<p>Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.</p>	<p>Management recognises that the flow of complete, adequate and timely information on an ongoing basis to the Board is essential to the Board's effective and efficient discharge of its duties. Management provides all members of the Board with management accounts, consisting of, amongst other things, the consolidated profit and loss accounts, analysis of sales, operating profit, pre-tax and attributable profit with variance analyses, so as to present a balanced and informed assessment of the Company's and Group's performance, position and prospects on a monthly basis and as the Board may require from time to time. Such reports enable the Directors to keep abreast of the Group's operating and financial performance and position. Any material variances between the projections and actual results are disclosed and explained. As and when the circumstances require, the Board can request management to provide the necessary explanation and/or information on the management accounts of the Group.</p> <p>The Chief Financial Officer ("<b>CFO</b>") also provides each member of the Board with appropriate financial accounts and other information detailing the Group's performance, financial position and prospects on a regular basis and provides the Board with meeting and presentation materials in advance of each meeting unless doing so would be deemed to compromise the confidentiality of highly sensitive information. Further enquiries may be made by the Directors to discharge their duties properly. The information provided by the CFO includes Board papers and related materials, background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts and monthly internal financial statements. In respect of budgets, any material variance between the projections and actual results is disclosed and explained. The CFO and outside professionals may also be invited to attend the meetings to provide further insight on specific matters or respond to queries from the Directors.</p>
1.7	<p>Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.</p>	<p>The Directors have separate and independent access to the Company's senior management. The Board is also entitled to request from senior management and is, upon making such request, provided with such additional information needed to make informed decisions. Management provides such additional information to the Board in a timely manner.</p> <p>The Directors also have separate and independent access to the Company Secretary and can seek independent professional advice and assistance from the Company Secretary or external advisers if necessary, and the cost of such advice and assistance will be borne by the Company.</p>

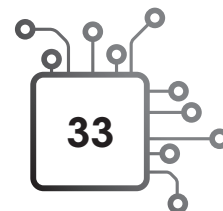


# CORPORATE GOVERNANCE REPORT

		<p>The Company Secretary (or his authorised representatives) provides secretarial support to the Board and the responsibilities of the Company Secretary include:</p> <ul style="list-style-type: none"> <li>• advising the Board on all governance matters;</li> <li>• attending all Board and Board committee meetings and preparing the minutes of these meetings;</li> <li>• ensuring adherence to Board procedures and compliance with relevant Singapore rules and regulations applicable to the Company. Where such rules and regulations relate to foreign jurisdictions, the Company Secretary facilitates liaison between foreign advisors and the Board;</li> <li>• working with management to ensure good information flows within the Board and the Board committees and between senior management and Non-Executive Directors; and</li> <li>• facilitating orientation and assisting with professional development as required.</li> </ul> <p>The appointment and removal of the Company Secretary is a matter for the Board to decide as a whole.</p>
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## 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		Disclosure
2.1	An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.	<p>With reference to Rule 210(5)(c) of the Listing Rules, more than one-third of the Board is made up of Independent Directors who offer alternative views of the Group's business and corporate activities. The Board has at least 2 Non-Executive Directors who are independent and free of any material business or financial connection with the Company. There is a strong and independent element on the Board, capable of exercising objective judgement on corporate affairs independently of the Group. The Board's views and opinions often provide different perspectives to the Group's business. No individual or small group of individuals dominates the Board's decision-making.</p> <p>The independence of each Independent Director is reviewed and determined by the NC annually with reference to Rule 210(5)(d)(i), (ii) and (iv) of the Listing Rules and also based on guidelines set forth in the Code and the individual Director's declaration.</p>



# CORPORATE GOVERNANCE REPORT

Each Director is requested to disclose to the Board if there is any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company (the "**Associated Relationships**"), as and when it arises.

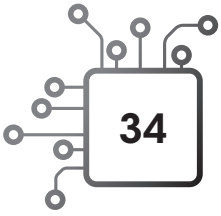
Each of Mr Michael Grenville Gray, Mr Chan Yu Meng and Mr Tan Ka Huat has also disclosed that he is not, nor has any of his immediate family members:

- (i) in the current financial year or immediate past financial year, provided to or received from the Company or any of its subsidiaries any significant payment or material services (which may include auditing, banking, consulting and legal services), where such payments or services aggregated over any financial year is or was in excess of S\$50,000, other than Directors' fees received by Mr Michael Grenville Gray, Mr Chan Yu Meng and Mr Tan Ka Huat (after obtaining shareholders' approval) for board service; and
- (ii) in the current financial year or immediate past financial year, is or was a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), such payments or services aggregated over any financial year is or was in excess of S\$200,000.

Each of Mr Michael Grenville Gray, Mr Chan Yu Meng and Mr Tan Ka Huat has also disclosed that:

- (a) he is not, and has not been employed by the Company or any of its related corporations for the current financial year or any of the past 3 financial years; and
- (b) none of his immediate family members are or have been employed by the Company or any of its related corporations for the current financial year or any of the past 3 financial years, and whose remuneration is or was determined by the RC of the Company.

In this report, the term "**immediate family**" shall carry the same meaning as defined in the Listing Rules.



# CORPORATE GOVERNANCE REPORT

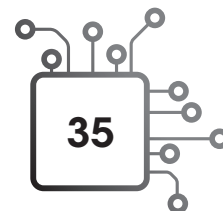
Mr Michael Grenville Gray has served on the Board for more than 9 years from the date of his first appointment.<sup>3</sup> As such, the Board had rigorously reviewed Mr Michael Grenville Gray's independence in conduct, character and judgement, including determining whether he has any Associated Relationships. This review included an assessment by all the other members of the Board of the independence of judgement of Mr Michael Grenville Gray, in view that he has served on the Board for more than 9 years. The Board also took into consideration and is highly conscious that Mr Michael Grenville Gray has in his conduct and in the discharge of his duties throughout his appointment, continuously and constructively challenged management on business decisions, continued to demonstrate strong independence in character and judgement and has remained objective in the discharge of his duties and responsibilities.

Previously, the continued appointment of Mr Michael Grenville Gray as Independent Director had been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the Company, and associates of such directors and chief executive officer pursuant to the former Rule 210(5)(d)(iii) of the Listing Rules (which has since been deleted) at the annual general meeting ("**AGM**") of the Company held on 27 October 2022, such resolutions remaining in force until the earlier of his retirement or resignation as a director or the conclusion of the third AGM following the passing of such resolutions.

On 11 January 2023, Singapore Exchange Regulation ("**SGX RegCo**") limited the tenure of independent directors serving on the boards of listed companies to 9 years. Pursuant to Rule 210(5)(d)(iv) of the Listing Rules, and subject to the Transitional Period (as defined below), a director will not be considered independent if he has been a director of the issuer for an aggregate period of more than 9 years (whether before or after listing).

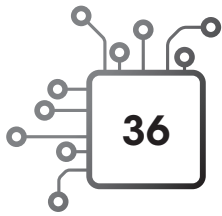
To provide issuers sufficient time for board appointments, SGX RegCo established transitional arrangements which apply between 11 January 2023 and the date of the issuer's AGM for the financial year ending on or after 31 December 2023 ("**Transitional Period**"). During the Transitional Period, independent directors whose tenure exceeds the nine-year limit may remain as independent directors until the conclusion of the next AGM of the issuer for the financial year ending on or after 31 December 2023.

<sup>3</sup> Including the time period in which Mr Michael Grenville Gray had served on the board of Avi-Tech Electronics Limited (now known as Avi-Tech Electronics Pte. Ltd.) prior to the corporate restructuring exercise in 2021.



# CORPORATE GOVERNANCE REPORT

		<p>In view of the Transitional Period, Mr Michael Grenville Gray may remain as an Independent Director until the conclusion of the forthcoming AGM of the Company to be held in October 2024. Mr Michael Grenville Gray will retire as Lead Independent Director of the Company at the conclusion of the forthcoming AGM, and the NC has recommended the nomination of Mr Giang Sovann to stand for election as a Non-Executive Independent Director of the Company at the forthcoming AGM. The Board has accepted the NC's recommendation.</p> <p>It is a requirement of the Code that the Board should state its reasons if it determines that a director is independent notwithstanding the existence of an Associated Relationship. After taking into consideration the views of the NC, and the Board's review which determined that none of Mr Michael Grenville Gray, Mr Chan Yu Meng or Mr Tan Ka Huat has any Associated Relationships and that none of the circumstances stated in Rule 210(5)(d)(i), (ii) or (iv) of the Listing Rules apply to any of these Directors (in view of the Transitional Period), the Board considers each of these Directors to be an Independent Director. None of Mr Michael Grenville Gray, Mr Chan Yu Meng or Mr Tan Ka Huat took part in the review of his own independence.</p>
2.2	Independent directors make up a majority of the Board where the Chairman is not independent.	<p>It is a requirement of the Code that independent directors should make up the majority of the board where the Chairman of the board: (i) is not an independent director; (ii) is also the Chief Executive Officer ("<b>CEO</b>") of the company (or equivalent); (iii) is an immediate family member to the CEO; (iv) and the CEO have close family ties with each other (i.e. a familial relationship between two parties which extends beyond immediate family members and could influence the impartiality of the Chairman) as determined by the nominating committee; or (v) is part of the management team.</p> <p>As Mr Lim Eng Hong, the CEO of the Company, had been appointed as the Executive Chairman of the Board with effect from 27 October 2022, the Company is required to comply with this requirement of the Code. The Company has complied with this requirement of the Code as the Independent Directors do in fact make up the majority of the Board comprising 3 Independent Directors and 2 Executive Directors.</p>



# CORPORATE GOVERNANCE REPORT

2.3	Non-executive directors make up a majority of the Board.	<p>Non-Executive Directors make up the majority of the Board as the Company has, at any point in time during the financial year under review, a total of 5 Board members, of whom 3 are Independent Directors and 2 are Executive Directors. The following details of the Directors are set out below as required under Rule 1207(10B) of the Listing Rules:</p> <table border="1" data-bbox="689 689 1444 1205"> <thead> <tr> <th>Director</th> <th>Board Membership</th> <th>Date of First Appointment as Director<sup>4</sup></th> <th>Date of Last Appointment as Director<sup>5</sup></th> <th>ARC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td>Lim Eng Hong</td> <td>Executive Chairman and CEO</td> <td>16 May 1984</td> <td>27 Oct 2022</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Lim Tai Meng Alvin</td> <td>Executive Director</td> <td>1 Aug 2018</td> <td>30 Oct 2023</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Michael Grenville Gray</td> <td>Lead Independent Director</td> <td>30 Oct 2006</td> <td>30 Oct 2023</td> <td>Chairman</td> <td>Member</td> <td>Member</td> </tr> <tr> <td>Chan Yu Meng</td> <td>Independent Director</td> <td>27 Oct 2022</td> <td>-</td> <td>Member</td> <td>Member</td> <td>Chairman</td> </tr> <tr> <td>Tan Ka Huat<sup>6</sup></td> <td>Independent Director</td> <td>30 October 2023</td> <td>-</td> <td>Member</td> <td>Chairman</td> <td>Member</td> </tr> <tr> <td>Goh Chung Meng<sup>7</sup></td> <td>Independent Director</td> <td>16 Oct 2001</td> <td>27 Oct 2022</td> <td>Member</td> <td>Chairman</td> <td>Chairman</td> </tr> </tbody> </table>	Director	Board Membership	Date of First Appointment as Director <sup>4</sup>	Date of Last Appointment as Director <sup>5</sup>	ARC	NC	RC	Lim Eng Hong	Executive Chairman and CEO	16 May 1984	27 Oct 2022	-	-	-	Lim Tai Meng Alvin	Executive Director	1 Aug 2018	30 Oct 2023	-	-	-	Michael Grenville Gray	Lead Independent Director	30 Oct 2006	30 Oct 2023	Chairman	Member	Member	Chan Yu Meng	Independent Director	27 Oct 2022	-	Member	Member	Chairman	Tan Ka Huat <sup>6</sup>	Independent Director	30 October 2023	-	Member	Chairman	Member	Goh Chung Meng <sup>7</sup>	Independent Director	16 Oct 2001	27 Oct 2022	Member	Chairman	Chairman
Director	Board Membership	Date of First Appointment as Director <sup>4</sup>	Date of Last Appointment as Director <sup>5</sup>	ARC	NC	RC																																													
Lim Eng Hong	Executive Chairman and CEO	16 May 1984	27 Oct 2022	-	-	-																																													
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2.4	<p>The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.</p>	<p>The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies, knowledge and experience.</p> <p>With reference to Rule 710A of the Listing Rules, the Company maintains a Board Diversity Policy which sets out its approach to achieve diversity on the Board. In terms of the composition of the Board, the Company seeks to have a Board that comprises directors who as a group provide an appropriate balance and mix of complementary skills, core competencies, knowledge, experience, and other aspects of diversity such as gender and age. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.</p> <p>Further details of the Board Diversity Policy are available on the Company's website at <a href="http://www.avi-tech.com.sg">www.avi-tech.com.sg</a>. Please also refer to the information relating to the current balance and diversity of the Board, as set out in the table below.</p>																																																	

<sup>4</sup> Including (where applicable) directorships of Avi-Tech Electronics Limited (now known as Avi-Tech Electronics Pte. Ltd.) prior to the corporate restructuring exercise in 2021.

<sup>5</sup> Including (where applicable) directorships of Avi-Tech Electronics Limited (now known as Avi-Tech Electronics Pte. Ltd.) prior to the corporate restructuring exercise in 2021.

<sup>6</sup> Mr Tan Ka Huat was appointed as an Independent Director of the Company at the AGM held on 30 October 2023, and thereafter appointed as chairman of the NC and a member of the ARC and RC on 30 October 2023.

<sup>7</sup> Mr Goh Chung Meng retired as Non-Executive Independent Director of the Company at the conclusion of the AGM held on 30 October 2023.

# CORPORATE GOVERNANCE REPORT

The Board and the NC review the board composition annually in accordance with the Board Diversity Policy.

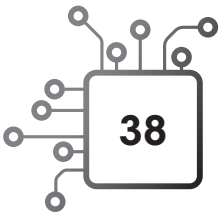
The Board considers that the present composition of the Board and of each Board committee provides an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity, taking into account the nature and scope of the Group's operations, requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board committees. The Board also considers the current size of the Board and of each Board committee ideal for effective debate and decision-making. The Directors bring with them a wide spectrum of industry knowledge and skills, experience in accounting, finance, legal and business strategies, management expertise, customer-based experience, knowledge of the Group and objective perspective to effectively lead and direct the Group. Profiles of the Directors are set out in this Annual Report.

#### Balance and Diversity of the Board

Core Competencies	Number of Directors	Proportion of the Board
Accounting or finance related	1	20%
Business and management experience	2	40%
Legal or corporate governance	1	20%
Strategic planning experience	1	20%
<b>Gender Diversity</b>		
Male	5	100%
Female	-	-

The Company's targets and plans to achieve diversity involves the NC reviewing and assessing the Board's composition for diversity from time to time and at least on an annual basis, taking into account a wide variety of factors, as set out above, and making relevant and appropriate recommendations to the Board.

In conducting the annual review, the determination of appropriate targets and plans for diversity will also depend on the business and operational circumstances, objectives and strategies of the Company at the relevant time and deciding if the current composition of Directors suitably meets the prevailing needs of the Company.



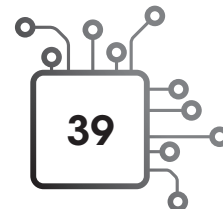
# CORPORATE GOVERNANCE REPORT

In respect of the financial year ended 30 June 2023, the Company made strides in enhancing its diversity by appointing a younger, legally trained director with a background in capital markets and compliance. In respect of the financial year ended 30 June 2024, the Company further enriched its breadth of experience by bringing on board another Independent Director, who formerly served as a managing director for a previously SGX-listed company specialising in the semiconductor industry. In respect of the financial year ending 30 June 2025, the Company intends to continue strengthening its Board via the appointment of a new Independent Director (subject to shareholder approval of his appointment at the forthcoming AGM of the Company) trained in accountancy and financial management with more than 10 years of experience serving as an independent director of companies listed on the SGX-ST. The Board has also upheld age diversity, featuring Directors whose ages span from the under-50s age group to the over-70s age group.

As discussed above, the NC reviewed and assessed, and the Board was of the view, that there is diversity in the current composition of the Board.

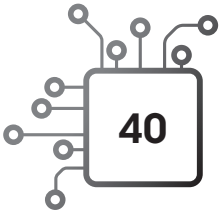
The Board has therefore made demonstrable progress on the implementation of the Board Diversity Policy, with the fundamental principle being that the candidate must be of right fit and meet the relevant needs and vision of the Company. With respect to gender diversity, the Company wishes to highlight that it has sought to identify suitable female candidates for appointment to the Board, and had, in the financial year ending 30 June 2025, specifically shortlisted a female candidate for consideration. After careful deliberation and discussion of each candidate's merits by the NC and the Board, the NC and the Board have determined that Mr Giang Sovann, with his prior experience as an independent director of other SGX-ST listed companies, is better positioned to contribute to the Company at this time. For completeness, in the process of deliberation and discussion on the respective candidates, the NC and Board had considered the possibility of nominating both the shortlisted female candidate and Mr. Giang Sovann to stand for election at the forthcoming AGM. However, having regard to the Company's size, revenue, expenses and operational needs, the NC and Board are of the view that: (a) the current Board size of 5 members is appropriate; and (b) for a Board of 5 members, having 3 Independent Directors would provide the Board with an appropriate level of independence.





# CORPORATE GOVERNANCE REPORT

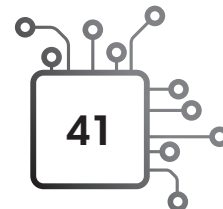
		<p>The Board remains committed to promoting gender diversity and continues to actively identify and nurture female talent for leadership positions. At the same time, the Board is confident that the current composition, including the appointment of Mr. Giang Sovann with his independent directorship experience, meets the necessary requirements for strong governance and oversight. The Board remains committed to its diversity values as part of the Company's long-term planning. The Company is therefore of the view that the intent of Principle 2 has been met.</p> <p>As indicated in the preceding paragraph, the Board recognises the importance and value of gender diversity. Consequently, for future Board appointments, the Board will consider gender (as well as skill sets, knowledge and experience of prospective candidates). Any new directors will continue to be selected based on objective criteria set as part of the process for appointment of new directors and Board succession planning.</p> <p>In order to maintain or enhance its balance and diversity, the Board will take the following steps:</p> <ul style="list-style-type: none"> <li>• annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and will enhance the efficacy of the Board; and</li> <li>• annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understanding the range of expertise which is lacking by the Board.</li> </ul> <p>The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.</p>
2.5	<p>Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.</p>	<p>In the financial year under review, the Non-Executive Directors met regularly and at least once annually without the presence of management and the Executive Directors, to review any matters that they wish to raise privately, constructively challenge and help develop proposals on company strategy, review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. The Lead Independent Director provides feedback to the Board as appropriate.</p>



# CORPORATE GOVERNANCE REPORT

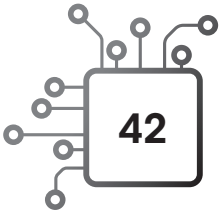
## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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	Disclosure
3.1	<p>The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making.</p> <p>The Code provides that the Chairman and the CEO should in principle be separate persons to ensure an appropriate balance of power, increased accountability and greater capacity for independent decision-making.</p> <p>Mr Lim Eng Hong, the CEO of the Company, had been appointed as the Executive Chairman of the Board with effect from 27 October 2022. This is a variation from Provision 3.1 of the Code.</p> <p>Mr Lim Eng Hong is the founder of the Group and has more than 40 years of experience in the semiconductor industry. Mr Lim Eng Hong oversees the Group's overall business activities and strategy.</p> <p>The NC, with the concurrence of the Board, is of the opinion that vesting the roles of both Chairman and CEO in the same person who is knowledgeable in the business of the Group provides strong and consistent leadership and enables the effective planning and execution of long-term business strategies. Under the present circumstances, it is beneficial to the Company that the roles of the Chairman and CEO are not separated. The NC will periodically review the need to separate the roles and make its recommendations accordingly for the Board's consideration. The role of Mr Lim Eng Hong as the Executive Chairman and CEO of the Company does not affect Board independence as the majority of the Board is made up of Independent Directors, and all of the Board Committees (including the Chairman of the respective Board Committees) are formed by Independent Directors.</p>



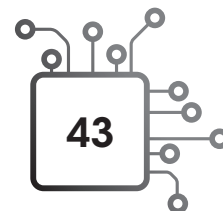
# CORPORATE GOVERNANCE REPORT

		<p>Nevertheless, to further ensure good governance, the Board had appointed Mr Michael Grenville Gray as the Lead Independent Director of the Company. In view of Mr Michael Grenville Gray's retirement as a Director at the conclusion of the forthcoming AGM, the Company intends to appoint Mr Giang Sovann as the Lead Independent Director of the Company after the forthcoming AGM of the Company (subject to Mr Giang Sovann's appointment as a Non-Executive Independent Director of the Company being approved by shareholders at the forthcoming AGM). The Lead Independent Director will be available to shareholders where they have concerns for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. He will also meet periodically with the other Independent Directors (without the presence of Management or the Executive Directors), and provide feedback to the Executive Chairman after such meeting. Other specific roles of the Lead Independent Director are as follows:</p> <ul style="list-style-type: none"><li>• act as liaison between the Independent Directors and the Executive Chairman and CEO and lead the Independent Directors to provide non-executive perspectives in circumstances where it would be inappropriate for the Executive Chairman to serve in such a capacity and to contribute a balanced viewpoint to the Board;</li><li>• advise the Executive Chairman as to the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the Independent Directors to effectively and responsibly perform their duties; and</li><li>• assist the Board and officers of the Company in complying with and implementing corporate governance measures.</li></ul> <p>Given the above arrangements, the Company is of the view that there is an appropriate balance of power on the Board, the Board members are accountable for their decisions, and there is a strong and independent element on the Board. The Company is therefore of the view that the intent of Principle 3 has been met.</p>
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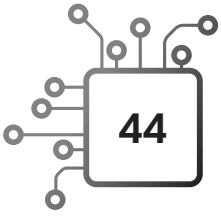
# CORPORATE GOVERNANCE REPORT

<p>3.2</p>	<p>The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.</p>	<p>As set out in the Board's written terms of reference, the role of the Chairman is to, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• lead the Board to ensure its effectiveness on all aspects of its role;</li> <li>• set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;</li> <li>• promote a culture of openness and debate at the Board;</li> <li>• ensure effective communication with shareholders;</li> <li>• encourage constructive relations within the Board and between the Board and management; and</li> <li>• promote high standards of corporate governance.</li> </ul> <p>and the role of the CEO is to, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• develop, with the Board, a consensus for the Company's vision and mission;</li> <li>• develop and implement the strategic plan set by the Board;</li> <li>• provide strong leadership and effective day-to-day management of the Company to deliver the plan;</li> <li>• drive a culture of compliance and ethical behaviour;</li> <li>• ensure appropriate talent management and remuneration frameworks are established; and</li> <li>• ensure that the Board is informed about key company activities and issues.</li> </ul>
<p>3.3</p>	<p>The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.</p>	<p>As Mr Lim Eng Hong, the CEO of the Company, had been appointed as the Executive Chairman of the Board with effect from 27 October 2022, the Board had appointed Mr Michael Grenville Gray as the Lead Independent Director of the Company. In view of Mr Michael Grenville Gray's retirement as a Director at the conclusion of the forthcoming AGM, the Company intends to appoint Mr Giang Sovann as the Lead Independent Director of the Company after the forthcoming AGM of the Company (subject to Mr Giang Sovann's appointment as a Non-Executive Independent Director of the Company being approved by shareholders at the forthcoming AGM). As Lead Independent Director, Mr Giang Sovann will be available to shareholders where they have concerns for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.</p>



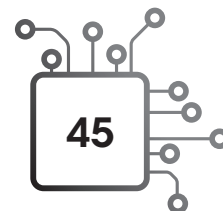
# CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP		
Principle		
4.	The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.	
Provision		Disclosure
4.1	<p>The Board establishes a Nominating Committee ("<b>NC</b>") to make recommendations to the Board on relevant matters relating to:</p> <p>(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;</p> <p>(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;</p> <p>(c) the review of training and professional development programmes for the Board and its directors; and</p> <p>(d) the appointment and re-appointment of directors (including alternate directors, if any).</p>	<p>The NC is regulated by a set of written terms of reference endorsed by the Board, setting out its authority and duties. According to its terms of reference, the responsibilities of the NC include reviewing and making recommendations to the Board relating to:</p> <ul style="list-style-type: none"> <li>• the structure, size and composition of the Board and the Board Committees;</li> <li>• succession plans for the Board Chairman, Directors, CEO and members of senior management;</li> <li>• the development of a transparent process for evaluating the performance of the Board, its Board Committees and Directors, including assessing whether Directors are able to commit enough time to discharge their responsibilities and the maximum number of listed company board representations which a Director may hold;</li> <li>• training and professional development programmes for the Board;</li> <li>• appointment and re-appointment of all Directors (including any alternate directors); and</li> <li>• the review and confirmation of the independence of each Director.</li> </ul> <p>No alternate directors have been appointed to the Board.</p> <p>In this report, the Company defines the term "<b>key management personnel</b>" to mean the CEO and Executive Officers of the Company. The term "<b>Executive Officers</b>" carries the same meaning as defined in the Listing Rules.</p>
4.2	The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.	The NC comprises the following 3 Directors, all of whom are independent: Mr Tan Ka Huat – Chairman; Mr Michael Grenville Gray – Member; and Mr Chan Yu Meng – Member. Mr Michael Grenville Gray is the Lead Independent Director during the financial year under review. Before Mr Goh Chung Meng retired as Non-Executive Independent Director of the Company at the conclusion of the AGM held on 30 October 2023, he was also the Chairman of the NC.



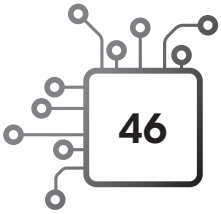
# CORPORATE GOVERNANCE REPORT

4.3	<p>The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.</p>	<p>In the selection and nomination of new Directors, the NC identifies the key attributes that an incoming Director should have, based on the attributes of the existing Board and the requirements of the Group. The NC then taps on the Directors' resources for recommendations of potential candidates. Executive recruitment agencies may also be appointed to assist in the search process where necessary. The potential candidates will go through a shortlisting process. Interviews are then set up with the shortlisted candidates for the NC to assess them before a decision is made. When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of directors, the NC will consider all aspects of diversity in order to arrive at an optimum balanced composition of the Board. Upon a recommendation being made by the NC, a new Director can be appointed by way of a Board resolution. Such Directors must present themselves for re-election at the next AGM of the Company as required under the Constitution.</p> <p>Important issues to be considered as part of the process for the selection, appointment and re-appointment of Directors include the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an Independent Director.</p> <p>The Directors (including the CEO) submit themselves for re-nomination and re-election at regular intervals of at least once in 3 years in compliance with the Company's Constitution and Rule 720(5) of the Listing Manual of the SGX-ST. The Constitution provides that one-third of the Board is to retire from the office annually by rotation at the AGM. Retiring Directors are eligible to offer themselves for re-election. The NC has recommended the nomination of Mr Lim Eng Hong and Mr Chan Yu Meng for re-election at the forthcoming AGM. The Board has accepted the NC's recommendation.</p> <p>Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, additional information on the Directors seeking election/re-election has been set out in the section titled "Additional Information on Directors Seeking Election/Re-Election" which is appended to the Notice of AGM.</p> <p>The Company is of the view that the Board members' collection of skills, experience and diversity meets the current needs of the Company. Please refer to the Company's disclosure in respect of Provision 2.4 above for further details.</p>
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# CORPORATE GOVERNANCE REPORT

4.4	<p>The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.</p>	<p>Please refer to our disclosure in respect of Provision 2.1 above.</p>
4.5	<p>The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.</p>	<p>Please refer to our disclosures in respect of Provision 1.2 above with regard to new Directors' induction into the Board, briefing on their duties and the receipt of mandatory training as prescribed by the SGX-ST.</p> <p>Key information regarding the Directors' profiles, including directorships both present and those held over the preceding 5 years in other listed companies, and other principal commitments, are set out in this Annual Report. The shareholdings of the Directors in the Company are set out in the Directors' Statement.</p> <p>The NC determines annually whether each Director with multiple directorships or other principal commitments outside of the Group is able to and has been adequately carrying out his duties as a Director of the Company. The NC takes into account the attendance and contributions of the Directors at Board and Board committee meetings, level of commitment required of the Director's other principal commitments, degree of complexity of the other listed companies where the Director holds directorships, expectations of the Director's obligations in the capacity as director in other organisations, results of the assessment of the effectiveness of the Board as a whole and Board committees, and the respective Directors' actual conduct and participation on the Board and its Board committees, in making the determination.</p>

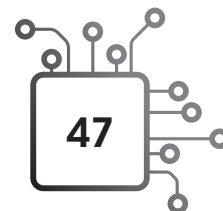


# CORPORATE GOVERNANCE REPORT

		<p>In respect of the financial year under review, the NC was of the view that each Director has given sufficient time and attention to the affairs of the Company and has been able to discharge his duties as director effectively. The NC noted that based on the attendance of Board and Board committee meetings during the financial year under review, all the Directors were able to participate in all of such meetings to carry out their duties. The NC is satisfied that all the Directors have been able to and had adequately carried out their duties notwithstanding their multiple directorships (where applicable) and other principal commitments.</p> <p>Nonetheless, to ensure that the Directors continue to give sufficient time and attention to the affairs of the Company, the Board has, subject to annual review, determined that the maximum number of directorships and principal commitments which any Director may hold shall be maintained at 5.</p> <p>If the NC considers it necessary, it shall make recommendations to the Board on the guidelines to be implemented to address the competing time commitments faced by Directors serving on multiple boards and with other principal commitments.</p>
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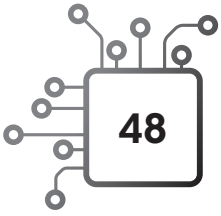
BOARD PERFORMANCE		
Principle		
5.	The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.	
Provision	Disclosure	
5.1	The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.	The NC has implemented a formal Board evaluation process, approved by the Board, to be carried out annually to assess the effectiveness of the Board as a whole and its Board committees, namely, the ARC, NC and RC. For the financial year under review, an evaluation of the performance of the Board and its Board committees, and the contribution by the Chairman and each Director to the effectiveness of the Board and its Board committees (where applicable), was conducted.





# **CORPORATE GOVERNANCE REPORT**

5.2	<p>The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.</p>	<p>The objective of the evaluation process is to assess and identify areas for continuous improvement to the Board's overall effectiveness. The assessment of the Board as a whole is conducted by way of a Board evaluation questionnaire completed by the Directors, which assesses the Board as a whole on several parameters, namely, the Board composition, maintenance of independence, Board information, Board processes, Board accountability, communication with top management and standard of conduct.</p> <p>An evaluation of the performance of the Board committees was also undertaken with the assistance of self-assessment checklists completed by the members of each Board committee collectively. Directors were also required to complete appraisal forms to assess the contributions made by each of the other Directors towards the effectiveness of the Board.</p> <p>The NC assesses the effectiveness of the Board as a whole and its Board committees, and the contribution by each Director to the effectiveness of the Board, with input from the CEO. The appraisal process focuses on a set of performance criteria which includes the evaluation of the Board composition and size, the Board process, Board effectiveness and training, the provision of information to the Board, Board standards of conduct and financial performance indicators. Such performance criteria are recommended by the NC and approved by the Board and they address how the Board has enhanced long-term shareholder value. The performance criteria allow for comparison with industry peers and do not change from year to year unless circumstances render it necessary and a decision to change them would be justified by the Board. The assessment parameters for each Director include attendance record at the meetings of the Board and the Board committees and quality of participation at meetings as well as special contributions.</p> <p>The consolidated findings are reported and recommendations are made to the Board for consideration of further improvements to help the Board to discharge its duties more effectively. Where appropriate, the Chairman will act on the results of such evaluation and, in consultation with the NC and if necessary, propose new members to be appointed to the Board or seek the resignation of directors.</p> <p>The NC, having reviewed the performance of the Board in terms of its roles and responsibilities and the conduct of its affairs as a whole, is of the view that the Board and the Board committees have operated efficiently, the Board has met its performance objectives and each Director has contributed to the overall effectiveness of the Board in the financial year under review.</p>
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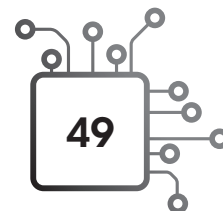


# CORPORATE GOVERNANCE REPORT

		<p>No external facilitator was appointed for the evaluation of the Board and the Board committees during the financial year under review.</p> <p>Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his performance or re-nomination as a Director.</p>
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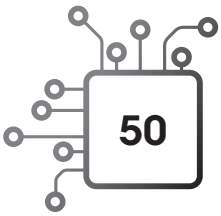
## REMUNERATION MATTERS: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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		Disclosure
6.1	<p>The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:</p> <p>(a) a framework of remuneration for the Board and key management personnel; and</p> <p>(b) the specific remuneration packages for each director as well as for the key management personnel.</p>	<p>The RC is regulated by a set of written terms of reference endorsed by the Board setting out its authority and duties. According to its terms of reference, the responsibilities of the RC include reviewing and making recommendations to the Board on:</p> <ul style="list-style-type: none"> <li>a framework of remuneration for Directors and Executive Officers, and determining the specific remuneration packages for each Director as well as for the Executive Officers, such recommendations to cover all aspects of remuneration, including but not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind, and termination payments;</li> <li>performance-related elements of remuneration to align interests of Executive Directors and Executive Officers with those of shareholders and link rewards to corporate and individual performance; and</li> <li>considering whether Directors should be eligible for benefits under long-term incentive schemes.</li> </ul>
6.2	The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.	The RC comprises 3 Directors, all of whom are non-executive and independent: Mr Chan Yu Meng – Chairman; Mr Michael Grenville Gray – Member; Mr Tan Ka Huat – Member. Before Mr Goh Chung Meng retired as Non-Executive Independent Director of the Company at the conclusion of the AGM held on 30 October 2023, he was also the Chairman of the RC.



# CORPORATE GOVERNANCE REPORT

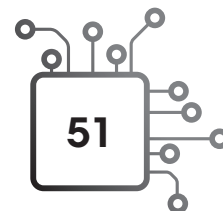
6.3	<p>The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.</p>	<p>The aim of the RC is to motivate and retain Directors and Executive Officers without being excessive, and ensure that the Company is able to attract and retain the best talent in the market to drive the Group’s businesses forward in order to maximise long-term shareholder value.</p> <p>During the financial year under review, the RC reviewed and made recommendations in relation to the general remuneration framework for the Board, as well as regarding the specific remuneration packages of the Directors and Executive Officers, and submitted them for endorsement by the entire Board.</p> <p>Each member of the RC will abstain from voting and discussing on any resolutions in respect of his own remuneration package.</p> <p>The RC reviews the Company’s obligations arising in the event of termination of the contracts of service of Executive Directors and Executive Officers to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance when setting the remuneration packages of the Executive Directors and Executive Officers.</p>
6.4	<p>The company discloses the engagement of any remuneration consultants and their independence in the company’s annual report.</p>	<p>While none of the members of the RC specialise in the field of executive compensation, the members of the RC do possess broad knowledge in this area and have access to external professional advice. The RC is competent in reviewing and recommending to the Board the appropriate remuneration framework for Directors and Executive Officers in accordance with the terms of reference duly adopted by the Board. No external remuneration consultants were appointed for the financial year under review. However, in reviewing and recommending to the Board the appropriate remuneration framework for Directors and Executive Officers, the RC had reviewed remuneration surveys published by consulting groups and the government. As and when deemed appropriate by the RC, independent expert advice on the remuneration of Directors will be sought at the Company’s expense. The RC shall ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.</p>



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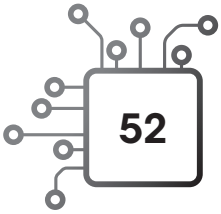
## LEVEL AND MIX OF REMUNERATION

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	Disclosure	
7.1	A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.	<p>The remuneration components of the Executive Directors and Executive Officers comprise the annual fixed cash, annual performance incentives and, where applicable, long-term incentives.</p> <p>The annual review of compensation is carried out by the RC to ensure that the remuneration components are market competitive and commensurate with the performance of each Executive Director and Executive Officer and that of the Company, giving due regard to the financial and commercial health and business needs of the Group.</p> <p>The annual fixed cash component comprises the annual basic salary plus fixed allowances which the Company benchmarks against relevant industry market data, where available.</p> <p>The annual performance incentive variable bonus is tied to the performance of the Company, business unit and individual employee.</p> <p>In respect of long-term incentives, the Company has adopted the Avi-Tech Restricted Share Plan 2021 ("<b>RSP 2021</b>"), a share incentive scheme under which performance-based or time-based awards may be granted. For more details on the RSP 2021, please refer to Avi-Tech Electronics Limited's scheme document dated 6 October 2021.</p>
7.2	The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.	The Non-Executive Directors are paid Directors' fees based on their level of contributions, taking into account factors such as effort and time spent, and responsibilities of each Non-Executive Director in the Board and Board committees. The RC will ensure that the Non-Executive Directors are not over-compensated to the extent that their independence may be compromised. The recommendations made by the RC in respect of the Non-Executive Directors' fees for the financial year under review are subject to shareholders' approval at the forthcoming AGM.



# CORPORATE GOVERNANCE REPORT

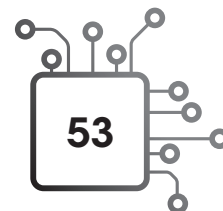
<p>7.3</p>	<p>Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.</p>	<p>The RC exercises broad discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders, promote the long-term success of the Company, and recognise the performance, potential and responsibilities of each individual. The mix of fixed and variable rewards is considered appropriate for the Group and for each individual role. The performance-related remuneration structure is directly linked to corporate and individual performance. The RC also recognises the need for reasonable alignment between risk and performance-related remuneration to discourage excessive risk-taking. As such, in determining the performance-related remuneration structure, the RC had taken into account the risk policies and risk tolerance of the Group, and whether such remuneration is symmetric with risk outcomes and sensitive to the time horizon of risks.</p> <p>The Company has 2 Executive Directors. The remuneration package of Mr Lim Eng Hong is based on terms stipulated in his service contract. His remuneration includes a profit-sharing scheme that is performance-related to align his interests with those of the shareholders. His service contract with the Company is for a fixed period and he does not receive any Directors' fee.</p> <p>The remuneration package of Mr Lim Tai Meng Alvin is based on terms stipulated in his service contract. His service contract contains an annual performance incentive variable bonus as described in our disclosures in respect of Provision 7.1 above and does not contain a profit-sharing scheme. His service contract with the Company is for a fixed period and he does not receive any Directors' fee.</p> <p>The Company is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of the Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company, as the Executive Directors owe fiduciary duties to the Company and the Company should be able to avail itself of remedies against the Executive Directors in the event of such breach of fiduciary duties.</p> <p>The Company is of the view that the variable component of the remuneration packages of the Executive Officers is moderate and not at risk of jeopardising good stewardship. At present, there is no necessity for the Company to institute contractual provisions in the service agreements to reclaim incentive components of remuneration paid in prior years from the Executive Officers in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.</p>
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# CORPORATE GOVERNANCE REPORT

## DISCLOSURE ON REMUNERATION

Principle		
8.	The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.	
Provision	Disclosure	
8.1	<p>The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:</p> <ul style="list-style-type: none"> <li>(a) each individual director and the CEO; and</li> <li>(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.</li> </ul>	<p>The disclosure in respect of Provisions 7.1 and 7.3 above describes the components of each Executive Director and Executive Officer's remuneration, comprising the fixed salary and annual performance incentives, as well as explains how the annual review of compensation is carried out by the RC to ensure that the remuneration components are market-competitive and commensurate with the performance of each Executive Director and Executive Officer and that of the Company. In reviewing the annual performance incentive variable bonus, considerations are tied to the performance of the Company, business unit and individual employee, and entitlement to such annual incentives are subject to benchmarking performance against industry business operation expectations and performance that exceeds such expectations, as well as measuring performance based on the Company's financial performance vis-à-vis industry performance. It is also disclosed that the RC exercises judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Company. The Company sees value creation as increasing returns to shareholders by improving revenue and profits. Please refer to our disclosure in respect of Principle 7 above for further details on the Company's policy and criteria for setting remuneration for Directors and Executive Officers.</p> <p>The RC has recommended to the Board an amount of S\$150,000 as Directors' fees for the financial year under review. This recommendation will be tabled for shareholders' approval at the forthcoming AGM.</p>



# CORPORATE GOVERNANCE REPORT

A breakdown, showing the level and mix of each individual Non-Executive Director's remuneration for the financial year under review, is as follows:

Directors	Fee <sup>(1)</sup> (S\$)	Salary (S\$)	Variable Bonus & Profit Sharing (S\$)	Benefits in kind (S\$)	Total (S\$)
Michael Grenville Gray	50,000	-	-	-	50,000
Chan Yu Meng	50,000	-	-	-	50,000
Tan Ka Huat <sup>8</sup>	33,333	-	-	-	33,333
Goh Chung Meng <sup>9</sup>	16,667	-	-	-	16,667

**Note:**

(1) These fees are subject to shareholders' approval at the forthcoming AGM

For the financial year under review, the Company wishes to disclose the remuneration of the Executive Directors in bands of S\$250,000, which constitutes a variation from Provision 8.1(a) of the Code. The Company is of the view that the intent of Principle 8 was met, as the remuneration policies and the procedure for setting remuneration applicable to the Executive Directors are described above in our disclosures in respect of Principle 7, the level and mix of remuneration is disclosed in the table below and disclosures in the financial statements of the Company provides sufficient overview of the remuneration of the Group. Moreover, the RC and the Board are of the opinion that the remuneration packages of the Executive Directors are of a confidential and sensitive nature, the disclosure of which would place the Group in a competitively disadvantageous position, and hence have chosen to make disclosures in relation thereto in bands of S\$250,000. A breakdown, showing the level and mix of each individual Executive Director's remuneration for the financial year under review, is as follows:

Directors	Fee	Salary	Variable Bonus	Benefits in kind	Total
<b>Band C<sup>(1)</sup></b>	%	%	%	%	%
Lim Eng Hong	-	73	19	8	100
<b>Band B<sup>(2)</sup></b>	%	%	%	%	%
Lim Tai Meng Alvin <sup>(3)</sup>	-	84	14	2	100

**Notes:**

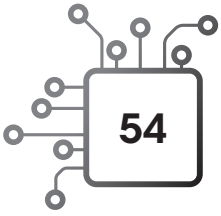
(1) Band C means from S\$500,000 up to S\$749,999

(2) Band B means from S\$250,000 up to S\$499,999

(3) Mr Lim Tai Meng Alvin is the son of Mr Lim Eng Hong, the Company's CEO and Executive Chairman, Director and controlling shareholder.

<sup>8</sup> Mr Tan Ka Huat was appointed as an Independent Director of the Company at the AGM held on 30 October 2023, and thereafter appointed as chairman of the NC and a member of the ARC and the RC on 30 October 2023.

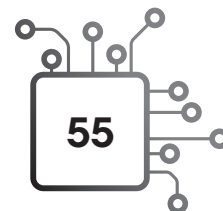
<sup>9</sup> Mr Goh Chung Meng retired as a Non-Executive Independent Director of the Company at the conclusion of the AGM held on 30 October 2023.



# CORPORATE GOVERNANCE REPORT

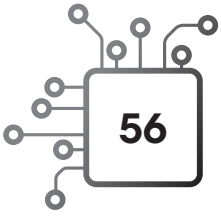
		<p>As required under Provision 8.1(b) of the Code, a breakdown, showing the level and mix of the top Executive Officers' remuneration (in bands of S\$250,000) for the financial year under review, is as follows:</p> <table border="1" data-bbox="703 636 1433 837"> <thead> <tr> <th>Name</th> <th>Salary</th> <th>Variable Bonus</th> <th>Benefits in kind</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><b>Band B<sup>(1)</sup></b></td> <td>%</td> <td>%</td> <td>%</td> <td>%</td> </tr> <tr> <td>Joseph Wang Nin Choon</td> <td><b>86</b></td> <td><b>14</b></td> <td>-</td> <td>100</td> </tr> <tr> <td><b>Band A<sup>(2)</sup></b></td> <td>%</td> <td>%</td> <td>%</td> <td>%</td> </tr> <tr> <td>Lau Toon Hai</td> <td><b>86</b></td> <td><b>14</b></td> <td>-</td> <td>100</td> </tr> </tbody> </table> <p><b>Notes:</b> (1) Band B means from S\$250,000 up to S\$499,999 (2) Band A means from S\$1 up to S\$249,999</p> <p>The Company considers the heads of the corporate functions and the Vice Presidents to be the Executive Officers and top key management personnel of the Company (who are not Directors or the CEO) for the financial year under review and pursuant thereto, there were only two key management personnel in the financial year under review. The total remuneration paid to the above Executive Officers is not more than S\$500,000 in the financial year under review. The Company is of the view that the disclosure of the upper limit of the total remuneration paid to the two key management personnel is substantially in compliance with Provision 8.1(b) of the Code, as it sufficiently informs that the total remuneration paid does not specifically exceed the amount stated.</p> <p>In view of the foregoing, the Company believes that the Annual Report, taken as a whole, has sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation, which is consistent with the intent of Principle 8 of the Code.</p>	Name	Salary	Variable Bonus	Benefits in kind	Total	<b>Band B<sup>(1)</sup></b>	%	%	%	%	Joseph Wang Nin Choon	<b>86</b>	<b>14</b>	-	100	<b>Band A<sup>(2)</sup></b>	%	%	%	%	Lau Toon Hai	<b>86</b>	<b>14</b>	-	100
Name	Salary	Variable Bonus	Benefits in kind	Total																							
<b>Band B<sup>(1)</sup></b>	%	%	%	%																							
Joseph Wang Nin Choon	<b>86</b>	<b>14</b>	-	100																							
<b>Band A<sup>(2)</sup></b>	%	%	%	%																							
Lau Toon Hai	<b>86</b>	<b>14</b>	-	100																							
8.2	<p>The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.</p>	<p>Save as disclosed in respect of Provision 8.1 above and in respect of this Provision 8.2, the Group did not employ any employees who are substantial shareholders of the Company, or are immediate family members of any Director, the CEO or a substantial shareholder of the Company. <b>"Immediate family"</b> means a spouse, child, adopted child, step-child, brother, sister or parent.</p> <p>In respect of the total remuneration of Mr Lim Eng Hong (a substantial shareholder and the CEO of the Company) and Mr Lim Tai Meng Alvin (who is Mr Lim Eng Hong's son), the Company wishes to disclose their remuneration in bands of S\$250,000 rather than S\$100,000.</p> <p>This constitutes a variation from Provision 8.2 of the Code, and an explanation for this variation is set out above, in our disclosure in respect of Provision 8.1 above.</p>																									





# CORPORATE GOVERNANCE REPORT

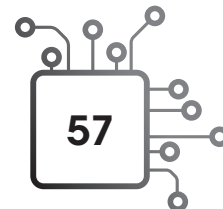
<p>8.3</p>	<p>The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.</p>	<p>Please refer to our disclosure in respect of Provision 8.1 above for the Company's disclosure of all forms of remuneration and other payments and benefits paid by the Company to Directors and top key management personnel. Persons appointed as directors of the Company's subsidiaries comprise only Mr Lim Eng Hong, Mr Lim Tai Meng Alvin, and Mr Joseph Wang Nin Choon who apart from receiving their remuneration from the Company, do not receive any further remuneration from any other companies within the Group.</p> <p>As disclosed in respect of Provision 7.1 above, the Company has adopted the RSP 2021, a share incentive scheme under which performance-based or time-based awards may be granted. The aggregate number of shares which may be available pursuant to awards granted under the RSP 2021, when added to the number of new shares issued and issuable in respect of all awards granted under the RSP 2021, and all options or awards granted under any other option scheme or share plan which the Company may implement from time to time, shall not exceed 15% of the total number of issued shares (excluding treasury shares) on the day preceding the relevant award date.</p> <p>As disclosed on page 109 of the prospectus of Avi-Tech Electronics Limited (now known as Avi-Tech Electronics Pte. Ltd.) dated 11 July 2007, the CEO does not receive any benefits upon the termination of his service contract. His service contract contains non-competition and non-solicitation clauses which are binding on the CEO for a period of 12 months from the date of cessation of employment with the Company. These obligations of non-competition and non-solicitation shall be conditional upon: (i) shareholders' approval pursuant to Rule 906 of the Listing Rules (if applicable) for the making by the Company to the CEO of 12 monthly payments of S\$40,000 each from the Company (totalling S\$480,000), (the "<b>Payment(s)</b>"); and (ii) the receipt of the Payment(s) by the CEO, the first payment of which shall be paid not later than the first day of the month immediately following the cessation date of employment with the Company, and, thereafter on the first day of each following month, time being of the essence. The Company is not obliged to make any Payment(s), or having made Payment(s) or parts thereof, to continue making such Payment(s) to the CEO, in the event the Company decides at any time, in its sole discretion, that the Company does not require the CEO to perform or continue performing the said non-competition and non-solicitation obligations.</p> <p>Save as disclosed above, no other employees or Directors of the Company are entitled to any termination, retirement or post-employment benefits.</p>
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# CORPORATE GOVERNANCE REPORT

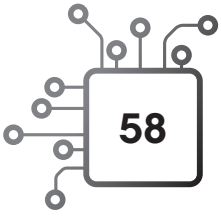
## ACCOUNTABILITY AND AUDIT: RISK MANAGEMENT AND INTERNAL CONTROLS

Principle		
9.	The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.	
Provision	Disclosure	
9.1	<p>The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.</p>	<p>The Board is responsible for risk governance, establishing risk management policies and tolerance strategies that set the appropriate tone and direction, and also overseeing the implementation of the Company's risk management framework to ensure that risks are identified and managed.</p> <p>The ARC has been established by the Board to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies. In addition, the Company has established a risk management committee comprised of senior executives and co-chaired by the CEO and CFO of the Company, which meets at least once annually, including attendance at a workshop on the Company's risk management framework and policies. Directors are invited to provide their views and input at the workshop. The ARC reviews the findings from the workshop before making recommendations to the Board on the Company's risk management framework and policies.</p> <p>The Company has put in place a risk management and internal control system in areas such as financial, operational, compliance and information technology controls. Risk management and internal controls are detailed in formal instructions, standard operating procedures and financial authority limits policies. The principal aim of the internal control system is the management of business risks with a view to safeguarding shareholders' investments and the Group's assets.</p> <p>In particular, the Company's Risk Governance and Internal Control ("RGIC") framework was developed to realise the value of risk management by providing an integrated enterprise-wide perspective of the risks involved in the Company's businesses, and institutionalising a systematic risk assessment methodology for the identification, assessment, management, reporting and monitoring of risks on a consistent and reliable basis. The RGIC Manual sets out, <i>inter alia</i>, the Board's approved Risk Appetite and Risk Tolerance guidance, Authority and Risk Control Matrix, Key Control Activities and Key Reporting and Monitoring Activities to manage and mitigate risks.</p>



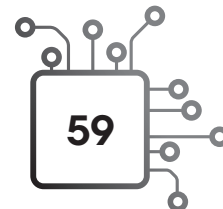
# CORPORATE GOVERNANCE REPORT

		<p>The Company's RGIC framework is constantly refined, ensuring relevance in a dynamic operating environment. The Company keeps abreast of the latest developments and best practices by participating in industry seminars and interacting with risk management practitioners. Continuous training is conducted to build risk awareness and competencies, and systems and tools are put in place to operationalise the risk management framework to support the Company's RGIC framework.</p> <p>The management maintains the risk management and internal control systems and the Board monitors the Group's risks through the ARC and internal auditors. In designing these controls, the Company has considered the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them.</p> <p>The Board is committed to maintaining adequate and effective systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems to safeguard shareholders' interests and investments, and the Group's assets. The Board recognises the importance of establishing sound 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 effectiveness of those systems, including financial, operational, compliance and information technology controls, on an annual basis.</p> <p>On an ongoing basis, the Board periodically monitors and assesses the adequacy of the risk management systems that it has put in place and the system of internal controls, and ensure that management takes the appropriate steps to manage and mitigate risks.</p> <p>During the financial year under review, the Board reviewed the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management framework and systems, conducted dialogue sessions with the management to understand the process, and to identify, assess, manage and monitor risks within the Group.</p> <p>The Company has established and maintains, on an ongoing basis, an effective internal audit function that is adequately resourced and independent of the activities it audits, as required under Rule 719(3) of the Listing Rules. The Board has engaged RSM Risk Advisory Pte Ltd, the outsourced internal auditor for the Group, during the financial year under review, to conduct an internal audit on selected key risk areas of the Group and to make recommendations to enhance the internal controls and risk management framework and systems.</p>
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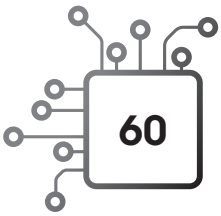
# CORPORATE GOVERNANCE REPORT

		<p>During the financial year under review, the management updated the ARC and the Board on the Group's risk profile, the status of risk mitigation action plans and updates on the following areas:</p> <ul style="list-style-type: none"><li>• identification of specific "risk owners" who are responsible for the risks identified;</li><li>• assessment of the Group's key risks by major business units and risk categories;</li><li>• description of the processes and systems in place to identify and assess risks to the business and how risk information is collected on an ongoing basis;</li><li>• ongoing gaps in the risk management process such as system limitations in capturing and measuring risks, as well as action plans to address the gaps;</li><li>• status and changes in plans undertaken by the management to manage key risks; and</li><li>• description of the risk monitoring and escalation processes and also systems in place.</li></ul> <p>The Board also considered any additional information necessary to ensure that the Board has taken into account all significant aspects of risks and internal controls for the Group for the financial year under review.</p> <p>The Board relies on internal audit reports and the management letter prepared by the external auditors to report on any material non-compliance or internal control weaknesses. In line with the requirements under Rule 1207(10) of the Listing Rules, for the financial year under review, based on the risk management systems and internal controls established and maintained by the Group, work performed by the internal and external auditors, review of the internal audit plan and the internal auditors' evaluation of the system of internal controls and reviews performed by management, various Board committees and the Board, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at 30 June 2024 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business scope and environment.</p>
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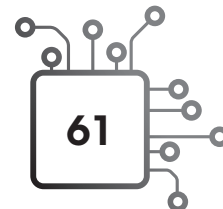
# **CORPORATE GOVERNANCE REPORT**

		<p>The system of risk management and internal controls established by the Group is designed to manage, rather than eliminate, the risk of failure in achieving the Group's goals and objectives. The Board wishes to state that the system of internal controls provides reasonable, but not absolute, assurance as to financial, operational, compliance and information technology risks. No such system can provide absolute assurance against the occurrence of material errors and other situations not currently within the contemplation or beyond the control of the Board.</p> <p>Please also refer to the "Letter to Shareholders" portion of the Annual Report on the Executive Chairman and CEO's commentary of the significant trends and competitive conditions of the industry in which the Group operates.</p>
<p>9.2</p>	<p>The Board requires and discloses in the company's annual report that it has received assurance from:</p> <p>(a) the CEO and the Chief Financial Officer ("<b>CFO</b>") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and</p> <p>(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.</p>	<p>The Board has received assurances from the CEO and the CFO that for the financial year under review, the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.</p> <p>Based on the work performed by the internal and external auditors, the Group's risk management and internal control systems, addressing financial, operational, compliance and information technology risks, were adequate and effective as at 30 June 2024. The Board has received assurance from the CEO and other key management personnel that the aforementioned risk management and internal control systems are adequate and effective.</p>



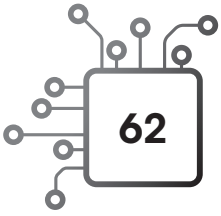
# CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE		
Principle		
10.	The Board has an Audit Committee ("AC") which discharges its duties objectively.	
Provision	Disclosure	
10.1	<p>The duties of the AC include:</p> <p>(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;</p> <p>(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;</p> <p>(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;</p> <p>(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;</p> <p>(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and</p>	<p>The ARC is regulated by a set of written terms of reference endorsed by the Board, setting out its authority and duties.</p> <p>The ARC has full access to, and co-operation from the management, and has full discretion to invite any Director, executive officer of the Company or other persons to attend its meetings. It may require any such Director, executive officer or other person in attendance to leave the meeting (temporarily or otherwise) to facilitate open discussion should they have an interest in the matter under discussion. The ARC also has explicit authority to investigate any matter brought to its attention, within its terms of reference, with the power to obtain professional advice at the Company's expense. The ARC has reasonable resources to enable it to discharge its functions properly.</p> <p>The members of the ARC also take measures to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements as and when the ARC, or the Board or the Company, deems necessary and appropriate. Changes to the various accounting standards are monitored closely by management. Where these changes have an important bearing on the Company's disclosure obligations, the Directors (including members of the ARC) are kept informed of such changes from time to time through circulation of the relevant changes which are also tabled during Board meetings.</p> <p>According to its terms of reference, the responsibilities of the ARC include:</p> <ul style="list-style-type: none"> <li>• reviewing significant financial reporting issues and judgements so as to ensure the integrity of financial statements and announcements on the Company's financial performance, and making recommendations, if any, to the Board, and in particular, monitoring the integrity of the financial reports prepared by the Company and reviewing the application and consistency of the accounting standards used;</li> <li>• reviewing and reporting to the Board at least annually on the adequacy and effectiveness of the risk management and internal control systems (including financial, operational, compliance and information technology controls), and state whether the ARC concurs with the Board's comment on adequacy and effectiveness of the Company's internal controls and risk management systems;</li> </ul>



# CORPORATE GOVERNANCE REPORT

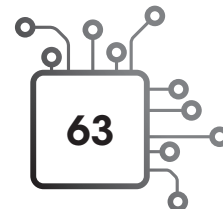
	<p>(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.</p>	<ul style="list-style-type: none"> <li>• reviewing the assurance provided by the CEO and CFO that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances;</li> <li>• reviewing the performance of the external auditors and facilitating its selection, appointment, reappointment, and removal by considering such factors including an assessment of their effectiveness through the level of errors identified, accuracy in handling key accounting and audit judgements, and response to queries from the ARC and then recommending to the Board the appointment, reappointment and removal of the external auditors and its remuneration and terms of engagement;</li> <li>• reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors, in particular, monitoring and assessing annually whether the external auditors' independence or objectivity is impaired by considering such factors including the amount of fees paid to the external auditors for the financial year, and the breakdown of aggregate fees for audit and non-audit services provided by the external auditors;</li> <li>• reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function by, <i>inter alia</i>, monitoring and assessing the role and effectiveness of the internal audit function, including the internal audit charter, plans, activities, staffing, budget, resources, and organisational structure of the internal audit function; and</li> <li>• overseeing the establishment and operation of the whistleblowing process in the Company and ensuring that policies and arrangements are in place by which staff may safely raise concerns about possible improprieties in financial reporting or other matters and ensuring that there are appropriate arrangements for an independent investigation and appropriate follow-up on concerns raised.</li> </ul>
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# CORPORATE GOVERNANCE REPORT

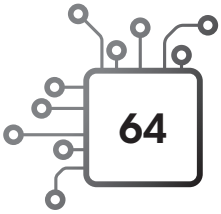
		<p>During the financial year under review, the ARC performed the following main functions (amongst other duties) in accordance with its written terms of reference:</p> <ul style="list-style-type: none"><li>• reviewing the terms of reference for the ARC annually;</li><li>• recommending to the Board the appointment or reappointment of the internal and/or external auditors, and approving the remuneration and terms of engagement of the internal and/or external auditors, after taking into account, amongst other things, the auditors' performance for the financial year under review and the requirements of the Group;</li><li>• reviewing the scope and results of the external audit as well as the internal audit plan and process to determine that it meets the requirements of the Group;</li><li>• evaluating the independence and objectivity of the external auditors;</li><li>• reviewing the Group's periodic financial statements (as required under the Listing Rules) and related notes and announcements relating thereto, accounting principles adopted, and the external auditors' reports to ensure proper disclosure and compliance prior to recommending to the Board for approval;</li><li>• reviewing and evaluating, having regard to input from external and internal auditors, the adequacy and effectiveness of the Group's system of internal controls and risk management functions, which include internal financial controls, operational, compliance and information technology controls and risk management policies and systems;</li><li>• reviewing the nature, scope, extent and cost-effectiveness of any non-audit services provided by the external auditors and ensuring that these do not affect the independence and objectivity of the external auditors;</li><li>• reviewing any significant financial reporting issues and judgments and estimates made by the management, so as to ensure the integrity of the financial statements of the Group; and</li><li>• reviewing the independence, adequacy and effectiveness of the Group's internal auditors.</li></ul>
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# CORPORATE GOVERNANCE REPORT

		<p>During the financial year under review, the ARC also reviewed:</p> <ul style="list-style-type: none"><li>• the periodic results announcement (as required under the Listing Rules) together with the external auditors of the Company prior to its recommendations to the Board for approval for release on SGXNET and any changes to accounting standards and issues which have a direct impact on financial statements will be raised at such meetings;</li><li>• the audit plan and scope of examination of the external auditors and the assistance given by the Group's officers to the external auditors and noted that no restriction was imposed by the management on the scope and extent of the external audit;</li><li>• the Group's full-year results announcement, the financial statements of the Company and the consolidated financial statements of the Group for the financial year under review prior to its recommendations to the Board for approval; and</li><li>• the statement of the external auditors of the Company about their reporting responsibilities for the financial statements is set out in the "Independent Auditor's Report" which is found in this Annual Report.</li></ul> <p><i>Key Audit Matters</i></p> <p>The ARC reviewed the key audit matter on allowance for slow-moving and obsolete inventories, included in the independent auditor's report for the financial year ended 30 June 2024. The ARC discussed in detail with management the amounts, value and age of older inventory and the approach and methodology applied in the assessment of making allowance for slow-moving and obsolete inventory as well as the reasonableness of the key sources of estimation uncertainty used as disclosed in Note 3 to the financial statements. The ARC concluded that the Group's accounting treatment in the allowance for slow-moving and obsolete inventories was appropriate.</p>
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# CORPORATE GOVERNANCE REPORT

## External Auditors

Before confirming an external auditors' re-appointment, the ARC will conduct an annual review of the independence of the Company's external auditors and the total fees for non-audit services compared with audit services, and satisfy itself that the nature and volume of any non-audit services will not prejudice the independence and objectivity of the Company's external auditors. During the financial year under review, the remuneration paid/payable to the Company's external auditors, Deloitte & Touche LLP, is set out below:

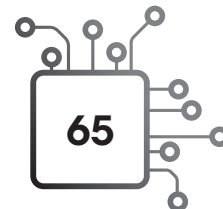
Service Category	Fees Paid/Payable (S\$'000)
Audit Services	140
Non-Audit Services	19
<b>Total</b>	<b>159</b>

In line with the requirements under Rule 1207(6) of the Listing Rules, the ARC has reviewed the non-audit services provided by the external auditors, Deloitte & Touche LLP, for the financial year under review, and is of the opinion that the provision of such services did not affect the independence or objectivity of the external auditors.

In respect of the financial year under review, the external auditors have confirmed that they are in compliance with the independence requirements set out in the Code of Professional Conduct and Ethics Applicable to Public Accountants and Accounting Entities contained in the Fourth Schedule of the Accountants (Prescribed Standards and Code of Professional Conduct and Ethics) Order 2023 and have affirmed their independence in this respect.

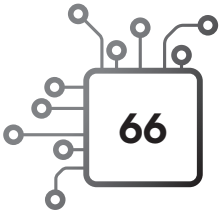
The ARC had recommended the reappointment of Deloitte & Touche LLP as external auditors of the Company at the forthcoming AGM. The external auditors appointed for the Company's subsidiaries for the current financial reporting period are set out in the notes to the financial statements found in this Annual Report. The Company's subsidiaries have re-appointed (or intend to re-appoint) the same external auditors for the next financial reporting period.

In proposing to shareholders the re-appointment of Deloitte & Touche LLP as the external auditors to the Company, and in line with the requirements under Rule 712 of the Listing Rules, and after taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA in respect of Deloitte & Touche LLP, the Board and the ARC considered and are satisfied with the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of our Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. Deloitte & Touche LLP has confirmed that it is registered with ACRA. The Company is also in compliance with Rule 715 of the Listing Rules in relation to the appointment of the auditors of the Company and its subsidiaries.



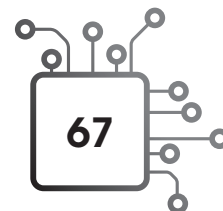
# CORPORATE GOVERNANCE REPORT

		<p><i>Whistle-blowing Policy</i></p> <p>To achieve a high standard of corporate governance for the operations of the Group, the Group has implemented a whistle-blowing policy. This policy will provide arrangements by which staff can raise concerns on financial improprieties and other reporting matters.</p> <p>The whistle-blowing policy enables staff of the Group and any other persons, in confidence, to raise concerns about possible improprieties in matters of financial reporting and questionable accounting practices or other matters such as criminal offences, unlawful acts, fraud, corruption, bribery and blackmail, failure to comply with legal or regulatory obligations, unsafe work practices or substantial wasting of Company resources, and concealment of any of the foregoing. The whistle-blowing policy is intended to conform to the guidance set out in the Code and aims to: (i) support the Group's values and help detect and address unacceptable conduct; (ii) provide an avenue for Directors, employees and contractors of the Group and their staff to raise concerns without fear of suffering retribution and offer reassurance that staff of the Group and any other persons making such reports will be treated fairly and protected from reprisals for whistle-blowing in good faith within the limits of the law; and (iii) provide a transparent and confidential process for dealing with concerns.</p> <p>The ARC exercises the oversight functions over the administration of the whistle-blowing policy. All reports including unsigned reports, reports weak in details and verbal reports will be considered. Such reports will be directed to the CEO or the Chairman of the ARC and the ARC will be informed immediately of any whistle-blowing reports received. To ensure independent investigation into such matters and for appropriate follow-up action, all whistle-blowing reports are reviewed by the ARC. In the event that the whistle-blowing report is about a Director, that Director shall not be involved in the review and any decisions with respect to that whistle-blowing report. Periodic reports will be submitted by the ARC to the Board stating the number and the complaints received, the results of the investigations, the follow-up actions taken, and the unresolved complaints (if any).</p>
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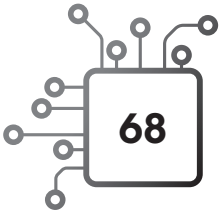
# CORPORATE GOVERNANCE REPORT

		<p>All employees who make a disclosure or raise a concern in accordance with such policy will be protected from reprisal if such employee (a) discloses the information in good faith; (b) has reasonable grounds to believe such disclosure or concern is substantially true; (c) does not act maliciously; and (d) does not seek any personal or financial gain. The identity of the whistle-blower will also be kept confidential. While employees are strongly encouraged to disclose their identity when lodging complaints, efforts will be made to ensure confidentiality as far as reasonably practicable. Furthermore, anonymous complaints will not be disregarded and will be considered.</p> <p>The ARC has independent oversight and monitoring of the whistle-blowing policy and is committed to ensuring that the whistle-blower's identity is kept confidential and protection of the whistle-blower against detrimental or unfair treatment.</p> <p>The ARC has reviewed and has ensured that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. Details of the whistle-blowing policy have also been made available to the Directors, employees and contractors of the Group and their staff.</p> <p>There were no whistle-blowing reports received by the ARC in the financial year under review.</p>
10.2	<p>The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.</p>	<p>The ARC comprises 3 Directors, all non-executive and all of whom are independent: Mr Michael Grenville Gray – Chairman; Mr Chan Yu Meng – Member; and Mr Tan Ka Huat – Member. Before Mr Goh Chung Meng retired as Non-Executive Independent Director of the Company at the conclusion of the AGM held on 30 October 2023, he was also a member of the ARC.</p> <p>The members of the ARC are appropriately qualified to discharge their responsibilities, with Mr Michael Grenville Gray having been a former partner in PricewaterhouseCoopers, Mr Chan Yu Meng being an in-house counsel and former partner at a law firm, and Mr Tan Ka Huat having a wealth of knowledge and expertise in the semiconductor industry.</p>



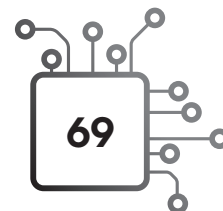
# **CORPORATE GOVERNANCE REPORT**

10.3	<p>The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.</p>	<p>The ARC's terms of reference provide that the members of the ARC shall not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of 2 years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation. None of the ARC members fall into any of the above categories.</p>
10.4	<p>The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.</p>	<p>The Company has outsourced the internal audit function to RSM Risk Advisory Pte Ltd. The internal auditors report to the Chairman of the ARC and the scope of work will be agreed with the ARC on an annual basis. The internal auditors have access to all the Company's documents, records, properties and personnel, including access to the ARC. The ARC approves the hiring, removal, evaluation and compensation of the internal auditors.</p> <p>In line with the requirements under Rule 1207(10C) of the Listing Rules, following the review of the internal audit plan and the internal auditors' resources to conduct the internal audit plan, the internal auditors' objectivity in the assessment of issues and taking into account that the internal auditors have access to all the Company's documents, records, properties and personnel, including access to the ARC and having the co-operation of management, the ARC is satisfied with the independence of the internal auditors, and is of the view that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group.</p> <p>In considering the hiring, removal, evaluation and compensation of the internal auditors, the ARC has considered and is satisfied with the adequacy of the qualifications and experience of the internal auditors.</p> <p>The internal audit performed by RSM Risk Advisory Pte Ltd. is guided by the International Standards for the Professional Practice of Internal Auditing.</p>
10.5	<p>The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.</p>	<p>The ARC meets, at least once annually, with the Group's external and internal auditors, in each case without the presence of management, in order to have free and unfiltered access to information that it may require, to discuss the results of their examinations and the evaluation of the Group's system of risk management and internal controls, and to discuss any problems and concerns which they may have.</p>



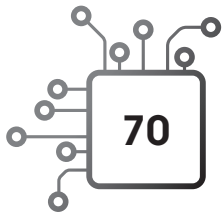
# CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
Principle		
11.	The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.	
Provision	Disclosure	
11.1	<p>The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.</p>	<p>The Board is accountable to shareholders and ensures that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory and regulatory requirements. The Board provides shareholders with periodic financial reports within the legally-prescribed periods and under the Listing Rules. In presenting financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Group's performance, position, prospects and industry conditions. The responsibility to provide a balanced and understandable assessment extends to interim and other price-sensitive public reports and reports to regulators (if required).</p> <p>Financial and other price-sensitive public information are primarily disseminated to shareholders on a timely basis through announcements via SGXNET and may also be disseminated through press releases, the Company's website, media and analyst briefings. The Company's annual report is accessible on the SGXNET and on the Company's website.</p> <p>In order to provide ample notice to shareholders, the notice of general meeting is despatched to all shareholders before the scheduled date of the general meeting. The notice of general meeting is also advertised in the newspaper and made available via SGXNET and on the Company's website. The notice period for all general meetings complies with the requirements under the Companies Act and the Listing Rules.</p> <p>The AGM is the principal forum for dialogue with shareholders. The Board welcomes questions and comments relating to the Group's business and performance from shareholders at AGMs. Shareholders are given an opportunity to air their views and direct questions to the Board and management on matters affecting the Group. The Chairman facilitates constructive dialogue between shareholders and the Board, management, external auditors and other relevant professionals and from time to time, directs other Directors to answer queries on matters related to their roles.</p>



# CORPORATE GOVERNANCE REPORT

		<p>Shareholders will be informed of the rules, including voting procedures that govern general meetings of shareholders. The Constitution allows a shareholder to appoint a proxy to attend and vote in his place at general meetings. Nominee companies and relevant intermediaries, as defined in Section 181 of the Companies Act, may appoint more than 2 proxies to speak, attend and vote at general meetings.</p> <p>According to the Constitution, all resolutions at general meetings shall be voted by poll. With poll voting, shareholders present in person or represented by proxy at general meetings will be entitled to vote on a 'one-share, one-vote' basis. The detailed procedures for poll voting will be explained at the general meetings. Detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET and made available on the Company's website after the conclusion of the general meetings. The Company relies on the advice of the independent scrutineers to determine the need for electronic voting, taking into consideration the logistics involved, costs, and number of shareholders, amongst other factors.</p>
11.2	<p>The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.</p>	<p>The Company practises having separate resolutions at general meetings for each substantially separate issue. "Bundling" of resolutions will be done only where resolutions are interdependent and linked so as to form one significant proposal.</p> <p>Pursuant to Rule 720(6) of the Listing Rules, additional information on the Directors seeking election/re-election has been set out in the section titled "Additional Information on Directors Seeking Election/Re-Election" which is appended to the Notice of AGM. Please also refer to the section entitled "Board of Directors" of the annual report above and the explanatory notes to the Notice of AGM, which set out detailed information about these Directors, including the board and committee positions they are expected to hold upon election and their current directorships in other listed companies and other principal commitments held.</p>



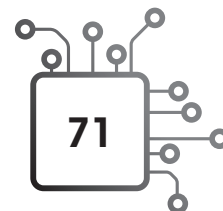
# CORPORATE GOVERNANCE REPORT

11.3	<p>All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.</p>	<p>The Company requires all Directors (including the respective chairman of each of the Board committees) to be present at all general meetings of shareholders to address shareholders' queries at these meetings, except where there are exigencies. The external auditors are also required to be present to address shareholders' queries about the conduct of the audit and the preparation and content of the independent auditor's report.</p> <p>Details of Directors' attendance at all general meetings of shareholders held for the financial year under review are summarised in the table below:</p> <table border="1" data-bbox="699 864 1433 1249"> <thead> <tr> <th>Meetings of Shareholders</th> <th>Extraordinary General Meetings</th> <th>Annual General Meetings</th> </tr> </thead> <tbody> <tr> <td>Total held in FY2024</td> <td>0</td> <td>1</td> </tr> <tr> <td>Lim Eng Hong</td> <td>0</td> <td>1</td> </tr> <tr> <td>Lim Tai Meng Alvin</td> <td>0</td> <td>1</td> </tr> <tr> <td>Michael Grenville Gray</td> <td>0</td> <td>1</td> </tr> <tr> <td>Chan Yu Meng</td> <td>0</td> <td>1</td> </tr> <tr> <td>Tan Ka Huat<sup>10</sup></td> <td>0</td> <td>1</td> </tr> <tr> <td>Goh Chung Meng<sup>11</sup></td> <td>0</td> <td>1</td> </tr> </tbody> </table>	Meetings of Shareholders	Extraordinary General Meetings	Annual General Meetings	Total held in FY2024	0	1	Lim Eng Hong	0	1	Lim Tai Meng Alvin	0	1	Michael Grenville Gray	0	1	Chan Yu Meng	0	1	Tan Ka Huat <sup>10</sup>	0	1	Goh Chung Meng <sup>11</sup>	0	1
Meetings of Shareholders	Extraordinary General Meetings	Annual General Meetings																								
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Goh Chung Meng <sup>11</sup>	0	1																								
11.4	<p>The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.</p>	<p>The Company's Constitution provides that the Board may, in its sole discretion approve and implement, and subject to such security measures as may be deemed necessary or expedient, such voting methods to allow shareholders who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.</p> <p>Nevertheless, voting in absentia and by mail, electronic mail or facsimile is not presently available, which constitutes a variation from Provision 11.4 of the Code. The Board is looking into resolving the issues on security and integrity satisfactorily before implementing such absentia-voting methods. The Company is of the view that the intent of Principle 11 was met, as the existing arrangement whereby shareholders have the opportunity to vote by proxy is adequate in enabling shareholders to exercise their rights and have the opportunity to vote. Moreover, to allow voting in absentia by mail, facsimile or email would require careful consideration of various factors, including the integrity of information and authentication of the identity of shareholders.</p>																								

<sup>10</sup> Mr Tan Ka Huat was appointed as a Non-Executive Independent Director of the Company at the AGM held on 30 October 2023.

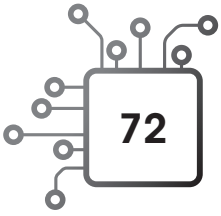
<sup>11</sup> Mr Goh Chung Meng retired as Non-Executive Independent Director of the Company at the conclusion of the AGM held on 30 October 2023.





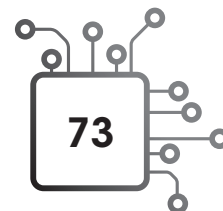
# CORPORATE GOVERNANCE REPORT

11.5	<p>The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.</p>	<p>The Company will publish minutes of general meetings within one month after the general meeting on SGXNET and its corporate website.</p> <p>The minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board or management.</p>
11.6	<p>The company has a dividend policy and communicates it to shareholders.</p>	<p>Avi-Tech Electronics Limited (now known as Avi-Tech Electronics Pte. Ltd.) had announced to shareholders on 8 February 2017 the current policy on payment of dividends, which will see the Company distributing in respect of any one financial year, a total annual dividend amount of not less than 30% of the Company's consolidated net profits after tax and non-controlling interest and excluding non-recurring, one-off and exceptional items for that financial year, on condition of a regular operating environment and taking into account the Company's earnings, financial position, capital expenditure requirements, cash flow, future expansion, investment plans, and other factors which the Board may deem appropriate.</p> <p>Dividends declared are subject to shareholders' approval (where applicable), applicable laws and the Constitution.</p> <p>The Board will continually review the dividend policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time, and the dividend policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividends and/or in no way obligates the Company to declare a dividend at any time or from time to time.</p> <p>The dividend policy is not indicative in any way of, and should not be construed in any manner as, a forecast statement or projection made by the Company or the Board on the future financial results and performance of the Company. In particular, no inference should or can be made from any of the foregoing statements as to the actual future profitability of the Company or the ability of the Company to pay dividends in any of the periods discussed.</p> <p>In the past where dividends are not paid, the reasons why dividends were not paid are communicated to shareholders in the relevant annual report and in results announcements.</p>



# CORPORATE GOVERNANCE REPORT

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	Disclosure	
12.1	The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.	<p>All shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights. The Board is aware of its obligations to shareholders in providing information on changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares. In line with the continuing disclosure obligations of the Company pursuant to the Listing Rules and the Companies Act, the Board's policy is that all shareholders should be equally and sufficiently informed in a comprehensive manner and on a timely basis of all material developments that impact the Group, and in particular, changes in the Group or its business which would be likely to materially affect the price or value of the Company's shares.</p> <p>All announcements including the periodic financial results announcements as required under the Listing Rules, distribution of notices, press releases, presentations and announcements on major developments, as well as the Company's annual report, are communicated to shareholders through public announcements via SGXNET and the Company's website, news releases (where appropriate) and circulars that are sent to all shareholders, and notices of general meeting which are advertised. The Board approves the results announcements after review and authorises their release to the shareholders via SGXNET.</p> <p>The Company does not practise selective disclosure of material information. Material information is excluded from briefings with investors or analysts, unless it has been publicly released via SGXNET before, or concurrently with, such meetings. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.</p> <p>The Company has also devised investor relations policies to provide regular, effective and fair communication and convey pertinent information to shareholders. This is achieved by providing shareholders, through the Company's website, avenues to request for information via subscribing for email updates and providing shareholders with an investor relations contact, including email address and telephone/fax numbers, for shareholders to contact the Company. The investor relations contact person can be reached at <a href="mailto:ir@avi-tech.com.sg">ir@avi-tech.com.sg</a>, by telephone at +65 6482 6168, or by fax at +65 6482 6123.</p>

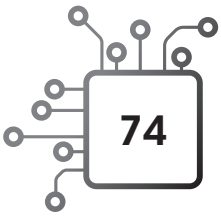


# CORPORATE GOVERNANCE REPORT

12.2	The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.	The Company does not currently have a written investor relations policy, which constitutes a variation from Provision 12.2 of the Code. The Company is of the view that the intent of Principle 12 is met, as there is a section on "Investor Relations" on the Company's website. From this section, the Company's latest annual reports, financial results, corporate announcements and stock information can be accessed. Shareholders and investors may also communicate with the Company and, as the case may be, submit any request for information, notices of interests or questions, via the Company's investor relations email address at <a href="mailto:ir@avi-tech.com.sg">ir@avi-tech.com.sg</a> , through which shareholders may contact the Company with questions and through which the Company may respond to such questions. Moreover, the Board endeavours to establish and maintain regular dialogue with shareholders (including institutional and retail investors), to solicit and understand their views or gather inputs, and address shareholders' concerns. When circumstances permit and where appropriate, the Company undertakes regular analyst briefings to provide market updates on the Group's business and plans.
12.3	The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.	Please refer to our disclosure in respect of Provisions 12.1 and 12.2 above.

## MANAGING STAKEHOLDERS RELATIONSHIPS: ENGAGEMENT WITH STAKEHOLDERS

<b>Principle</b>		
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.	
<b>Provision</b>		<b>Disclosure</b>
13.1	The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.	<p>Stakeholder engagement forms an integral part of the Company's sustainability approach. The Company's stakeholders have an interest in the Company's business and influences the Company's operations, products and services, business approach and strategies. The Company's stakeholders have been identified as its customers, business partners and suppliers, shareholders, employees, government/regulatory agencies and the community.</p> <p>The Company proactively engages with its stakeholders on a regular, continuing basis through various channels and means to gain insights to their expectations and concerns and use these learnings to make informed management decisions in shaping the Company's business policies and strategies, so as to create sustainable business growth and value for all stakeholders.</p>

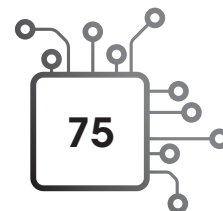


# CORPORATE GOVERNANCE REPORT

13.2	The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	<p>How the Company engages with its diverse stakeholders, manages their expectations and concerns, and how the Company responds to them are detailed in the Company's sustainability report. The Company has published its latest annual sustainability report (the "<b>Sustainability Report</b>") on the Company's website as well as on SGXNET within the timelines set out in Rule 711A and Practice Note 7.6, paragraph 6.1 of the Listing Rules.</p> <p>As a brief summary, in defining the Company's sustainability reporting content, the Company makes reference to the Global Reporting Initiative (GRI) standards by considering the Group's activities, impact and substantive expectations and interests of its stakeholders. The Sustainability Report is prepared with reference to the primary components set out in Rule 711B of the Listing Rules on a "<b>comply or explain</b>" basis, in accordance with Practice Note 7.6 of the Listing Rules. Corresponding to GRI's emphasis on materiality, the Sustainability Report will highlight, <i>inter alia</i>, the key economic, environmental, social and governance related initiatives carried out throughout the financial year under review. Further details on the Company's sustainability practices will be contained in the Sustainability Report.</p> <p>A copy of the Sustainability Report is available for download at <a href="http://www.avi-tech.com.sg">www.avi-tech.com.sg</a> and feedback from all stakeholders are welcomed. All questions, comments, suggestions or feedback can be sent to the Company at <a href="mailto:ir@avi-tech.com.sg">ir@avi-tech.com.sg</a>.</p>
13.3	The company maintains a current corporate website to communicate and engage with stakeholders.	Please refer to our disclosure in respect of Provisions 12.1 and 13.2 above.

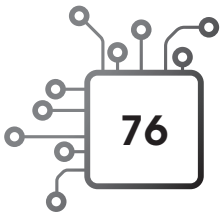
## GENERAL

14.	Securities Transactions	In line with the requirements under Rule 1207(19) of the Listing Rules, the Group has issued policies on share dealings by Directors and key officers of the Company, setting out the implications of insider trading and recommendations of best practices. Directors and all Executive Officers are advised not to deal in the Company's shares on short-term considerations or when they are in possession of material unpublished price-sensitive information. The Company also prohibits its officers from dealing in the Company's shares, during the periods commencing one month before the announcement of the Group's half-year and full-year results and, ending on the date of the announcement of such results or when they are in possession of unpublished price-sensitive information on the Group.
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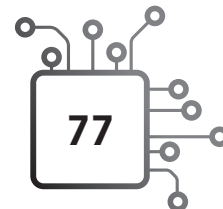
# CORPORATE GOVERNANCE REPORT

15.	Interested Person Transactions	<p>The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARC. According to the ARC's terms of reference, the ARC shall, <i>inter alia</i>, review all interested person transactions and related party transactions to ensure that they are on normal commercial terms, and that they do not prejudice the interests of the Company or its minority shareholders, and determine methods or procedures for checking that the transaction prices are adequate for transactions to be carried out on normal commercial terms and that they will not prejudice the Company or its minority shareholders.</p> <p>The Board confirms that there is no material interested person transaction entered into during the financial year under review which fall under Rule 907 of the Listing Rules. The Company has no shareholder mandate pursuant to Rule 920 of the Listing Rules.</p>
16.	Material Contracts	<p>There are no material contracts (including loans) of the Group involving the interests of the CEO, any Director or controlling shareholder which are either still subsisting at the end of the financial year under review or if not then subsisting, entered into since the end of the previous financial year, that is required to be disclosed under Rule 1207(8) of the Listing Rules.</p>
17.	Corporate Social Responsibility	<p>The Group is committed to enhancing the well-being of the community and maintaining a sustainable environment in the location that it operates. The Group does not have a fixed corporate social responsibility policy. However, as a responsible corporate citizen, the Group aims to leave its footprint in a positive way on the environment and the community.</p> <p>The Group is committed to being a responsible corporate citizen and contributing to community development. The Group has been supporting charities and not-for-profit organisations such as Bright Vision Community Hospital, a community hospital offering intermediate and long-term holistic care, since 2015. Employee volunteers, including Management, took part in the outreach programme which included organising games, arts and crafts events and Patient Birthday Celebrations to celebrate some of the patients' birthdays.</p> <p>Over the years, the Group has also raised funds for disaster relief such as for the Typhoon Haiyan disaster in the Philippines.</p>



# CORPORATE GOVERNANCE REPORT

18.	Status Report on use of IPO Proceeds	<p>The Group successfully raised approximately S\$29.0 million from its initial public offering (“<b>IPO</b>”) on 25 July 2007. As at the end of the financial year under review, the total net proceeds of approximately S\$26.7 million (after deducting the IPO expenses of approximately S\$2.3 million, as disclosed on page 33 of Avi-Tech Electronics Limited’s (now known as Avi-Tech Electronics Pte. Ltd.) prospectus dated 11 July 2007) from the IPO were used for the following purposes:</p> <p><b>\$ million</b></p> <table data-bbox="686 784 1445 1075"> <tr> <td>Expansion of our customer base and widen our portfolio of services</td> <td style="text-align: right;">6.0</td> </tr> <tr> <td>Potential mergers and acquisitions</td> <td style="text-align: right;">3.3</td> </tr> <tr> <td>Expansion of our overseas operations</td> <td style="text-align: right;">3.0</td> </tr> <tr> <td>Working capital</td> <td style="text-align: right;"><u>9.7</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>22.0</u></td> </tr> </table> <p>The IPO proceeds used for working capital purposes have been applied to the following uses:</p> <ul data-bbox="686 1187 1445 1344" style="list-style-type: none"> <li>• Purchase of plant and equipment;</li> <li>• Purchase and replenishment of inventories;</li> <li>• Payments to suppliers and service providers;</li> <li>• Loan repayments; and</li> <li>• Payments for other day-to-day operations.</li> </ul> <p>Management has confirmed that the above use of proceeds was in line with the Company’s planned utilisation of funds.</p>	Expansion of our customer base and widen our portfolio of services	6.0	Potential mergers and acquisitions	3.3	Expansion of our overseas operations	3.0	Working capital	<u>9.7</u>	Total	<u>22.0</u>
Expansion of our customer base and widen our portfolio of services	6.0											
Potential mergers and acquisitions	3.3											
Expansion of our overseas operations	3.0											
Working capital	<u>9.7</u>											
Total	<u>22.0</u>											



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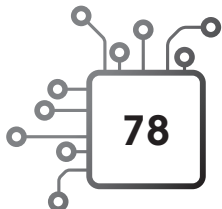
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# DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2024.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 85 to 121 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 30 June 2024, and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended and 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.

## 1 DIRECTORS

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

Lim Eng Hong  
Michael Grenville Gray  
Lim Tai Meng Alvin  
Chan Yu Meng  
Tan Ka Huat

(Appointed on 30 October 2023)

## 2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES OR DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

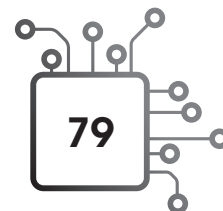
## 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967 except as follows:

Names of directors and company in which interests are held	Shareholdings registered in the names of directors			Shareholdings in which directors are deemed to have an interest		
	At beginning of the year or date of appointment, if later	At end of the year	At 21 July 2024	At beginning of the year or date of appointment, if later	At end of the year	At 21 July 2024
<u>The Company</u> (Ordinary shares)						
Lim Eng Hong	48,977,875	49,477,875	49,477,875	13,135,000	13,135,000	13,135,000
Michael Grenville Gray	870,000	870,000	870,000	-	-	-
Lim Tai Meng Alvin	105,000	120,000	120,000	-	-	-

By virtue of Section 7 of the Companies Act 1967, Mr Lim Eng Hong is deemed to have an interest in all the ordinary shares of the subsidiaries of the Company.





# DIRECTORS' STATEMENT

## 4 SHARE OPTIONS

(a) *Options to take up unissued shares*

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

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under options*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

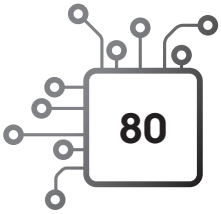
(d) *Avi-Tech Restricted Share Plan 2021 ("RSP 2021")*

With respect to the matters set out in Rule 852 of the Listing Rules and Rule 14 of the rules of the RSP 2021, the Company wishes to disclose that: (i) the Board will nominate the members of the committee which will administer the RSP 2021; and (ii) the Company has not granted any awards under the RSP 2021, and no shares have been issued or transferred in connection with the RSP 2021.

## 5 AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (the "Committee"), consisting of all non-executive and independent directors, is chaired by Mr Michael Grenville Gray and includes Mr Chan Yu Meng, Mr Goh Chung Meng (up to 30 October 2023) and Mr Tan Ka Huat (from 30 October 2023, as the replacement for Mr Goh Chung Meng). The Committee has met 4 times and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- (a) the external auditor's audit plans;
- (b) the audit plan and results of the internal auditor's examination and evaluation of the Group's systems of internal accounting controls;
- (c) the Group's financial and operating results and accounting policies;
- (d) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company before their submission to the directors of the Company and external auditor's report on those financial statements;
- (e) the quarterly, half-yearly and annual as well as the related press releases on the results and financial position of the Group;
- (f) the interested person transactions as specified under Chapter 9 of the SGX-ST Listing Manual;
- (g) the cooperation and assistance given by the management to the Group's external auditors;
- (h) the re-appointment of the external auditors of the Group; and
- (i) the independence of the external auditors.



# ***DIRECTORS' STATEMENT***

## **5 AUDIT AND RISK COMMITTEE (CONTINUED)**

The Committee has full access to and has the cooperation 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 and internal auditors have unrestricted access to the Committee.

The Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting ("AGM") of the Company.

## **6 AUDITORS**

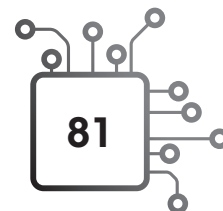
The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

.....  
Lim Eng Hong

.....  
Michael Grenville Gray

30 September 2024



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AVI-TECH HOLDINGS LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Avi-Tech Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 85 to 121.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

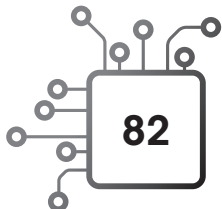
#### Allowance for slow-moving and obsolete inventories

[Refer to Note 11 to the financial statements]

#### Background:

As at 30 June 2024, the Group's inventories of \$3,680,000 accounted for approximately 8.2% of total current assets of the Group. Allowance for inventory obsolescence as at 30 June 2024 amounted to \$621,000.

Management's assessment of allowance for slow-moving and obsolete inventories involves significant estimation with consideration in relation to possible future use of the aged inventory items as well as the demand for on-going production and the ability to sell the products at prices above costs.



# **INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF AVI-TECH HOLDINGS LIMITED

## **Allowance for slow-moving and obsolete inventories (Continued)**

### ***Our response:***

We have performed procedures to evaluate the design of the relevant controls for assessment of allowance for slow-moving and obsolete inventories and determine whether those relevant controls have been implemented.

We have obtained an understanding of the profile of inventories, management's controls over inventory levels, purchasing policy and expected usage for ongoing production.

We have evaluated management's assumptions used in the assessment of inventory allowance, checked the calculations supporting the allowance and tested the ageing reports used as a basis to assess the allowance.

We have assessed the reasonableness of management's estimation of future utilisation and saleability of the inventories in the current economic conditions, taking into consideration the nature of the inventories and the industry in which the entity operates, in determining the recoverability of the inventory balances.

We made enquiries with warehouse personnel during the physical inventory count regarding the presence of damaged inventories. On a sample basis, we tested the valuation of inventories by comparison with latest purchase and selling prices.

## **Information Other than the Financial Statements and Auditor's Report Thereon**

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

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

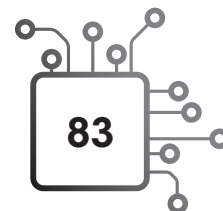
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially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

## **Responsibilities of Management and Directors for the Financial Statements**

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

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

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



# **INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF AVI-TECH HOLDINGS LIMITED

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

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

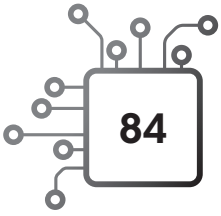
As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



# ***INDEPENDENT AUDITOR'S REPORT***

TO THE MEMBERS OF AVI-TECH HOLDINGS LIMITED

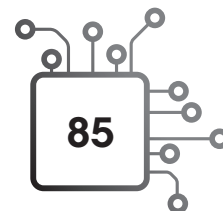
## **Report on Other Legal and Regulatory Requirements**

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

The engagement partner on the audit resulting in this independent auditor's report is Tan Puay Boon.

**Deloitte & Touche LLP**  
Public Accountants and  
Chartered Accountants  
Singapore

30 September 2024

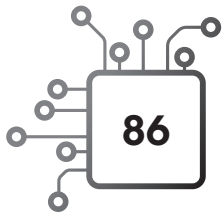


# STATEMENTS OF FINANCIAL POSITION

30 JUNE 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	6	3,948	6,346	517	126
Fixed deposits	7	33,030	26,400	14,430	17,300
Trade receivables	9	3,671	7,443	-	-
Other receivables and prepayments	10	821	1,126	206	407
Inventories	11	3,680	5,153	-	-
Other financial assets at amortised cost	12	-	-	-	-
<b>Total current assets</b>		<b>45,150</b>	<b>46,468</b>	<b>15,153</b>	<b>17,833</b>
<b>Non-current assets</b>					
Other financial assets at amortised cost	12	500	-	-	-
Subsidiaries	13	-	-	51,464	51,464
Associate	14	-	171	-	-
Property, plant and equipment	15	11,430	11,966	-	-
Right-of-use asset	16	538	786	-	-
<b>Total non-current assets</b>		<b>12,468</b>	<b>12,923</b>	<b>51,464</b>	<b>51,464</b>
<b>Total assets</b>		<b>57,618</b>	<b>59,391</b>	<b>66,617</b>	<b>69,297</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade payables	17	1,787	3,296	100	91
Other payables	18	1,534	1,779	1,875	1,906
Lease liabilities	19	308	254	-	-
Income tax payable		518	499	60	4
<b>Total current liabilities</b>		<b>4,147</b>	<b>5,828</b>	<b>2,035</b>	<b>2,001</b>
<b>Non-current liabilities</b>					
Other payables	18	184	-	-	-
Lease liabilities	19	487	567	-	-
Deferred tax liabilities	20	1,279	1,296	-	-
<b>Total non-current liabilities</b>		<b>1,950</b>	<b>1,863</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves</b>					
Share capital	21	30,759	30,759	30,759	30,759
Reserves		20,762	20,941	33,823	36,537
<b>Total equity</b>		<b>51,521</b>	<b>51,700</b>	<b>64,582</b>	<b>67,296</b>
<b>Total liabilities and equity</b>		<b>57,618</b>	<b>59,391</b>	<b>66,617</b>	<b>69,297</b>

See accompanying notes to financial statements.



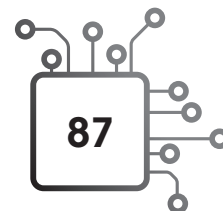
# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2024

		Group	
	Note	2024 \$'000	2023 \$'000
<b>Revenue</b>	23	25,075	34,896
Cost of sales		(18,549)	(26,896)
<b>Gross profit</b>		6,526	8,000
Other operating income	24	2,060	1,347
Distribution costs		(138)	(151)
Administrative expenses		(5,046)	(5,077)
Share of loss of associate	14	-	(29)
Finance costs	25	(18)	(20)
<b>Profit before income tax</b>		3,384	4,070
Income tax expense	26	(570)	(811)
<b>Profit for the year</b>	27	2,814	3,259
<b>Other comprehensive loss:</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operation		-	(3)
Other comprehensive loss for the year, net of tax		-	(3)
<b>Total comprehensive income for the year</b>		2,814	3,256
<b>Earnings per share</b>	28		
Basic (cents)		1.65	1.90
Diluted (cents)		1.65	1.90

See accompanying notes to financial statements.



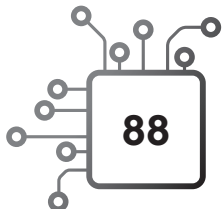


# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2024

	Share capital \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
<b>Group</b>					
Balance at 1 July 2022	30,759	-	20,678	20,678	51,437
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	3,259	3,259	3,259
Other comprehensive loss for the year	-	(3)	-	(3)	(3)
Total	-	(3)	3,259	3,256	3,256
<b>Transactions with owners, recognised directly in equity</b>					
Dividends (Note 29)	-	-	(2,993)	(2,993)	(2,993)
Balance at 30 June 2023	30,759	(3)	20,944	20,941	51,700
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	2,814	2,814	2,814
<b>Transactions with owners, recognised directly in equity</b>					
Dividends (Note 29)	-	-	(2,993)	(2,993)	(2,993)
Balance at 30 June 2024	<u>30,759</u>	<u>(3)</u>	<u>20,765</u>	<u>20,762</u>	<u>51,521</u>

See accompanying notes to financial statements.

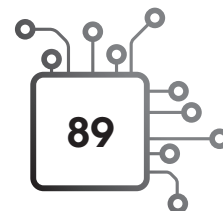


# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2024

	<u>Share capital \$'000</u>	<u>Capital reserve \$'000</u>	<u>Retained earnings \$'000</u>	<u>Total reserves \$'000</u>	<u>Total \$'000</u>
<b>Company</b>		(Note 22)			
Balance at 1 July 2022	30,759	20,705	18,591	39,296	70,055
<b>Profit for the year, representing total comprehensive income for the year</b>	-	-	234	234	234
<b>Transactions with owners, recognised directly in equity</b>					
Dividends (Note 29)	-	-	(2,993)	(2,993)	(2,993)
Balance at 30 June 2023	30,759	20,705	15,832	36,537	67,296
<b>Profit for the year, representing total comprehensive income for the year</b>	-	-	279	279	279
<b>Transactions with owners, recognised directly in equity</b>					
Dividends (Note 29)	-	-	(2,993)	(2,993)	(2,993)
Balance at 30 June 2024	<u>30,759</u>	<u>20,705</u>	<u>13,118</u>	<u>33,823</u>	<u>64,582</u>

See accompanying notes to financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2024

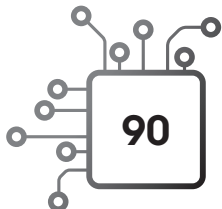
	Group	
	2024 \$'000	2023 \$'000
<b>Operating activities</b>		
Profit before income tax	3,384	4,070
Adjustments for:		
Share of loss of associate	-	29
Depreciation of property, plant and equipment	1,170	1,085
Depreciation of right-of-use asset	248	247
Impairment loss on associate	171	-
Gain on disposal of property, plant and equipment	(145)	(3)
Allowance for inventories obsolescence	115	224
Interest expense	18	20
Interest income	(1,198)	(775)
Operating cash flows before movements in working capital	3,763	4,897
Trade receivables	3,772	606
Other receivables and prepayments	212	117
Inventories	1,358	(1,598)
Trade payables	(1,509)	386
Other payables	(61)	151
Cash generated from operations	7,535	4,559
Income tax paid	(568)	(755)
Interest paid	(18)	(20)
Interest received	1,291	261
Net cash from operating activities	8,240	4,045
<b>Investing activities</b>		
Additions to property, plant and equipment (Note A)	(243)	(1,177)
Proceeds from disposal of property, plant and equipment	-	3
Purchase of held-to-maturity financial assets	(500)	-
Placement of fixed deposits	(4,030)	(8,900)
Net cash used in investing activities	(4,773)	(10,074)
<b>Financing activities</b>		
Dividends paid	(2,993)	(2,993)
Repayment of lease liabilities	(272)	(247)
Net cash used in financing activities	(3,265)	(3,240)
Net increase (decrease) in cash and cash equivalents	202	(9,269)
Cash and cash equivalents at beginning of the year	7,846	17,118
Effects of exchange rate changes on the balance of cash held	-	(3)
<b>Cash and cash equivalents at end of the year (Note 8)</b>	<b>8,048</b>	<b>7,846</b>

**Note A**

During the year, the Group acquired property, plant, and equipment with an aggregate cost of \$634,000, of which \$246,000 was settled through a hire purchase arrangement and \$145,000 through a trade-in.

During the preceding year ended 30 June 2023, the Group acquired property, plant, and equipment with an aggregate cost of \$2,219,000, of which \$1,042,000 was paid in advance in prior year.

See accompanying notes to financial statements.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 1 GENERAL

The Company (Registration No. 202002889W) is incorporated in Singapore with its principal place of business and registered office at 19A Serangoon North Avenue 5, Singapore 554859. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars, which is the functional currency of the Company and presentation currency for the consolidated financial statements.

The principal activity of the Company is that of investment holding.

The principal activities of its subsidiaries are set out in Note 13.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2024 were authorised for issue by the Board of Directors on 30 September 2024.

### 1.1 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

### 1.2 ADOPTION OF NEW AND REVISED STANDARDS

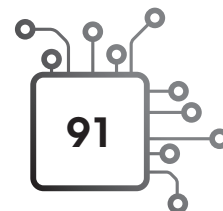
On 1 July 2023, the Group and the Company have applied all the new and revised SFRS(I) Accounting Standards that are mandatorily effective and are relevant to its operations. Their adoption has not had any material effect on the disclosures or on the amounts reported in these financial statements except as below.

#### **Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies***

The Group and the Company have adopted the amendments to SFRS(I) 1-1 for the first time in the current year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in SFRS(I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Group has identified material accounting policies for disclosures in Note 2. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 1 GENERAL (CONTINUED)

### **Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The Group has adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The amendments narrow the scope of the initial recognition exemption, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences (e.g. leases and decommissioning obligations). Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

The Group had previously recognised deferred tax for leases on an aggregate temporary difference basis. Following the amendments, the Group is required to recognise separately deferred tax asset and deferred tax liability for the deductible and taxable temporary differences in relation to its lease liabilities and right-of-use assets respectively, which are now disclosed in Note 20. There was no impact to the opening retained earnings as at 1 July 2022 as a result of the change, and there was also no impact on the statement of financial position as the resulting deferred tax consequences qualify for offsetting under SFRS(I) 1-12.

- 1.3 STANDARDS ISSUED BUT NOT EFFECTIVE – Management anticipates that the adoption of the new and revised SFRS(I) pronouncements that were issued but not effective at the date of authorisation of these financial statements will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

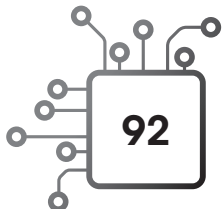
## 2 MATERIAL ACCOUNTING POLICY INFORMATION

**FAIR VALUE MEASUREMENT** – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**SUBSIDIARIES** – Subsidiaries are entities controlled by the Group. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. Details of the Group’s subsidiaries are disclosed in Note 13.

### Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the those of the Group. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Changes in the Group’s interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

### Company’s separate financial statements

In the Company’s separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses.

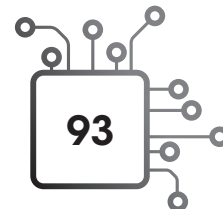
**ASSOCIATES** – An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Details of the Group’s associate are disclosed in Note 14.

### Equity method of accounting

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Investment in each associate is initially recognised at cost, and are subsequently accounted for by including the Group’s share of its profit or loss and other comprehensive income or loss in the carrying amount of the investment until the date on which significant influence or joint control ceases. Dividends received reduce the carrying amount of the investment. When the Group’s share of losses of an associate exceeds the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognising its share of further losses.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group. When necessary, adjustments are made to align the associate’s accounting policies with the those of the Group.

The requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**FINANCIAL INSTRUMENTS** – Financial assets and financial liabilities are recognised in the statements of financial position when the Group and the Company become a party to the contractual provisions of the instruments.

### Financial assets

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis.

Financial assets are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of financial assets (other than those at fair value through profit or loss).

#### Classification and measurement of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

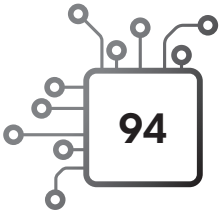
The Group's financial assets comprising cash and bank balances, fixed deposits, trade receivables, other receivables and other financial assets are measured subsequently at amortised cost as these financial assets are held within a business model whose objective is to collect the contractual cash flows, and have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ('ECL') on trade receivables and other receivables, and other debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The ECL incorporates forward-looking information and is a probability-weighted estimate of the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. Details about the Group's credit risk management are disclosed in Note 4(b)(i).

#### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when 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 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 received.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial liabilities and equity

#### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### Financial liabilities at amortised cost

Financial liabilities at amortised cost include trade and other payables. These are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, and are subsequently measured at amortised cost using the effective interest method.

#### Derecognition of financial liabilities

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

**INVENTORIES** – Inventories are stated at the lower of cost (weighted-average method) and net realisable value. Cost comprises 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. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**PROPERTY, PLANT AND EQUIPMENT** – Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

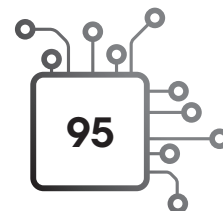
Depreciation is calculated using the straight-line method to allocate the cost of assets over their estimated useful lives as follows:

Building and leasehold improvements	–	60 years
Plant and equipment	–	3 to 10 years
Computer software	–	3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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





# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated based on the higher of fair value less costs of disposal and value in use, to determine the extent of the impairment loss (if any).

Where an asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increase does not exceed the carrying amount that would have been determined had no impairment loss been recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

### LEASES

#### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. A right-of-use asset and a corresponding lease liability are recognised with respect to all lease arrangements, except for short-term leases (those with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

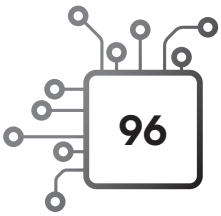
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives; and
- variable lease payments that depend on an index or rate, measured initially using the index or rate at the commencement date.

A right-of-use asset is initially measured at cost comprising the initial lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs and any restoration costs. The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the lease terms commencing from the date of the lease, and are tested for impairment in accordance with the policy similar to that adopted for property, plant and equipment.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Lease liability is remeasured by discounting the revised lease payments using a revised discount rate when there is a change in the lease term or using the initial discount rate when there is a change in the lease payments due to changes in an index or rate. A corresponding adjustment is made to the related right-of-use asset.

### The Group as lessor

The Group enters into lease agreements as a lessor with respect to its property and the leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, 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 (when the effect of the time value of money is material).

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.

**REVENUE RECOGNITION** – Revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties. The Group recognises revenue from the following major sources when it transfers control of a product or service to a customer. The Group has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods or services before transferring them to the customer.

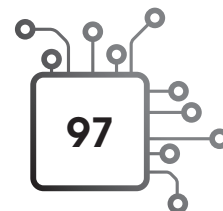
### Burn-In and Related Services

The Group provides Static Burn-In, Dynamic Burn-In, Test During Burn-In and High Power Burn-In for semiconductor manufacturers. The Group serves the segment of the industry that requires fail-safe or high reliability semiconductor devices, including automotive and microprocessor products. Revenue is recognised at the point in time upon completion of services.

### Burn-In Boards and Boards Related Products

The Group is involved in the designing and manufacturing of a wide range of Burn-In boards for the various types of Burn-In systems as well as boards for other types of reliability tests such as High Temperature Operating Life Test and Highly Accelerated Stress Test.

Revenue is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the Boards to the customer's specific location or upon acceptance by the customer.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Engineering Services and Equipment Distribution

The Group provides services ranging from design, development and full turnkey outsourced manufacturing and system integration of semiconductor equipment to lab automation systems for the life sciences and biotech industries.

Revenue is recognised at the point in time when control of the assembled equipment/system is transferred to the customer, generally on delivery of the equipment/system to the customer's specific location.

### Interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, and is calculated by applying the effective interest rate to the gross carrying amount of the debt instruments.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

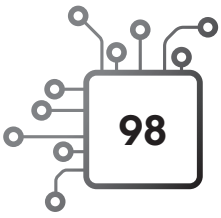
**GOVERNMENT GRANTS** – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

**DEFINED CONTRIBUTION PLANS** – Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for 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.

**EMPLOYEE LEAVE ENTITLEMENT** – Other employment benefits include employee entitlements to annual leave which are recognised 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 reporting period.

**INCOME TAX** – Income tax expense represents the sum of current and deferred tax which is recognised in profit or loss.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Current tax

Current tax payable represents the amount expected to be paid to taxation authorities on taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous periods. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects the uncertainty related to income taxes.

### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on 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. 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 (i) initial recognition of goodwill; or (ii) initial recognition of assets and liabilities in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit, and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences associated with such investments and interests only if it is probable that future taxable amounts will be available to utilise those temporary differences.

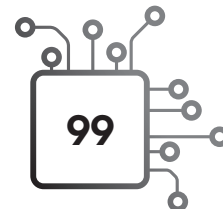
Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

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

### Offsetting

Current tax assets and liabilities are offset as there is a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset as there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION** – 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 statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the respective group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

**EARNINGS PER SHARE** – Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

### *Critical judgements in applying the Group's material accounting policies*

Management is of the view that no critical judgement was made in the process of applying the Group's material accounting policies that would have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations as below.

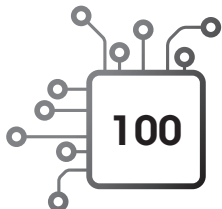
### *Key sources of estimation uncertainty*

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

#### Allowance for inventories

The Group reviews the carrying value of its inventories so that they are stated at the lower of cost and net realisable value. In assessing net realisable value, management identifies inventories where there has been a significant decline in price or cost, aged inventory items and inventory items that may not be realised as a result of certain events, and estimates the recoverable amount of such inventory based on values at which such inventory items are expected to be realised at the end of the reporting period. Management also reviews the possible future use of the aged inventory items as well as the demand for on-going production and the ability to sell the products at prices above costs, taking into consideration the general economic conditions and market demand.

The carrying amount of inventories of the Group at the end of the reporting period was \$3,680,000 (2023: \$5,153,000), net of allowance amounted to \$621,000 (2023: \$538,000). Allowance for inventories of \$115,000 (2023: \$224,000) was made during the year.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### Calculation of loss allowance for trade receivables

The Group uses provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information, where appropriate.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historically observed default rates, forecast economic conditions and ECLs is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The Group has observed payments from customers continue to be forthcoming and therefore, the Group expects the probability of default to remain low.

The carrying amount of trade receivables of the Group at the end of the reporting period is disclosed in Note 9.

### Impairment of property, plant and equipment

The Group assesses at the end of each reporting period whether property, plant and equipment have any indication of impairment. If there are indicators of impairment, the recoverable amount of property, plant and equipment will be determined based on higher of value in use calculations or the fair value less costs of disposal.

A considerable amount of judgement is required in determining the recoverable amount of the property, plant and equipment, which among other factors, the recent transaction prices for similar assets, the condition, utility, age, wear and tear and/or obsolescence of the property, plant and equipment.

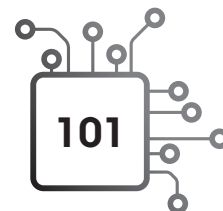
The carrying amount of property, plant and equipment of the Group at the end of the reporting period is disclosed in Note 15.

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

### (a) Categories of financial instruments

The following table sets out the financial instruments as at end of the reporting period:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Financial assets</b>				
Financial assets at amortised cost	41,846	40,840	15,139	17,831
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	2,680	5,075	1,975	1,997



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (b) Financial risk management policies and objectives

The Group's overall financial risk management strategy is to minimise potential adverse effects of financial performance of the Group. The board of directors reviews the overall financial risk management on specific areas, such as market risk (including foreign exchange risk, interest rate risk), credit risk, liquidity risk, use of derivative financial instruments and investing excess cash. These are reviewed quarterly by the board of directors. Risk management is carried out by the finance department under the oversight by the board of directors.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

#### (i) Credit risk management

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Group.

The Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties are represented by the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

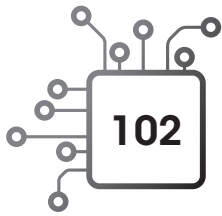
The Group is exposed to concentration of credit risk given that its revenue is generated mainly from five (2023: five) major customers, which accounted for 52% (2023: 54%) of the carrying amount of trade receivables. Management believes that the risk of default is mitigated by the good financial standings of these customers.

Before accepting any new customer, management assesses the potential customer's credit quality and defines credit limits by customer. Limits granted to customers are reviewed periodically. The Group's exposure to credit risks and the credit limits to counterparties are continuously monitored. The Group monitors collections due and follows up with debtors as part of the credit management process.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due and there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due and there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

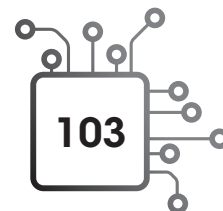
The table below details the credit quality of the Group's and Company's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>Group</b>						
<u>2024</u>						
Trade receivables	9	(i)	Lifetime ECL (simplified approach)	3,617	-	3,617
Other receivables	10	Performing	12-month ECL	751	-	751
Other financial assets at amortised cost	12	Performing	12-month ECL	500	-	500
Other financial assets at amortised cost	12	In default	Lifetime ECL - credit-impaired	500	(500)	-
				<u>5,368</u>	<u>(500)</u>	<u>4,868</u>
<u>2023</u>						
Trade receivables	9	(i)	Lifetime ECL (simplified approach)	7,039	-	7,039
Other receivables	10	Performing	12-month ECL	1,055	-	1,055
Other financial assets at amortised cost	12	In default	Lifetime ECL - credit-impaired	500	(500)	-
				<u>8,594</u>	<u>(500)</u>	<u>8,094</u>
<b>Company</b>						
<u>2024</u>						
Other receivables	10	Performing	12-month ECL	192	-	192
<u>2023</u>						
Other receivables	10	Performing	12-month ECL	405	-	405

(i) The Group determines the expected credit losses on trade receivables by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions, where relevant.

Cash and bank balances and fixed deposits are held with banks with high credit ratings assigned by international credit rating agencies and therefore the credit risk is limited and the amounts are subject to immaterial credit loss.





# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (ii) Interest rate risk management

Details of the interest-earning and interest-bearing financial assets and financial liabilities of the Group and the Company are disclosed in Notes 7 and 19 respectively. The Group does not use derivative financial instruments to mitigate this risk.

No sensitivity analysis is prepared as the Group and the Company do not expect any material effect on the profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

### (iii) Foreign exchange risk management

The Group is exposed to foreign exchange risk due to business transactions denominated in foreign currencies. Significant foreign currencies include United States dollar and Chinese renminbi.

The exposure to the foreign exchange risk is managed as far as possible by natural hedges of matching assets and liabilities.

The carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currency at the reporting date are as follows:

	Assets		Liabilities	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Group</b>				
United States dollar	3,503	7,189	1,425	2,248
Chinese renminbi	1,487	2,194	128	33

### *Foreign currency sensitivity*

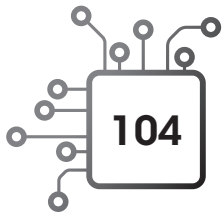
The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis below includes only significant outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the relevant foreign currencies strengthen by 5% against the functional currency of each group entity, the Group's profit before income tax will increase (decrease) by:

	Group	
	2024 \$'000	2023 \$'000
United States dollar	104	247
Chinese renminbi	68	108

If the relevant foreign currencies weaken by 5% against the functional currency of each group entity, there would be an equal and opposite impact on the Group's profit before income tax.

The Company does not have significant exposure to exchange rate fluctuations.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (iv) Liquidity risk management

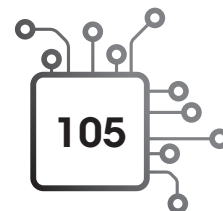
The Group has sufficient cash resources and maintains adequate lines of credit to finance its activities. Management has assessed liquidity risk to be low in view of the Group's strong working capital and cash reserve.

#### *Liquidity and interest risk analyses*

#### Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows.

	<b>Effective interest rate %</b>	<b>On demand or within 1 year \$'000</b>	<b>Within 2 to 5 years \$'000</b>	<b>Adjustment \$'000</b>	<b>Total \$'000</b>
<b>Group</b>					
<b>2024</b>					
Non-interest bearing	-	2,680	-	-	2,680
Lease liabilities (fixed interest rate)	2.10 - 2.78	323	516	(44)	795
<b>Total</b>		<b>3,003</b>	<b>516</b>	<b>(44)</b>	<b>3,475</b>
<b>2023</b>					
Non-interest bearing	-	5,075	-	-	5,075
Lease liabilities (fixed interest rate)	2.10	267	582	(28)	821
<b>Total</b>		<b>5,342</b>	<b>582</b>	<b>(28)</b>	<b>5,896</b>
<b>Company</b>					
<b>2024</b>					
Non-interest bearing	-	1,975	-	-	1,975
<b>2023</b>					
Non-interest bearing	-	1,997	-	-	1,997



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flows will occur in a different period.

	<u>Effective Interest rate %</u>	<u>On demand or within 1 year \$'000</u>	<u>Within 2 to 5 years \$'000</u>	<u>Adjustment \$'000</u>	<u>Total \$'000</u>
<b>Group</b>					
<b>2024</b>					
Non-interest bearing	-	8,316	-	-	8,316
Fixed interest rate instruments	3.23 – 4.50	33,631	528	(629)	33,530
Total		<u>41,947</u>	<u>528</u>	<u>(629)</u>	<u>41,846</u>
<b>2023</b>					
Non-interest bearing	-	14,440	-	-	14,440
Fixed interest rate instruments	2.60 – 4.50	26,869	-	(469)	26,400
Total		<u>41,309</u>	<u>-</u>	<u>(469)</u>	<u>40,840</u>
<b>Company</b>					
<b>2024</b>					
Non-interest bearing	-	709	-	-	709
Fixed interest rate instruments	3.50 – 4.05	14,702	-	(272)	14,430
Total		<u>15,411</u>	<u>-</u>	<u>(272)</u>	<u>15,139</u>
<b>2023</b>					
Non-interest bearing	-	531	-	-	531
Fixed interest rate instruments	2.60 – 4.45	17,605	-	(305)	17,300
Total		<u>18,136</u>	<u>-</u>	<u>(305)</u>	<u>17,831</u>

### (v) Fair value of financial assets and financial liabilities

Management considers the carrying amounts of financial assets and financial liabilities recorded at amortised cost to approximate their respective fair values due to the relatively short-term maturity of these financial assets and financial liabilities and the interest rates approximating market rates.

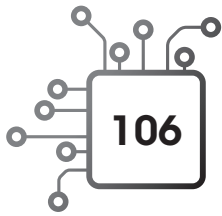
Fair value of non-current financial assets at amortised cost is disclosed in Note 12.

### (c) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (lease liabilities disclosed in Note 19 after deducting cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings).

The Group's overall strategy remains unchanged from prior year.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 5 RELATED PARTY TRANSACTIONS

Some of the transactions and arrangements of the Group are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. Unless otherwise stated, the balances are unsecured, interest-free and repayable on demand and are expected to be settled in cash.

### Compensation of directors and key management personnel

The remuneration of directors and key management during the year is as follows:

	Group	
	2024 \$'000	2023 \$'000
Short-term benefits	1,730	1,771
Post-employment benefits	99	98
	1,829	1,869

## 6 CASH AND BANK BALANCES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash at bank	3,946	6,344	517	126
Cash on hand	2	2	-	-
	3,948	6,346	517	126

## 7 FIXED DEPOSITS

### Group

The deposits bear effective interest in the range of 3.23% to 4.05% (2023: 2.60% to 4.50%) per annum with maturity period of 1 to 12 months (2023: 3 to 12 months).

Included in the fixed deposits are \$4,100,000 (2023: \$1,500,000) with maturity period of 3 months or less and can be withdrawn before maturity without significant risk of changes in value (Note 8).

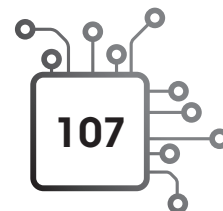
Included in the fixed deposits are \$28,930,000 (2023: \$24,900,000) with maturity period of more than 3 months.

### Company

The deposits bear effective interest in the range of 3.50% to 4.05% (2023: 2.60% to 4.45%) per annum with maturity period of 3 to 12 months (2023: 11 to 12 months).

Included in the fixed deposits are \$2,100,000 (2023: \$Nil) with maturity period of 3 months or less and can be withdrawn before maturity without significant risk of changes in value.

Included in the fixed deposits are \$12,330,000 (2023: \$17,300,000) with maturity period of more than 3 months.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 8 CASH AND CASH EQUIVALENTS IN THE CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	2024 \$'000	2023 \$'000
Cash and bank balances (Note 6)	3,948	6,346
Fixed deposits that are readily convertible to a known amount of cash (Note 7)	4,100	1,500
Cash and cash equivalents in the consolidated statement of cash flows at end of year	<u>8,048</u>	<u>7,846</u>

## 9 TRADE RECEIVABLES

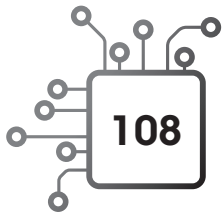
	Group	
	2024 \$'000	2023 \$'000
Outside parties	3,617	7,039
Advance to suppliers	54	404
	<u>3,671</u>	<u>7,443</u>

As at 1 July 2022, trade receivables from contracts with customers of the Group amounted to \$7,926,000.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. The average credit period for trade receivables is generally 60 days and are therefore classified as current. Trade receivables are initially measured at their transaction price, and are subsequently measured at amortised cost, less loss allowance.

There has been no change in the estimation techniques of loss allowance during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 9 TRADE RECEIVABLES (CONTINUED)

The following table details the risk profile of trade receivables from contracts with customers. As the Group's historical loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the different customer base.

	Trade receivables - days past due					Total \$'000
	Not past due \$'000	Within 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	More than 90 days \$'000	
<b>Group</b>						
<u>2024</u>						
Expected credit loss rate	*	*	*	*	*	*
Estimated total gross carrying amount at default	2,906	410	139	28	134	3,617
Lifetime ECL	-	-	-	-	-	-
<u>2023</u>						
Expected credit loss rate	*	*	*	*	*	*
Estimated total gross carrying amount at default	5,655	1,079	268	3	34	7,039
Lifetime ECL	-	-	-	-	-	-

\* The expected credit loss rate is assessed as negligible.

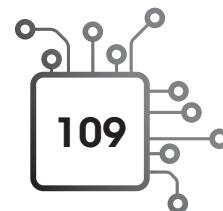
## 10 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Deposits	271	479	-	-
Prepaid expenses	70	71	14	2
Accrued interest	433	526	192	405
Others	47	50	-	-
	<u>821</u>	<u>1,126</u>	<u>206</u>	<u>407</u>

Other receivables are recognised initially at fair value and are subsequently measured at amortised cost, less loss allowance.

Other receivables are considered to have low risk of default as they are not due for payment at the end of the reporting period and there has been no significant increase in credit risk since initial recognition, as the Group and the Company has not identified any indications of adverse changes in business, financial or economic conditions that are expected to cause a significant change in the counterparty's ability to meet its repayment obligations. The loss allowance is measured at an amount equal to 12-month ECL and is determined to be immaterial.

There has been no change in the estimation techniques during the current reporting period.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 11 INVENTORIES

	Group	
	2024 \$'000	2023 \$'000
Work-in-progress	706	1,983
Raw materials	3,595	3,708
	<u>4,301</u>	<u>5,691</u>
Less: Allowance for inventories	(621)	(538)
	<u>3,680</u>	<u>5,153</u>

Movement in allowance for inventories:

	Group	
	2024 \$'000	2023 \$'000
Balance at beginning of the year	538	1,179
Charge to profit or loss for the year	115	224
Written off	(32)	(865)
Balance at end of the year	<u>621</u>	<u>538</u>

The cost of inventories recognised as an expense includes allowance made for inventories obsolescence of \$115,000 (2023: \$224,000).

## 12 OTHER FINANCIAL ASSETS AT AMORTISED COST

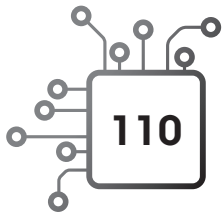
	Group	
	2024 \$'000	2023 \$'000
Bonds, at amortised cost		
Current <sup>(1)</sup>	500	500
Less: Loss allowance	(500)	(500)
	<u>-</u>	<u>-</u>
Non-current <sup>(2)</sup>	500	-
	<u>500</u>	<u>-</u>

The bonds are initially measured at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest method, less loss allowance. Interest income calculated using the effective interest method are recognised in profit or loss.

- (1) The bond had nominal value amounting to \$500,000 with coupon rate of 4.25% per annum and had matured on 7 September 2018. Impairment loss was recognised in profit or loss in previous year due to issuer being placed under debt restructuring and management has determined fair value of the bond to be nil at the end of the reporting period as the bond had ceased trading in previous year.
- (2) The bonds are listed and have nominal value amounting to \$500,000 with coupon rates ranging from 3.75% to 4.50% per annum and maturity dates ranging from 29 October 2025 to 12 November 2025.

The bonds are considered to have low risk of default as they are not due for payment at the end of the reporting period and the issuers have strong capacity to meet their 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 issuers to fulfil their contractual cash flow obligations. The loss allowance is measured at an amount equal to 12-month ECL and is determined to be immaterial.

Fair value of the bonds based on quoted bid prices in an active market (Level 1) is \$498,000.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 13 SUBSIDIARIES

	Company	
	2024 \$'000	2023 \$'000
Unquoted equity shares, at cost	51,464	51,464

Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Country of incorporation and operations	Proportion of ownership interest and voting power held		Principal activity
		2024	2023	
		%	%	
Avi-Tech Electronics Pte.Ltd. <sup>(1)</sup>	Singapore	100	100	Burn in services, board manufacturing, and engineering services
AVT Connect Pte. Ltd. <sup>(2)</sup>	Singapore	100	100	Business support activities
Avi-Tech Electronics (Suzhou) Limited <sup>(2)</sup>	People's Republic of China	100	100	Business support activities

(1) Audited by Deloitte & Touche LLP, Singapore.

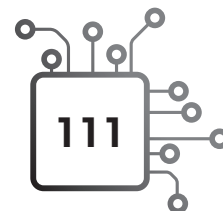
(2) Not audited for consolidation purpose as management is of the opinion that the results of these subsidiaries for the year are not significant.

## 14 ASSOCIATE

	Group	
	2024 \$'000	2023 \$'000
Cost of investment	500	500
Share of loss of associate	(161)	(161)
Less: Allowance for impairment	(339)	(168)
	<u>-</u>	<u>171</u>

During the year, the Group recognised an impairment loss of \$171,000 (2023: \$Nil) against the carrying amount of its investment in associate, being the difference between the carrying amount of the Group's investment and the fair value less costs of disposal of the associate. The fair value of the associate estimated by management was based on the expected recoverable value of the associate.





# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 14 ASSOCIATE (CONTINUED)

Details of the Group's associate at the end of the reporting period are as follows:

Name of associate	Country of incorporation and operations	Proportion of ownership interest and voting power held		Principal activity
		2024	2023	
		%	%	
Movel AI Pte Ltd <sup>(1)</sup>	Singapore	9	9	AI-Based Autonomous Navigation Software

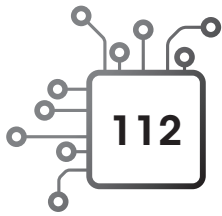
(1) The Group has significant influence over Movel AI Pte Ltd by virtue of its contractual right to appoint one out of three directors to the board of that company, based on definition under SFRS(I) 1-28.

Summarised financial information in respect of the Group's associate is set out below.

	2024 \$'000	2023 \$'000
Current assets	32	23
Non-current assets	13	3
Current liabilities	(122)	(92)
Non-current liabilities	(700)	(307)
Revenue	200	168
Loss for the year, representing total comprehensive loss for the year	(404)	(327)

Reconciliation of the above summarised financial information to the carrying amount of the interest in associate recognised in these consolidated financial statements:

	2024 \$'000	2023 \$'000
Net liabilities of the associate	(777)	(373)
Proportion of the Group's ownership interest in associate	9%	9%
Goodwill (net of impairment)	34	205
Others	36	-
Carrying amount of the Group's interest in associate	-	171



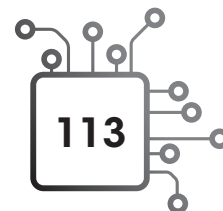
# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 15 PROPERTY, PLANT AND EQUIPMENT

<b>Group</b>	<b>Building and leasehold improvements \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Computer software \$'000</b>	<b>Total \$'000</b>
<b>Cost:</b>				
At 1 July 2022	15,226	27,298	1,667	44,191
Additions	-	2,210	9	2,219
Disposals	-	(109)	(8)	(117)
Written off	-	(504)	-	(504)
At 30 June 2023	15,226	28,895	1,668	45,789
Additions	-	634	-	634
Disposals	-	(375)	-	(375)
Written off	-	(10)	-	(10)
At 30 June 2024	15,226	29,144	1,668	46,038
<b>Accumulated depreciation:</b>				
At 1 July 2022	5,883	25,524	1,319	32,726
Depreciation for the year	259	644	182	1,085
Disposals	-	(109)	(8)	(117)
Written off	-	(504)	-	(504)
At 30 June 2023	6,142	25,555	1,493	33,190
Depreciation for the year	259	772	139	1,170
Disposals	-	(375)	-	(375)
Written off	-	(10)	-	(10)
At 30 June 2024	6,401	25,942	1,632	33,975
<b>Impairment:</b>				
At 1 July 2022, 30 June 2023 and 2024	-	633	-	633
<b>Carrying amount:</b>				
At 30 June 2023	9,084	2,707	175	11,966
At 30 June 2024	8,825	2,569	36	11,430

The Group has certain plant and equipment with carrying amount of \$394,000 (2023: \$Nil) under hire purchase arrangement (Note 19) and are secured by the lessor's title to the leased asset.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 16 RIGHT-OF-USE ASSET

The Group leases land for use of office premises with lease term of 30 years with an extension of the lease for a further 30 years at market rent subject to certain conditions.

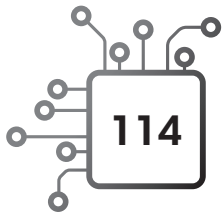
Lease payments are subject to annual revision by the lessor.

	<b>Land \$'000</b>
<b>Group</b>	
Cost:	
At 1 July 2022	1,717
Revision of lease payments	30
At 30 June 2023 and 2024	<u>1,747</u>
Accumulated depreciation:	
At 1 July 2022	714
Depreciation for the year	247
At 30 June 2023	961
Depreciation for the year	248
At 30 June 2024	<u>1,209</u>
Carrying amount:	
At 30 June 2023	<u>786</u>
At 30 June 2024	<u>538</u>

## 17 TRADE PAYABLES

	<b>Group</b>		<b>Company</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Outside parties	1,230	3,296	100	91
Advances received from customers	557	-	-	-
	<u>1,787</u>	<u>3,296</u>	<u>100</u>	<u>91</u>

The average credit period on purchases of goods is 45 days (2023: 45 days). No interest is payable on the overdue trade payables.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 18 OTHER PAYABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current:				
Deposits received	163	145	-	-
Accrued expenses	1,012	1,358	91	116
Accrued directors' fees and accrued bonus to directors	267	267	267	267
Deferred income - government grant	84	-	-	-
Others	8	9	-	6
Subsidiary	-	-	1,517	1,517
	<u>1,534</u>	<u>1,779</u>	<u>1,875</u>	<u>1,906</u>
Non-current:				
Deferred income - government grant	<u>184</u>	<u>-</u>	<u>-</u>	<u>-</u>

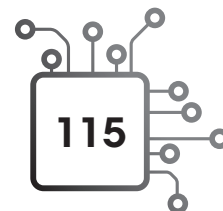
Amount due to subsidiary is unsecured, interest-free and repayable on demand.

## 19 LEASE LIABILITIES

	Group	
	2024 \$'000	2023 \$'000
Maturity analysis:		
Year 1	323	267
Year 2	323	270
Year 3	104	267
Year 4	56	45
Year 5	33	-
	<u>839</u>	<u>849</u>
Less: Unearned interest	<u>(44)</u>	<u>(28)</u>
	<u>795</u>	<u>821</u>
Analysed as:		
Current	308	254
Non-current	<u>487</u>	<u>567</u>
	<u>795</u>	<u>821</u>

The lease liabilities include current and non-current amounts of \$49,000 and \$180,000 respectively under hire purchase arrangement (Note 15).

The Group does not face a significant liquidity risk with regard to their lease liabilities.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 19 LEASE LIABILITIES (CONTINUED)

### Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 July 2023 \$'000	Financing cash flows \$'000	New hire purchase arrangement (Note 15) \$'000	30 June 2024 \$'000
Lease liabilities	821	(272)	246	795
	1 July 2022 \$'000	Financing cash flows \$'000	Revision of lease payments \$'000	30 June 2023 \$'000
Lease liabilities	1,038	(247)	30	821

## 20 DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities and (assets) recognised by the Group, and the movements thereon, during the current and prior financial years:

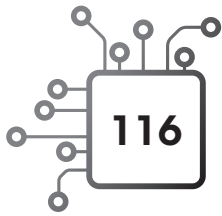
	Group				
	Accelerated tax depreciation \$'000	Right-of-use assets* \$'000	Lease liabilities* \$'000	Others \$'000	Net \$'000
At 1 July 2022	1,103	171	(176)	5	1,103
Charge (Credit) to profit or loss for the year (Note 26)	190	(37)	36	4	193
At 30 June 2023	1,293	134	(140)	9	1,296
(Credit) Charge to profit or loss for the year (Note 26)	(14)	(43)	43	(3)	(17)
At 30 June 2024	1,279	91	(97)	6	1,279

\* As at 1 July 2022, the Group recognised deferred tax asset of \$176,000 (30 June 2023: \$140,000) and deferred tax liability of \$171,000 (30 June 2023: \$134,000) in relation to its lease liabilities and right-of-use assets respectively, following the adoption of the amendments to SFRS(I) 1-12 as disclosed in Note 1.2.

## 21 SHARE CAPITAL

	Group and Company			
	2024 '000	2023 '000	2024 \$'000	2023 \$'000
	<b>Number of ordinary shares</b>			
Issued and paid up:				
At the beginning and end of year	171,046	171,046	30,759	30,759

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 22 CAPITAL RESERVE

During the year ended 30 June 2022, Avi-Tech Electronics Limited ("AVTE") completed a corporate restructuring through which the Company acquired all the issued and paid-up ordinary shares of AVTE through the issuance of ordinary shares in exchange for AVTE's ordinary shares.

The capital reserve represents the difference between share capital of the Company which were issued in exchange for the ordinary shares of AVTE pursuant to the corporate restructuring of AVTE by way of a scheme of arrangement in December 2021, and the carrying amount of total equity of AVTE at the date of restructuring.

## 23 REVENUE

The Group derives its revenue from the transfer of goods and services at a point in time in the following major revenue streams which is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (Note 31).

A disaggregation of the Group's revenue for the year is as follows:

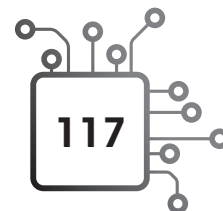
	Group	
	2024 \$'000	2023 \$'000
Burn-In and Related Services	5,410	6,247
Burn-In Boards and Boards Related Products	12,589	20,267
Engineering Services and Equipment Distribution	7,076	8,382
	<u>25,075</u>	<u>34,896</u>

## 24 OTHER OPERATING INCOME

	Group	
	2024 \$'000	2023 \$'000
Interest income	1,198	775
Rental income	475	524
Grant income	163	-
Gain on disposal of property, plant and equipment	145	3
Others	79	45
	<u>2,060</u>	<u>1,347</u>

## 25 FINANCE COSTS

	Group	
	2024 \$'000	2023 \$'000
Interest on lease liabilities	<u>18</u>	<u>20</u>



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 26 INCOME TAX EXPENSE

	Group	
	2024 \$'000	2023 \$'000
Current tax expense	562	501
Under (Over) provision in respect of prior years:		
– Current tax	25	117
– Deferred tax (Note 20)	(17)	193
	570	811

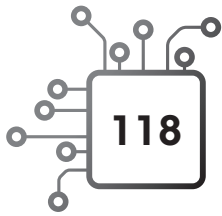
The income tax expense varied from the amount of income determined by applying the Singapore income tax rate of 17% (2023: 17%) to profit before income tax as a result of the following differences:

	Group	
	2024 \$'000	2023 \$'000
Profit before income tax	3,384	4,070
Tax at the domestic income tax rate of 17% (2023: 17%)	575	692
Tax effect of items that are not deductible (taxable) in determining taxable profit	10	(179)
Effect of tax exemption	(17)	(17)
Under provision of tax in respect of prior year	8	310
Others	(6)	5
	570	811

## 27 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group	
	2024 \$'000	2023 \$'000
Employee benefits expense (including directors' remuneration)	8,076	8,029
Costs of defined contribution plans (included in employee benefits expense)	596	516
Directors' remuneration	845	848
Directors' fees	150	150
Depreciation of property, plant and equipment	1,170	1,085
Depreciation of right-of-use asset	248	247
Gain on disposal of property, plant and equipment	(145)	(3)
Foreign currency exchange loss – net	91	458
Audit fees:		
Auditors of the Company	140	138
Non-audit fees:		
Auditors of the Company	19	19
Other auditors	12	10
Impairment loss on associate	171	–
Cost of inventories recognised as expense (including allowance for inventories obsolescence)	9,870	17,785



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 28 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

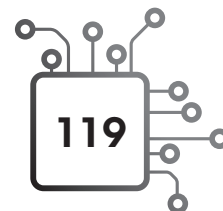
	Group	
	2024 \$'000	2023 \$'000
<b>Earnings</b>		
Earnings for the purposes of basic and diluted earnings per share	2,814	3,259
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)	171,046	171,046
Weighted average number of ordinary shares for the purposes of diluted earnings per share ('000)	171,046	171,046
Earnings per share (cents):		
- Basic	1.65	1.90
- Diluted	1.65	1.90

## 29 DIVIDENDS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Dividends on ordinary shares in respect of the financial year ended 30 June 2022:				
- Final one-tier tax exempt dividend of 1.0 cent per share	-	1,710	-	1,710
Dividends on ordinary shares in respect of the financial year ended 30 June 2023:				
- Interim one-tier tax exempt dividend of 0.75 cent per share	-	1,283	-	1,283
- Final one-tier tax exempt dividend of 1.0 cent per share	1,710	-	1,710	-
Dividends on ordinary shares in respect of the financial year ended 30 June 2024:				
- Interim one-tier tax exempt dividend of 0.75 cent per share	1,283	-	1,283	-
	<u>2,993</u>	<u>2,993</u>	<u>2,993</u>	<u>2,993</u>

Subsequent to the end of the reporting period, the Company proposed a final one-tier tax exempt dividend of 0.75 cent per ordinary share totalling \$1,283,000 in respect of the financial year ended 30 June 2024.





# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 30 OPERATING LEASE ARRANGEMENTS

### The Group as lessor

The Group leases out part of the office premise to third parties with lease terms ranging from 2 to 3 years with extension options of 1 to 2 year(s). Rental is fixed for the duration of the lease.

Maturity analysis of operating lease payments:

	Group	
	2024 \$'000	2023 \$'000
Year 1	503	487
Year 2	420	245
Year 3	12	126
Total	<u>935</u>	<u>858</u>

## 31 SEGMENT INFORMATION

The Group is primarily engaged in three main operating divisions namely, Burn-In and Related Services, Burn-In Boards and Boards Related Products, and Engineering Services and Equipment Distribution. Management monitors performance by the three main operating divisions and the division results are provided to the chief operating decision maker.

Principal activities of each reportable segment are as follows:

### Burn-In and Related Services ("Burn-In Services")

Burn-In is a process whereby the individual integrated circuit ("IC") chips is stressed at high temperature to weed out any defects caused during the assembly process.

### Burn-In Boards and Boards Related Products ("Manufacturing and PCBA Services")

Manufacturing comprises the design and assembly of printed circuit boards used for Burn-In and reliability testing of IC chips.

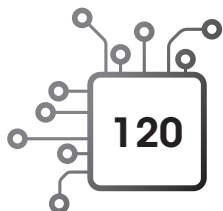
### Engineering Services and Equipment Distribution ("Engineering")

This includes system integration projects, equipment manufacturing, provision of technical services and distribution of third party products.

#### (a) Segment revenue and expenses

Segment revenue and expenses are revenue and expenses reported in the consolidated financial statements that either are directly attributable to a segment or can be allocated on a reasonable basis to a segment.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs, rental income, interest revenue and interest expense, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 31 SEGMENT INFORMATION (CONTINUED)

### (b) Segment assets and liabilities

Segment assets are all operating assets that are employed by a segment in its operating activities and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment liabilities are all operating liabilities that are employed by a segment in its operating activities and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis.

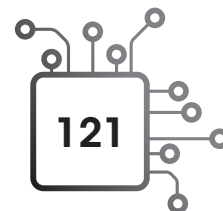
For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the assets attributable to each segment.

All assets are allocated to reportable segments other than financial assets of cash, fixed deposits, other receivables, and investments. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

### **Segment revenue and results**

The following is an analysis of the Group's revenue and results by reportable segment:

	Burn-In Services		Manufacturing and PCBA Services		Engineering		Eliminations		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Revenue</b>										
External revenue	5,410	6,247	12,589	20,267	7,076	8,382	-	-	25,075	34,896
Inter-segment revenue	338	403	1,383	1,177	394	346	(2,115)	(1,926)	-	-
Total revenue	<u>5,748</u>	<u>6,650</u>	<u>13,972</u>	<u>21,444</u>	<u>7,470</u>	<u>8,728</u>	<u>(2,115)</u>	<u>(1,926)</u>	<u>25,075</u>	<u>34,896</u>
<b>Segment results</b>	404	631	(31)	1,445	1,502	1,285	-	-	1,875	3,361
Interest expense									(18)	(20)
Interest income									1,198	775
Rental income									475	524
Unallocated income									162	-
Unallocated expense									(308)	(570)
Profit before income tax									3,384	4,070
Income tax expense									(570)	(811)
Profit for the year									<u>2,814</u>	<u>3,259</u>



# NOTES TO FINANCIAL STATEMENTS

30 JUNE 2024

## 31 SEGMENT INFORMATION (CONTINUED)

### Assets and liabilities and other segment information

	Burn-In Services		Manufacturing and PCBA Services		Engineering		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Segment assets</b>								
Segment assets	3,440	3,635	9,098	13,738	6,781	7,975	19,319	25,348
Unallocated corporate assets							38,299	34,043
Total assets							<u>57,618</u>	<u>59,391</u>
<b>Segment liabilities</b>								
Segment liabilities	946	1,061	2,150	3,420	1,204	1,415	4,300	5,896
Unallocated corporate liabilities							1,797	1,795
Total liabilities							<u>6,097</u>	<u>7,691</u>
<b>Other information</b>								
Additions to non-current assets	178	139	307	947	149	91	634	1,177
Impairment loss on associate included in unallocated expenses							171	-
<b>Depreciation</b>								
Allocated	312	240	709	772	397	320	<u>1,418</u>	<u>1,332</u>

### Geographical segments

The Group operates in five principal geographical areas namely, Singapore, USA, China, Malaysia and Philippines.

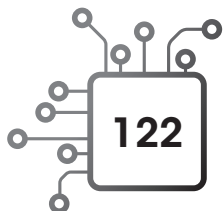
The revenue by geographical segments are based on location of customers. Segment assets (non-current assets excluding financial assets) with carrying amount of \$12,468,000 (2023: 12,923,000) are based on the geographical location of the assets and capital expenditure which is in Singapore (country of domicile).

	2024 \$'000	2023 \$'000
Revenue from external customers		
Singapore	6,735	11,640
USA	9,294	11,232
China	3,667	4,615
Malaysia	3,042	2,689
Philippines	1,522	2,010
Others <sup>(1)</sup>	815	2,710
	<u>25,075</u>	<u>34,896</u>

(1) Includes Switzerland, Germany, Taiwan and Vietnam.

### Information about major customers

Included in revenue of \$25,075,000 (2023: \$34,896,000) are revenue of \$5,444,000 (2023: \$10,046,000) arising from sales to a major customer from the Burn-in Services business segment and Manufacturing and PCBA Services business segment, \$2,736,000 (2023: \$3,617,000) arising from sales to a major customer from the Manufacturing and PCBA business segment, and \$4,844,000 (2023: \$6,255,000) arising from sales to a major customer from the Engineering business segment. These revenues account for approximately 52% (2023: 57%) of the Group's revenue.



# STATISTICS OF SHAREHOLDINGS

AS AT 13 SEPTEMBER 2024

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	14	0.93	796	0.00
100 – 1,000	214	14.16	137,778	0.08
1,001 – 10,000	557	36.86	3,486,347	2.04
10,001 – 1,000,000	705	46.66	48,734,438	28.49
1,000,001 AND ABOVE	21	1.39	118,686,682	69.39
<b>TOTAL</b>	<b>1,511</b>	<b>100.00</b>	<b>171,046,041</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LIM ENG HONG	49,477,875	28.93
2	LOH ZEE LAN NANCY	10,295,000	6.02
3	CITIBANK NOMINEES SINGAPORE PTE LTD	7,798,829	4.56
4	DBS NOMINEES (PRIVATE) LIMITED	6,436,680	3.76
5	PHILLIP SECURITIES PTE LTD	4,854,067	2.84
6	TSIA HAH TONG	4,274,650	2.50
7	PROVIDENCE INVESTMENTS PTE LTD	4,082,500	2.39
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,776,700	2.21
9	LEW WING KIT	3,085,900	1.80
10	IFAST FINANCIAL PTE. LTD.	2,929,200	1.71
11	FONG CHING LOON	2,900,000	1.70
12	LIM WEI LING ELAINE	2,840,000	1.66
13	KGI ASIA (HOLDINGS) PTE. LTD.	2,821,100	1.65
14	SHIH KAW @ CHEW LIAN KWEI	2,750,100	1.61
15	KHO BOON PENG	2,123,050	1.24
16	YONG SER SEN	1,768,610	1.03
17	KOH CHOON NAM	1,767,300	1.03
18	RAFFLES NOMINEES (PTE.) LIMITED	1,329,221	0.78
19	ABN AMRO CLEARING BANK N.V.	1,199,400	0.70
20	CHOO SIEW KHEUN	1,101,100	0.64
<b>TOTAL</b>		<b>117,611,282</b>	<b>68.76</b>

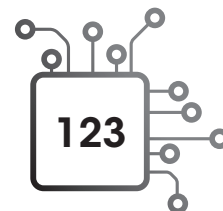
## SUBSTANTIAL SHAREHOLDINGS

NAME	Direct Interest	%	Deemed Interest	%
LIM ENG HONG	49,477,875	28.93%	13,135,000.00	7.68%
LOH ZEE LAN NANCY	10,295,000	6.02%	-	-

Approximately 62.66% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the listing manual of the SGX-ST.

Treasury share = Nil

Subsidiary holdings = Nil



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“**AGM**” or “**Meeting**”) of Avi-Tech Holdings Limited (the “**Company**”) will be convened and held at 19A Serangoon North Avenue 5, 6th floor, Singapore 554859 on Tuesday, 29 October 2024 at 11:00 a.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the year ended 30 June 2024 together with the Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect as Director Mr Lim Eng Hong who is retiring pursuant to Regulation 104(2) of the Company’s Constitution and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).  
[See explanatory note (i)] **(Resolution 2)**
3. To record the retirement of Mr Michael Grenville Gray as a Director of the Company at the conclusion of the AGM under Regulation 104(2) of the Company’s Constitution and who has decided not to seek re-election.  
  
(Note: The Board would like to express its appreciation to Mr Michael Grenville Gray for his invaluable contributions to the Board and Company).
4. To re-elect as Director Mr Chan Yu Meng who is retiring pursuant to Regulation 104(2) of the Company’s Constitution and Rule 720(5) of the Listing Manual of the SGX-ST.  
[See explanatory note (ii)] **(Resolution 3)**
5. To elect Mr Giang Sovann as Director.  
[See explanatory note (iii)] **(Resolution 4)**
6. To approve the payment of Directors’ fees of S\$150,000 for the year ended 30 June 2024. (FY2023: S\$150,000) **(Resolution 5)**
7. To approve the final one-tier tax exempt dividend of 0.75 cents per ordinary share for the year ended 30 June 2024. **(Resolution 6)**
8. To re-appoint Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**
9. To transact any other ordinary business which may properly be transacted at an AGM.

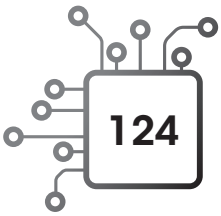
## AS SPECIAL BUSINESS

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

### 10. Authority to allot and issue shares in the capital of the Company

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and Rule 806 of the Listing Manual (“**Listing Manual**”) of the SGX-ST, authority be and is hereby given to the Directors of the Company to allot and issue:

- (a) shares; or
- (b) convertible securities; or



# NOTICE OF ANNUAL GENERAL MEETING

- (c) additional convertible securities issued pursuant to Rule 829 of the Listing Manual (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the additional securities are issued, provided that the adjustment does not give the holder a benefit that a shareholder does not receive); or
- (d) shares arising from the conversion of the securities in (b) and (c) above (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the shares are to be issued),

in the Company (whether by way of rights, bonus or otherwise) at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that:

- (i) the aggregate number of shares and convertible securities to be allotted and issued pursuant to this Resolution must be not more than 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (calculated in accordance with (ii) below), of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (calculated in accordance with (ii) below); and
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the number of shares and convertible securities that may be issued pursuant to (i) above, the percentage of issued shares shall be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for: (a) new shares arising from the conversion or exercise of convertible securities; (b) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and (c) any subsequent bonus issue, consolidation or subdivision of shares. Adjustments in accordance with (a) or (b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

Unless revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, this Resolution shall remain in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

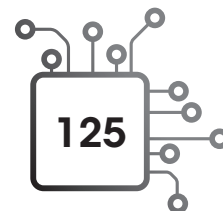
[See explanatory note (iv)]

**(Resolution 8)**

11. **Authority to grant awards and issue shares under the Avi-Tech Restricted Share Plan 2021 (the "RSP 2021") (for all persons eligible to participate except for controlling shareholders and their associates)**

That, where the committee of Directors to be nominated by the Board to administer the RSP 2021 ("**Committee**") has decided on the grant of any awards ("**Awards**") in accordance with the provisions of the RSP 2021, pursuant to Section 161 of the Companies Act 1967, authority be and is hereby given to the Directors to:

- (a) offer and grant Awards in accordance with the rules and terms of the RSP 2021; and
- (b) allot and issue new fully-paid up ordinary shares in the capital of the Company ("**RSP Shares**"), as may be required to be allotted and issued from time to time pursuant to the vesting of Awards under the RSP 2021,



# NOTICE OF ANNUAL GENERAL MEETING

provided that the aggregate number of shares available pursuant to Awards granted under the RSP 2021 and any other share-based schemes (if applicable), which the Company may have in place, shall not exceed fifteen per cent. (15%) of the total issued shares excluding treasury shares and subsidiary holdings in the capital of the Company from time to time.

Unless revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, this Resolution shall remain in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

[See explanatory note (v)]

**(Resolution 9)**

12. **Authority to grant awards and issue shares under the RSP 2021 (for controlling shareholders and their associates)**

That, subject to further shareholder approval being obtained in accordance with Rule 853 of the Listing Manual, where the Committee has decided on the grant of any Awards in accordance with the provisions of the RSP 2021 to controlling shareholders and/or their associates (all such persons collectively, the "**Controlling Participants**"), pursuant to Section 161 of the Companies Act 1967, authority be and is hereby given to the Directors to:

- (a) offer and grant Awards in accordance with the rules and terms of the RSP 2021 to the Controlling Participants; and
- (b) allot and issue RSP Shares, as may be required to be allotted and issued from time to time pursuant to the vesting of Awards under the RSP 2021, to the Controlling Participants,

provided that:

- (a) the aggregate number of shares available pursuant to Awards granted under the RSP 2021 to Controlling Participants shall not exceed twenty-five per cent. (25%) of the shares available under the RSP 2021; and
- (b) the number of shares available pursuant to Awards granted under the RSP 2021 to each Controlling Participant shall not exceed ten per cent. (10%) of the shares available under the RSP 2021.

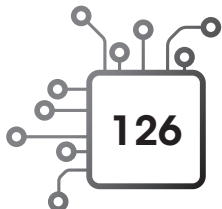
Unless revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, this Resolution shall remain in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

[See explanatory note (vi)]

**(Resolution 10)**

By Order of the Board  
Adrian Chan Pengee  
Company Secretary

Singapore  
4 October 2024



# NOTICE OF ANNUAL GENERAL MEETING

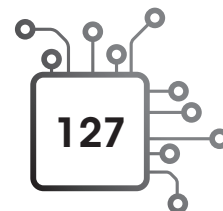
## Explanatory Notes:

- (i) Resolution 2 – Detailed information about Directors of the Company can be found in the “Board of Directors” section of the Company’s Annual Report, including their current directorships in other listed companies and other principal commitments held. Please also refer to the section titled “Additional Information on Directors Seeking Election/Re-Election” appended to this Notice of Annual General Meeting for additional information on Mr Lim Eng Hong. Mr Lim Eng Hong will, upon re-election as a Director of the Company, continue to serve as Executive Chairman and Chief Executive Officer of the Company.
- (ii) Resolution 3 – Detailed information about Directors of the Company can be found in the “Board of Directors” section of the Company’s Annual Report, including their current directorships in other listed companies and other principal commitments held. Please also refer to the section titled “Additional Information on Directors Seeking Election/Re-Election” appended to this Notice of Annual General Meeting for additional information on Mr Chan Yu Meng. Mr Chan Yu Meng will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee, and a member of the Audit and Risk Committee and Nominating Committee, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual. Save that he is an Independent Director of the Company, Mr Chan Yu Meng has no relationships including immediate family relationships with any of the Directors, the Company, its related corporations or its substantial shareholders.
- (iii) Resolution 4 – Please refer to the section of the Company’s Annual Report entitled “Persons Standing for Election as Directors of the Company at the Forthcoming Annual General Meeting” for further details. Please also refer to the section titled “Additional Information on Directors Seeking Election/Re-Election” appended to this Notice of Annual General Meeting for additional information on Mr Giang Sovann. Mr Giang Sovann will, upon election as a Director of the Company, be considered independent for the purposes of Rule 704(8) of the Listing Manual. Mr Giang Sovann has no relationships including immediate family relationships with any of the Directors, the Company, its related corporations or its substantial shareholders.
- (iv) Resolution 8 – If passed, this Resolution will empower the Directors from the date of the AGM until the date of the next annual general meeting of the Company, to allot and issue shares and convertible securities in the Company up to an amount not exceeding 50% of the total number of issued shares in the capital of the Company (excluding treasury shares), of which up to 20% may be issued other than on a pro rata basis.
- (v) Resolution 9 – If passed, this Resolution will empower the Directors to allot and issue RSP Shares pursuant to the vesting of Awards under the RSP 2021, provided that the aggregate number of shares available pursuant to Awards granted under the RSP 2021 and any other share-based schemes (if applicable), which the Company may have in place, shall not exceed fifteen per cent. (15%) of the total issued shares excluding treasury shares and subsidiary holdings in the capital of the Company from time to time. Pursuant to Rule 859 of the Listing Manual, shareholders who are eligible to participate in the RSP 2021 shall abstain from voting on Resolution 9.
- (vi) Resolution 10 – If passed, and subject to further shareholder approval being obtained in accordance with Rule 853 of the Listing Manual, this Resolution will empower the Directors to allot and issue RSP Shares to Controlling Participants pursuant to the vesting of Awards under the RSP 2021, provided that: (a) the aggregate number of shares available pursuant to Awards granted under the RSP 2021 to Controlling Participants shall not exceed twenty-five per cent. (25%) of the shares available under the RSP 2021; and (b) the number of shares available pursuant to Awards granted under the RSP 2021 to each Controlling Participant shall not exceed ten per cent. (10%) of the shares available under the RSP 2021. Pursuant to Rule 859 of the Listing Manual, shareholders who are eligible to participate in the RSP 2021 shall abstain from voting on Resolution 10. Pursuant to Rule 853 of the Listing Manual, participation in the RSP 2021 by the Controlling Participants must be approved by independent shareholders. Shareholders who are not independent shall therefore abstain from voting on Resolution 10.

## Notes:

1. The AGM is being convened, in a wholly physical format, at 19A Serangoon North Avenue 5, 6th floor, Singapore 554859 on Tuesday, 29 October 2024 at 11:00 a.m.. There will be no option for shareholders to participate virtually. Printed copies of the Notice of Annual General Meeting and the Proxy Form will be sent to shareholders. Printed copies of the Annual Report and Sustainability Report for the financial year ended 30 June 2024 (the “**FY2024 Annual and Sustainability Reports**”) will not be sent to shareholders. Instead, the FY2024 Annual and Sustainability Reports may be accessed at the Company’s website at the URL <http://www.avi-tech.com.sg>. The FY2024 Annual and Sustainability Reports are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Nonetheless, shareholders who wish to obtain a printed copy of the FY2024 Annual and Sustainability Reports may complete, sign and return the enclosed request form to the Company to make an appointment during ordinary business hours to collect the FY2024 Annual and Sustainability Reports at the Company’s office at 19A Serangoon North Avenue 5, 6th floor, Singapore 554859.
2. Save for members of the Company which are nominee companies or Relevant Intermediaries (as defined below), a member of the Company entitled to attend and vote at a meeting of the Company shall not be entitled to appoint more than two proxies to attend and vote on his behalf. Where a member of the Company (other than a Relevant Intermediary) appoints more than one proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.





# NOTICE OF ANNUAL GENERAL MEETING

3. Pursuant to Section 181(1C) of the Companies Act, any member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). **"Relevant Intermediary"** means: (a) a banking corporation licensed under the Banking Act 1970 of Singapore or its wholly-owned subsidiary which provides nominee services and who holds shares in that capacity; (b) a capital markets services license holder which provides custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or (c) the Central Provident Fund ("CPF") 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 CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A proxy need not be a member of the Company.
5. The Proxy Form must be submitted to the Company in the following manners:
  - a. if submitted by post, be deposited at the registered office of the Company at 19A Serangoon North Avenue 5, Singapore 554859; or
  - b. if submitted electronically, be submitted via email in Portable Document Format (PDF) format to the Company at [ir@avi-tech.com.sg](mailto:ir@avi-tech.com.sg).

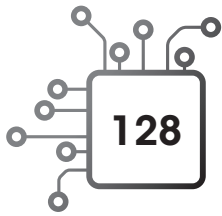
in either case, at least **72 hours** before the time fixed for holding the AGM. A member who wishes to submit the Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Common Seal or under the hand of its attorney or a duly authorized officer.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his name in the Depository Register 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the Meeting in order for the Depositor to be entitled to attend and vote at the Meeting.
9. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 11:00 a.m. on 17 October 2024.
10. Members will be able to ask questions during the AGM. Nevertheless, all members may submit questions related to the resolutions to be tabled for approval at the AGM by email to [ir@avi-tech.com.sg](mailto:ir@avi-tech.com.sg), or in hard copy by post to the registered office of the Company at 19A Serangoon North Avenue 5, Singapore 554859, by no later than 11:00 a.m. on Wednesday, 16 October 2024. The Company will endeavour to respond to the substantial and relevant questions by 24 October 2024 at 11:00 a.m. and publish its responses on SGXNET and on the Company's website at the URL <http://avitech.listedcompany.com/#investors>.
11. Minutes of the AGM will be published on SGXNET and the Company's website within one month after the date of the AGM.

## PERSONAL DATA PRIVACY:

Photographic, sound and/or video recordings may be made by the Company at the Meeting for record keeping and to ensure the accuracy of the minutes prepared. Accordingly, your personal data (such as your name, your presence at this Meeting and any questions you may raise or motions you propose/second) may be recorded by the Company for such purpose. The Company may upon the request of any shareholder and in accordance with the Companies Act, provide such shareholder with a copy of the minutes of meeting, which may contain your personal data as explained herein. By participating in the Meeting, raising any questions and/or proposing/seconding any motion, you will be deemed to have consented to have your personal data recorded and dealt with for the purposes and in the manner explained herein.

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting, a member of the Company thereby: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (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 (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



# NOTICE OF ANNUAL GENERAL MEETING

## Additional Information on Directors Seeking Election/Re-Election

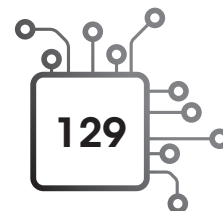
Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST

Mr Lim Eng Hong and Mr Chan Yu Meng are the retiring Directors who are seeking re-election at the forthcoming AGM to be convened on 29 October 2024 under Ordinary Resolutions 2 and 3 as set out in the Notice of AGM dated 4 October 2024.

Mr Giang Sovann is seeking election at the forthcoming AGM to be convened on 29 October 2024 under Ordinary Resolution 4 as set out in the Notice of AGM dated 4 October 2024.

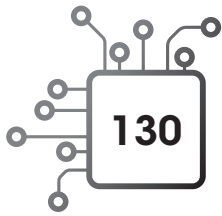
Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the aforementioned persons seeking election or re-election, in accordance with Appendix 7.4.1 to the Listing Manual of the SGX-ST, is set out below:

	Lim Eng Hong	Chan Yu Meng	Giang Sovann
Date of initial appointment (including as a director of Avi-Tech Electronics Limited, where applicable)	16 May 1984	27 October 2022	N.A.
Date of last re-appointment (if applicable)	27 October 2022	N.A.	N.A.
Age	75	53	68
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board had considered the Nominating Committee's recommendation and assessment on Mr Lim Eng Hong's commitment in the discharge of his duties as a Director, <i>inter alia</i> , and is satisfied that he will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Mr Chan Yu Meng's independence and commitment in the discharge of his duties as a Director, <i>inter alia</i> , and is satisfied that he will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Mr Giang Sovann and is satisfied that he will, if elected as a Director, contribute to the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Lim Eng Hong oversees the Group's overall business activities.	Non-executive.	Non-executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chief Executive Officer and Executive Chairman	Non-Executive Independent Director.  Chairman of the Remuneration Committee, and Member of the Audit and Risk Committee and Nominating Committee.	Non-Executive Independent Director



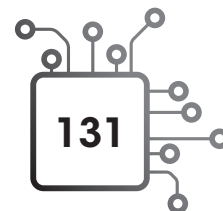
## **NOTICE OF ANNUAL GENERAL MEETING**

	<b>Lim Eng Hong</b>	<b>Chan Yu Meng</b>	<b>Giang Sovann</b>
Professional qualifications	Please refer to the section of the Company's Annual Report entitled "Board of Directors" for further details.	Please refer to the section of the Company's Annual Report entitled "Board of Directors" for further details.	Chartered Accountant, Singapore  Chartered Professional Accountant, Canada  Senior Accredited Board Director, Singapore Institute of Directors  Please refer to the section of the Company's Annual Report entitled "Persons Standing for Election as Directors of the Company at the Forthcoming Annual General Meeting" for further details.
Working experience and occupation(s) during the past 10 years	Please refer to the section of the Company's Annual Report entitled "Board of Directors" for further details.	Please refer to the section of the Company's Annual Report entitled "Board of Directors" for further details.	January 2015 to present: Senior Director, RSM Risk Advisory Pte. Ltd.  2019 to present: Affiliate Faculty at Singapore Management University Teaching Associate at Singapore University of Social Sciences  Please refer to the section of the Company's Annual Report entitled "Persons Standing for Election as Directors of the Company at the Forthcoming Annual General Meeting" for further details.
Shareholding interest in the listed issuer and its subsidiaries	Please refer to the section of the Company's Annual Report entitled "Board of Directors" for further details.	No	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	Mr Lim Eng Hong, the Chief Executive Officer and Executive Chairman of the Company, is the father of Mr Lim Tai Meng Alvin, the Chief Operating Officer and Executive Director of the Company. Mr Lim Eng Hong is also the husband of Mdm Loh Zee Lan Nancy, a substantial shareholder of the Company.	No	No
Conflict of interest (including any competing business)	Nil	Nil	Nil



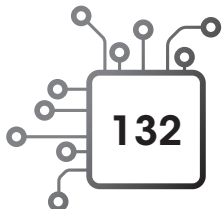
# **NOTICE OF ANNUAL GENERAL MEETING**

	<b>Lim Eng Hong</b>	<b>Chan Yu Meng</b>	<b>Giang Sovann</b>
Undertaking (in the form set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes.	Yes.	Yes.
<b>Other Principal Commitments including Directorships</b>			
Past (for the last 5 years)	Please refer to the section of the Company's Annual Report entitled "Board of Directors" for further details.	Please refer to the section of the Company's Annual Report entitled "Board of Directors" for further details.	Mr Giang was formerly an Independent Director of Rich Capital Holdings Limited and Independent Director of Silkroad Nickel Pte. Ltd (formerly known as Silkroad Nickel Ltd.)  Please refer to the section of the Company's Annual Report entitled "Persons Standing for Election as Directors of the Company at the Forthcoming Annual General Meeting" for further details.
Present	Please refer to the section of the Company's Annual Report entitled "Board of Directors" for further details.	Please refer to the section of the Company's Annual Report entitled "Board of Directors" for further details.	Mr Giang is presently a Non-Executive Independent Director at Cambodia Post Bank PLC, Funan Microfinance PLC, and Presbyterian Community Services.  Mr Giang is also presently a Non-Executive Director at Happinest Holdings Pte. Ltd., and an Independent Director at CNMC Goldmine Holdings Limited.  Please refer to the section of the Company's Annual Report entitled "Persons Standing for Election as Directors of the Company at the Forthcoming Annual General Meeting" for further details.
<b>Information required</b>			
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.	No.



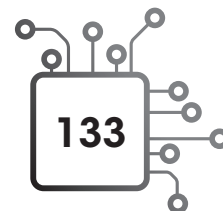
# NOTICE OF ANNUAL GENERAL MEETING

	Lim Eng Hong	Chan Yu Meng	Giang Sovann
Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No.	No.	<p>Yes.</p> <p>In February 2020, a suit was filed against Rich Capital Holdings Limited ("<b>Rich Capital</b>") in relation to a breach of fiduciary duty on the part of the other directors (excluding Mr Giang) and officers of the company. Mr Giang was an independent director of Rich Capital then. The suit was discontinued in May 2021.</p> <p>In November 2018, a suit was filed against Silkroad Nickel Ltd ("<b>Silkroad</b>"), two of its executive directors and a major shareholder. The suit involved allegations of payment of introducer fees in relation to the reverse takeover of Silkroad. Mr Giang, who was an independent director of Silkroad then, was not party to and was not involved in the suit, which was discontinued in March 2019.</p>
Whether there is any unsatisfied judgment against him?	No.	No.	No.
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.	No.



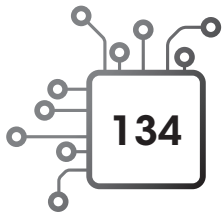
## **NOTICE OF ANNUAL GENERAL MEETING**

	<b>Lim Eng Hong</b>	<b>Chan Yu Meng</b>	<b>Giang Sovann</b>
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.	No.
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.	No.
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.	No.



## **NOTICE OF ANNUAL GENERAL MEETING**

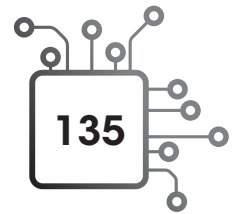
	<b>Lim Eng Hong</b>	<b>Chan Yu Meng</b>	<b>Giang Sovann</b>
Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No.	No.	No.
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.	No.
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.	No.	<p>Yes. Mr Giang was a director of the following companies which underwent reviews:</p> <ul style="list-style-type: none"> <li>(i) Rich Capital: Independent review in 2019 to 2020</li> <li>(ii) Epicentre Holdings Limited: Independent review in 2017 and special audit in 2019</li> <li>(iii) SBI Offshore Limited: Independent review in 2018 and special audit in 2019</li> </ul> <p>None of the aforesaid reviews related to transactions carried out by Mr Giang or involved him personally. His role was confined to assisting the independent reviewers.</p> <p>To the best of Mr Giang's knowledge, following the reviews, there were no further investigations or queries directed at him personally.</p>



## NOTICE OF ANNUAL GENERAL MEETING

	Lim Eng Hong	Chan Yu Meng	Giang Sovann
(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.	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.	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 or business trust?	No.	No.	No.
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. However in 2012, a complaint was lodged against Mr Chan Yu Meng with the Law Society of Singapore (" <b>Law Society</b> "). The Law Society subsequently determined that a formal investigation was unnecessary and accordingly the complaint was dismissed with no adverse orders made against him.	Yes. In July 2014, the Monetary Authority of Singapore issued a supervisory warning to Mr Giang in respect of untimely disclosure of share options granted to him by SBI Offshore Limited, of which he was a director. No sanctions or penalties were issued to Mr Giang and no further action was taken against him on the matter.
With respect to Mr Giang Sovann, any prior experience as director of an issuer listed on the Exchange?  If yes, please provide details of prior experience.	N.A.	N.A.	Yes.  Mr Giang was an independent director of Silkroad and Rich Capital, and is currently an independent director of CNMC Goldmine Holdings Limited.





# ***NOTICE OF RECORD DATE AND DIVIDEND PAYMENT DATE***

## **FINAL DIVIDEND**

NOTICE HAS BEEN GIVEN in the Company's announcement of 27 August 2024 that the Transfer Books and Register of Members of the Company will be closed on 11 November 2024 for the preparation of the one-tier tax exempt final dividend to be proposed at the Annual General Meeting of the Company to be held on 29 October 2024.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., of 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5:00 p.m. on 8 November 2024 will be registered to determine shareholders' entitlements to the one-tier tax exempt final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 8 November 2024 will be entitled to the proposed final dividend.

The proposed final dividend, if approved at the Annual General Meeting, will be paid on 26 November 2024.

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**PROXY FORM  
2024 ANNUAL GENERAL MEETING**

**AVI-TECH HOLDINGS LIMITED**

(Company Registration Number 202002889W)  
(Incorporated in the Republic of Singapore)

**IMPORTANT:**

1. A Relevant Intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 4 for the definition of "Relevant Intermediary").
2. For CPF/SRS investors who have used their CPF/SRS monies to acquire shares in the capital of Avi-Tech Holdings Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

I/We, \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of AVI-TECH HOLDINGS LIMITED (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and to vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held at 19A Serangoon North Avenue 5, 6th floor, Singapore 554859 on Tuesday, 29 October 2024 at 11:00 a.m. and at any adjournment thereof (the "AGM" or "Meeting"). The proxy is to vote on the business before the Meeting as indicated below. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting.

Please indicate your vote "For", "Against" or "Abstain" with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

No.	Resolutions relating to:	For	Against	Abstain
1.	Adoption of Directors' Statement and Audited Financial Statements together with the Auditor's Report thereon			
2.	Re-election of Mr Lim Eng Hong as a Director			
3.	Re-election of Mr Chan Yu Meng as a Director			
4.	Election of Mr Giang Sovann as a Director			
5.	Approval of Directors' Fees			
6.	Approval of proposed final dividend			
7.	Re-appointment of Deloitte & Touche LLP as Auditors			
8.	General Mandate to Directors to issue shares			
9.	Authority to grant awards and issue shares under the Avi-Tech Restricted Share Plan 2021 (for all persons eligible except controlling shareholders and their associates)			
10.	Authority to grant awards and issue shares under the Avi-Tech Restricted Share Plan 2021 (for controlling shareholders and their associates)			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	



\_\_\_\_\_  
Signature(s) of Member(s)/or  
Common Seal of Corporate Shareholder(s)

## Notes:

1. The AGM is being convened, in a wholly physical format, at 19A Serangoon North Avenue 5, 6th floor, Singapore 554859 on Tuesday, 29 October 2024 at 11:00 a.m.. There will be no option for shareholders to participate virtually. Printed copies of the Notice of Annual General Meeting and the Proxy Form will be sent to shareholders. Printed copies of the Annual Report and Sustainability Report for the financial year ended 30 June 2024 (the "**FY2024 Annual and Sustainability Reports**") will not be sent to shareholders. Instead, the FY2024 Annual and Sustainability Reports may be accessed at the Company's website at the URL <http://www.avi-tech.com.sg>. The FY2024 Annual and Sustainability Reports are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Nonetheless, shareholders who wish to obtain a printed copy of the FY2024 Annual and Sustainability Reports may complete, sign and return the enclosed request form to the Company to make an appointment during ordinary business hours to collect the FY2024 Annual and Sustainability Reports at the Company's office at 19A Serangoon North Avenue 5, 6th floor, Singapore 554859.
2. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) (the "**SFA**"), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
3. Save for members of the Company which are nominee companies or Relevant Intermediaries (as defined below), a member of the Company entitled to attend and vote at a meeting of the Company shall not be entitled to appoint more than two proxies to attend and vote on his behalf. Where a member of the Company (other than a Relevant Intermediary) appoints more than one proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
4. Pursuant to Section 181(1C) of the Companies Act 1967 of Singapore (the "**Companies Act**"), any member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). "**Relevant Intermediary**" means: (a) a banking corporation licensed under the Banking Act 1970 of Singapore or its wholly-owned subsidiary which provides nominee services and who holds shares in that capacity; (b) a capital markets services license holder which provides custodial services for securities under the SFA and who holds shares in that capacity; or (c) the Central Provident Fund ("**CPF**") 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 CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. A proxy need not be a member of the Company.
6. The Proxy Form must be submitted to the Company in the following manners:
  - a. if submitted by post, be deposited at the registered office of the Company at 19A Serangoon North Avenue 5 Singapore 554859; or
  - b. if submitted electronically, be submitted via email in Portable Document Format (PDF) format to the Company at [ir@avi-tech.com.sg](mailto:ir@avi-tech.com.sg).in either case, at least **72 hours** before the time fixed for holding the AGM. A member who wishes to submit the Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Common Seal or executed under the hand of its attorney or a duly authorized officer.
8. 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.
9. 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 at the meeting, in accordance with Section 179 of the Companies Act.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his name in the Depository Register 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
11. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the meeting in order for the Depositor to be entitled to attend and vote at the meeting.

## Personal Data Privacy:

Photographic, sound and/or video recordings may be made by the Company at the Meeting for record keeping and to ensure the accuracy of the minutes prepared. Accordingly, your personal data (such as your name, your presence at this Meeting and any questions you may raise or motions you propose/second) may be recorded by the Company for such purpose. The Company may upon the request of any shareholder and in accordance with the Companies Act, provide such shareholder with a copy of the minutes of meeting, which may contain your personal data as explained herein. By participating in the Meeting, raising any questions and/or proposing/seconding any motion, you will be deemed to have consented to have your personal data recorded and dealt with for the purposes and in the manner explained herein.

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting, a member of the Company thereby: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (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 (collectively, the "**Purposes**"). (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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**AVI-TECH HOLDINGS LIMITED**

Company Registration No. 202002889W  
19A Serangoon North Avenue 5  
Singapore 554859  
[www.avi-tech.com.sg](http://www.avi-tech.com.sg)

