9R LIMITED

2023 ANNUAL REPORT

CONTENTS

This Annual Report has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited ("Sponsor").

This Annual Report has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

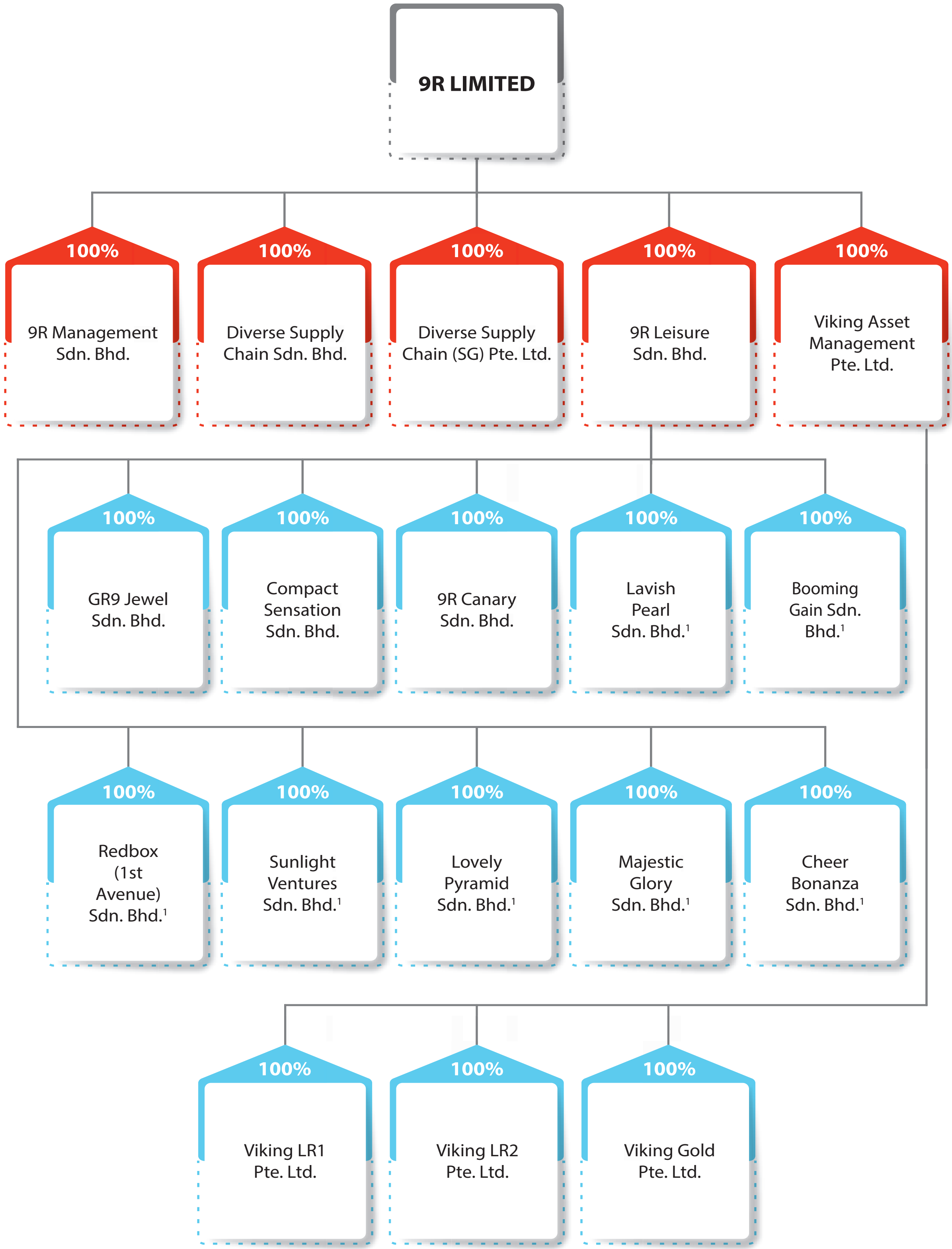
CORPORATE PROFILE

Listed on the Catalist board of the Singapore Exchange, 9R Limited (the "**Company**", together with its subsidiaries, the "**Group**") has two core businesses: supply chain management and lifestyle retail.

In lifestyle retail, the Group owns and operates a chain of nine family karaoke outlets in major malls across the key cities of Kuala Lumpur, Petaling Jaya, George Town, Subang Jaya, Klang and Seremban in Malaysia. Two of these outlets operate under the premium *Red Box Plus* brand, six are branded under *Red Box* and one is under the *Green Box* label.

In supply chain management, the Group provides artificial intelligence-powered robots to companies to help them optimise their operations and business processes. Its customers hail from industries where manpower requirements can be substantial. These include food and beverage, hospitality, healthcare, and sanitisation. With artificial intelligence-powered robots taking care of run-of-the-mill tasks, companies and organisations are able to channel their human resources to higher-value activities. This helps improve overall productivity and aids staff retention as employees are able to focus on more fulfilling roles.

CORPORATE STRUCTURE



Note:

1. Seven (7) newly acquired companies with acquisition completion on 6 February 2024.

CHAIRMAN'S MESSAGE

Dear Shareholders,

If there is a word that best sums up 9R Limited's journey through 2023, bittersweet is probably it.

On one hand, our lifestyle retail business hit the right note with the masses. This enabled us to more than double our overall revenue compared to the previous year. It also reaffirmed our conviction in the business, which we have since expanded through an acquisition that was completed in February 2024.

On the other hand, our supply chain management business did not perform as well as we had expected. As you are aware, this business supplies artificial intelligence-powered robots to companies in manpower-dependent sectors to help ease their manual workload. This worked well for us when many migrant workers in Malaysia headed back to their home countries during the COVID-19 pandemic. Faced with a manpower crunch, businesses heavily reliant on manual labour turned to robots for help. The interest in our robots was short-lived, unfortunately. Migrant workers returned to Malaysia by the droves soon after all pandemic restrictions were lifted. This dented demand for our robots as businesses put them on the back burner in favour of these lower-cost manual workers.

In spite of the hit to our supply chain management business, we are still distributing artificial intelligence-powered robots in Malaysia and even in Singapore. We also continue to provide after-sales services to companies using our robots in these two markets.

Mr Ong Swee Sin, 9R Limited's Chief Executive Officer, will share more about our supply chain management business in the following pages of this annual report.

From One to Nine

As I alluded to earlier, our lifestyle retail business did well in 2023.

We started this business with only one family karaoke outlet, which operates under the *Red Box Plus* brand at Pavilion Elite, a spanking retail mall in Kuala Lumpur, Malaysia. *Red Box Plus* is the premium trade name of *Red Box*, a well-known karaoke brand in Malaysia among all races.

This outlet has been operating under our watch since October 2022, following our acquisition of Compact Sensation Sdn. Bhd. Patronage at this outlet has so far been brisk. Locals from all walks of life have been latching on to what it offers and this gave us the confidence to expand the business in Malaysia.

In March 2023, we found a retail lot at The Exchange TRX in Kuala Lumpur, Malaysia, that was ideal for our second *Red Box Plus* outlet. Opened for business in November 2023, The Exchange TRX has more than 400 stores spread across 1.3 million sq ft of the prime net lettable area. It is one of the Australian real estate group Lendlease's largest integrated developments in Asia. *Red Box Plus* has been up and running at The Exchange TRX since the end of 2023.

Even as we were preparing for the launch of this outlet, we went ahead to acquire all other karaoke outlets in Malaysia operating under the *Red Box* and *Green Box* brands. We signed a sale and purchase agreement on 3 December 2023 for the proposed acquisition of five *Red Box* outlets and two *Green Box* outlets. The seven outlets are located in major malls in the cities of Kuala Lumpur, Petaling Jaya, George Town, Subang Jaya, Klang and Seremban across Malaysia. The proposed acquisition was approved by our shareholders on 5 January 2024 and the entire exercise was completed on 6 February 2024.

CHAIRMAN'S MESSAGE

Hitting the Right Note

In less than two years, we have substantially expanded our lifestyle retail business to one that now runs nine family karaoke outlets in key cities across Malaysia.

Hitting the right note – the theme for this annual report – encapsulates our conviction in scaling up this business.

Having bulked up, we now have economies of scale and are better positioned to engage with our business partners including suppliers and vendors. These will also enable us to better manage our human resources and attract more talent.

While we are now in a stronger position, we are mindful that the operating environment is still fraught with challenges. Among other things, inflation in Malaysia remains a major concern for many households. The continued weakness of the ringgit, if left unresolved, could also weigh on consumer sentiment and spending.

These forces are beyond our control but we shall persevere and strive to run this business as best we can. Just as we want our customers to have a good time in our karaoke outlets, we also want our shareholders to have something to look forward to.

Our lifestyle retail business will not just revolve around the family karaoke business. We are exploring opportunities that can leverage on our expertise and our assets so that we can put in place additional engines of growth for the years ahead. We need your support to make this happen.

On behalf of the board of directors and the management team, I thank you for staying the course with us and look forward to seeing you at our upcoming annual general meeting in Singapore.

Datuk Low Kim Leng
Chairman and Independent Non-Executive Director

CEO'S MESSAGE

Dear Shareholders,

9R Limited's journey through 2023 was eventful, to say the least.

Having laboured through 2022 to get our intended twin engines of growth off the ground, we spent the following year trying to make sure both the supply chain management and the lifestyle retail businesses gained traction.

Supply Chain Management

We supply robots embedded with artificial intelligence to companies to help them do more with less. These robots are developed by Shanghai-based Keenon, one of the largest robotics firms in China.

When we first started our supply chain management business, companies in many traditional industries were mindful that automation in the workplace was no longer good-to-have but a must-have. This was because in Malaysia, our main market, the ease with which companies could get hold of low-cost manpower quickly dissipated during the COVID-19 pandemic. Migrant workers had rushed back to their home countries by the droves during the COVID-19 pandemic.

The sudden shortage of labour flung the doors wide open for us to market Keenon robots to companies in sectors such as hospitality, retail, and food and beverage. The initial reception was encouraging as these manpower-dependent businesses needed all the help they could get.

What we never saw coming, however, was that many of these companies were just as eager to trade in robots for migrant workers after many countries subsequently lifted all pandemic restrictions. Malaysia saw a huge influx of foreign workers as the borders fully reopened and the interest in robots as a way to elevate productivity in restaurants, hotels and other workplaces soon dwindled.

We stepped up marketing efforts to boost the sales of Keenon robots. But with foreign workers so readily available, there was no way we could swim against the tide. Convincing these companies to continue having robots in the workplace required a lot more work.

Meanwhile, our 12-month agreement with Keenon as its exclusive distributor in Malaysia and Singapore expired on 30 June 2023 and 26 December 2023 respectively.

While we are no longer the exclusive distributor, we are still selling Keenon robots and providing after-sales support in these two markets.

Lifestyle Retail

Having started with only one popular family karaoke outlet just over a year ago, we now own and operate a chain of nine family karaoke outlets across key Malaysian cities.

Out of the nine outlets, two operate under the premium *Red Box Plus* brand in Kuala Lumpur, Malaysia. One is located in the Pavilion Elite mall while the other is at The Exchange TRX, Malaysia's newest mall and a key part of the Tun Razak Exchange, Malaysia's first dedicated international financial district.

CEO'S MESSAGE

Out of the remaining seven outlets, six are under the mass-market *Red Box* brand and are based in popular malls in Kuala Lumpur, Petaling Jaya, George Town, Subang Jaya and Klang across Malaysia. The remaining outlet, in Seremban, operates under the *Green Box* brand. The outlet in Klang used to be under the *Green Box* brand but it was recently rebranded to *Red Box*.

Seven of these outlets became part of 9R Limited in February 2024, when we completed the acquisition from Body Power Sdn. Bhd.

Having expanded our portfolio of family karaoke outlets, our focus now is to extract synergies from the acquired entities, elevate the brands, and enhance the overall customer experience.

Our flagship brand, *Red Box*, is already well known among consumers in Malaysia, having been around since the year 2000. As the new owner of *Red Box*, *Red Box Plus* and *Green Box*, we believe there is room to deepen customer loyalty for these brands.

We are stepping up marketing strategies to strengthen the brands and are working on various initiatives to create stickiness with customers. These include VIP services, invitation-only events, loyalty programmes and more.

We will leverage technology to empower patrons to seamlessly handle everything, from booking slots and selecting songs to ordering food and making payments.

In a nutshell, we want our customers to have a delectable experience even before they enter our karaoke outlets, have an exceptional time from the moment they arrive, and experience a keen sense of delight after their karaoke session is over.

We are also open to working with like-minded partners to grow the business. These could even be other karaoke operators looking for someone to help them up their game. We believe there is potential for such collaborations and that the outcome can be beneficial for all parties.

Mr Khoo Kai Yang, who was recently appointed as the Chief Executive Officer of our wholly owned subsidiary, 9R Leisure Sdn. Bhd., is spearheading our lifestyle retail business. As the Chief Executive Officer of Body Power Sdn. Bhd. prior to the sale of the karaoke outlets to 9R Limited, he knows the business inside out and is attuned to the latest trends and developments in the entertainment industry in Malaysia. His experience will come in very handy as we endeavour to make the lifestyle retail business a resounding success for years to come.

As our chairman has said in this annual report, family karaoke business will not be the only element in our lifestyle retail business. We will explore opportunities that can complement and build on what we already have.

Running a business like ours in Malaysia is by no means a breeze. Consumer sentiment in general is still somewhat tentative and people may be less willing to spend if this persists.

But if we play our cards right and are meticulous with our execution, we believe the proverbial pot of gold at the end of the rainbow is attainable. We look forward to your continuous support to make our cause a reality. Thank you.

Ong Swee Sin
Executive Director and Chief Executive Officer

FINANCIAL AND OPERATIONS REVIEW

FINANCIAL REVIEW

For financial year ended 31 December 2023 ("**FY2023**"), the Group's revenue has doubled to S$6.58 million from S$2.97 million in the previous financial year ("**FY2022**"), improving by S$3.61 million or 122%. The increase in revenue was mainly attributed to the performance of the lifestyle retail business whereby the Group recorded full year revenue in FY2023 after the acquisition of Compact Sensation Sdn. Bhd. ("CSSB") in the fourth quarter of 2022.

The lifestyle retail business, which provides family karaoke entertainment in Malaysia, accounted for nearly two-thirds of the Group's FY2023 revenue at S$4.22 million. Meanwhile, the supply chain management business, generated S$2.36 million in revenue, of which 65% was contributed by the Singapore market.

Overall gross profit margin edged up to 47% in FY2023 from 43% in FY2022. Despite the improvement, the Group posted a loss of S$5.26 million from continuing operations, compared with a loss from continuing operations of S$1.97 million in FY2022. The losses were mainly due to the loss allowance on financial assets and contract assets of S$2.44 million, which arose as a result of long overdue payments and impairment loss on goodwill of S$1.00 million in relation to the performance of CSSB. Excluding the one-off loss allowance and impairment loss, the Group's loss from continuing operation was narrowed to S$1.82 million as compared to S$1.97 million in FY2022.

On the loss allowance on financial assets and contract assets recognised by the Group in FY2023, the Group had sent reminder letters, conducted open communications, and negotiated alternative payment arrangements with these customers. As the debts remained unpaid, the Group has ceased further transactions with these customers and commenced legal action to recover these debts. Moving forward, the Group's focus will be on the lifestyle entertainment business, which has lower credit concentration risks due to the nature of the business.

Balance Sheet

As at 31 December 2023, the Group's net assets decreased by S$4.93 million to S$11.26 million, compared to the net assets of S$16.19 million as at 31 December 2022.

Non-current assets increased to S$11.41 million from S$8.20 million, driven mainly by acquisitions of property, plant and equipment for the new karaoke outlet that opened in December 2023 at The Exchange TRX mall in Kuala Lumpur, Malaysia; off-set by a reduction in intangible assets of S$1.00 million due to impairment of goodwill arising from the change in forecasted sales and revenue growth rates after taking into account the current economic conditions.

Current assets decreased by S$8.78 million to S$7.12 million in FY2023 from S$15.90 million in FY2022, largely due to a decrease in cash and cash equivalents following the acquisition of the lifestyle retail business and reduction in trade and other receivables following the recognition of loss allowances.

Non-current liabilities rose to S$4.66 million from S$2.79 million mainly due to the lease entered for the new karaoke outlet in The Exchange TRX mall in Kuala Lumpur, Malaysia.

Current liabilities nearly halved to S$2.61 million from S$5.14 million after settlement of the balance purchase price and reversal of contingent payment due to the Body Power Sdn. Bhd..

The Group had no loans and borrowings as at 31 December 2023.

Cashflow

The Group's cash and cash equivalents stood at S$3.94 million as at 31 December 2023, a decrease of S$7.90 million from S$11.84 million as at 31 December 2022.

Net cash used in operating activities were S$3.15 million in FY2023, mainly due to funds utilised to finance inventories, increase in trade receivable and decrease in other payables; offset by funds received from other receivables.

The Group utilised S$1.47 million for acquisition of subsidiaries, S$2.81 for capital expenditures and $0.42 million for lease obligations for expansion in the lifestyle retail business. As a result, net cash used in investing activities was S$4.24 million and net cash used in financing activities was at S$0.50 million.

OPERATIONS REVIEW

For the lifestyle retail business, after acquisition of CSSB, the Group had, through its wholly owned subsidiary 9R Leisure Sdn. Bhd., entered into a sale and purchase agreement with BPSB on 3 December 2023 for the acquisition of seven karaoke outlets located in several key cities in Malaysia. The proposed acquisition was approved by shareholders on 5 January 2024. The entire exercise was completed on 6 February 2024.

Meanwhile, the exclusive distribution agreement between Keenon Robotics Co., Ltd. and the Group's wholly owned subsidiary Diverse Supply Chain Sdn. Bhd. expired on 30 June 2023. Notwithstanding, the Group is allowed to continue selling robots and robotic solutions from this supplier.

In short, the Group is consolidating resources into the lifestyle retail business which aligns with the Group's long-term goals and market dynamics, aiming to position the business for sustainable growth and profitability in the years to come.

BOARD OF DIRECTORS

DATUK LOW KIM LENG

Chairman and Independent Non-Executive Director

Datuk Low was appointed as an Independent Non-Executive Director of the Company on 1 January 2022 and Chairman of the Board of Directors of the Company on 9 February 2022. He was last re-elected on 28 April 2023. Datuk Low is Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee.

Datuk Low graduated from Manchester Metropolitan University in the United Kingdom with a Bachelor of Art (Hons) (Law) in 1983 and, as an Utter Barrister of the Honourable Society of Gray's Inn, was admitted to the English Bar in 1984. He was called to the Malaysian Bar and admitted as an advocate and solicitor of the High Court of Malaysia in 1985. He has been practising law under the name and style of Messrs Ringo Low & Associates since 2003, of which he is now a principal partner and a registered trademark agent. He has been a notary public since 2004 and is a legal advisor to various national organisations. In recognition of his services rendered as a lawyer and corporate advisor, he was conferred the award of Darjah Pangkuan Seri Melaka by TYT Tun Datuk Seri Utama Dr Khalil bin Yaakob, the Governor of Melaka, in November 2018. Datuk Low is a member of the Singapore Institute of Directors.

ONG SWEE SIN

Executive Director and Chief Executive Officer

Mr Ong was appointed as Executive Director and Chief Executive Officer of the Company on 6 January 2022 and 1 June 2022 respectively. He was last re-elected on 28 April 2023.

Mr Ong is responsible for corporate development of the Company and all its subsidiaries, including identifying new business opportunities. He has more than 15 years of experience in the public and private sectors, spanning information technology engineering, research and development management (IT), software development, sales and marketing, business and corporate development, compliance, project management and general management. He currently holds non-executive directorship appointments with several private companies in Malaysia. Mr Ong holds a Bachelor of Engineering (Hons) Electronics majoring in robotics and automation (First Class Honours) from Multimedia University of Malaysia, where he was awarded the President Award in 2007. He is a member of the Singapore Institute of Directors.

BOARD OF DIRECTORS

WEE HOCK KEE

Independent Non-Executive Director

Mr Wee was appointed as an Independent Non-Executive Director of the Company on 1 February 2022. He is Chairman of the Nominating Committee and a member of the Audit and Risk Committee and Remuneration Committee.

Mr Wee is a faculty member and a fellow of the Institute of Corporate Directors Malaysia and a member of the Singapore Institute of Directors. He specialises in subjects relating to corporate governance, board effectiveness evaluation and risk management. Mr Wee was the past President of the Institute of Internal Auditors Malaysia (IIAM) and the Asian Confederation of Institute of Internal Auditors. He is also a former board member of IIA Global, a member of ACCA Malaysia's advisory council and past chairman of the internal audit working group of the Malaysia Institute of Accountants. He won the Malaysian Internal Auditor of the Year Award for 2001. He was chairman of the 2011 Institute of Internal Auditors International Conference in Kuala Lumpur. He has spoken in numerous international, regional and national conferences organized by professional bodies throughout his career. He was also a research fellow in HELP University ELM Faculty. He is the current audit and risk chairman of IIAM. Mr Wee has worked in a number of multinational companies as Chief Audit Executive. His last position was with AstraZeneca (UK) as regional audit director of Asia Pacific, Middle East and Africa.

Mr Wee is currently chairman of the governance, ethics, assurance and risk committee of Pertubuhan Keselamatan Sosial. He is also a member of the licensing and air traffic rights committee of the Malaysian Aviation Commission. He was a board member and headed the audit and risk management committees of MIMOS Berhad, the national government agency for ICT R&D. He is also an entrepreneur and the founder of DBC Asia Healthcare Sdn. Bhd., the largest physiotherapy rehab chain in Malaysia.

MARK LEONG KEI WEI

Independent Non-Executive Director

Mr Leong was appointed as an Independent Non-Executive Director of the Company on 9 February 2022. He is Chairman of the Audit and Risk Committee and a member of the Nomination Committee and Remuneration Committee.

Mr Leong has considerable corporate, management and directorship experience in a broad range of functions and industries, having held senior roles (Chairman, CEO, COO and CFO) in several private and public listed companies. He is also a Non-Executive Director at three other Singapore-listed companies – HS Optimus Holdings Limited, LMIRT Management Ltd. (as manager of Lippo Malls Indonesia Retail Trust) and MDR Limited. He also sits on the boards of Australia-listed Osteopore Ltd as its Executive Chairman as well as NASDAQ-listed CytoMed Therapeutics Ltd as a Non-Executive Director. Mr Leong is a chartered accountant of the Institute of Singapore Chartered Accountants and a fellow of the Association of Chartered Certified Accountants. He is also a member of the Singapore Institute of Directors.

KEY MANAGEMENT

KARL KHOO KAI YANG
Chief Executive Officer
9R Leisure Sdn. Bhd.

Mr Khoo was appointed Chief Executive Officer of 9R Leisure Sdn. Bhd., a wholly-owned subsidiary of 9R Limited, on 6 February 2024 to spearhead the lifestyle retail business subsequent to the completion of the Company's acquisition of the karaoke outlets from Body Power Sdn. Bhd. Prior to this, he was Chief Executive Officer of Body Power Sdn. Bhd., which owned and managed karaoke outlets under the brand names "Red Box" and "Green Box".

His entrepreneurial mindset and experience in the entertainment and F&B industry will help shape 9R Limited's lifestyle retail business and ensure that it remains relevant and responsive to everchanging consumer tastes and trends.

Mr Khoo holds a Bachelor of Accounting (First Class Honours) degree from University Utara Malaysia (UUM).

JOANNE CHONG MENG FONG
Chief Financial Officer

Ms Chong joined 9R Limited as the Chief Financial Officer on 26 April 2023. She has more than 30 years of experience in a variety of regional roles across several industries, including audit, property development, manufacturing and hospitality.

Her areas of specialization include corporate reporting, financial management, project feasibility studies, corporate governance, treasury management, strategic planning, and internal controls.

Ms Chong is a Fellow Chartered and Certified Accountant (FCCA) and Fellow Member of the Malaysian Institute of Accountants (MIA). She holds a Master of Business Administration (MBA) from Universiti Sains Malaysia.

CORPORATE INFORMATION

COMPANY REGISTRATION

9R Limited
Registration No.: 199307300M

REGISTERED OFFICE

20 Collyer Quay
#11-07,
Singapore 049319

Tel: +65 8928 8467
Email: info@9rlimited.com
Website: www.9rlimited.com

BOARD OF DIRECTORS

Datuk Low Kim Leng
Chairman and Independent Non-Executive Director

Ong Swee Sin
Executive Director and Chief Executive Officer

Wee Hock Kee
Independent Non-Executive Director

Mark Leong Kei Wei
Independent Non-Executive Director

AUDIT & RISK COMMITTEE

Mark Leong Kei Wei (Chairman)
Datuk Low Kim Leng
Wee Hock Kee

NOMINATING COMMITTEE

Wee Hock Kee (Chairman)
Datuk Low Kim Leng
Mark Leong Kei Wei

REMUNERATION COMMITTEE

Datuk Low Kim Leng (Chairman)
Wee Hock Kee
Mark Leong Kei Wei

COMPANY SECRETARY

Lai Kuan Loong, Victor

SHARE REGISTRAR & SHARE TRANSFER OFFICE

B.A.C.S Private Limited
77 Robinson Road,
#06-03 Robinson 77,
Singapore 068896

CONTINUING SPONSOR

UOB Kay Hian Private Limited
8 Anthony Road
#01- 01
Singapore 229957

AUDITOR

Mazars LLP
Public Accountants and Chartered Accountants, Singapore
135 Cecil Street
#10-01
Singapore 069536
Partner-in-charge:
Chan Hock Leong, Rick
(Appointed since financial year ended 31 December 2022)

FINANCIAL CONTENTS

CORPORATE
GOVERNANCE REPORT

The Board of Directors ("**Board**") and Management of 9R Limited ("**Company**") are committed to maintaining a high standard of corporate governance, transparency, business integrity and professionalism within the Company and its subsidiaries ("**Group**"), in line with the principles and provisions set out in the Code of Corporate Governance 2018 ("**Code**").

The Board is pleased to present this Corporate Governance Report ("**Report**") which outlines the corporate governance practices and procedures adopted by the Company with specific reference to the Principles and the Provisions of the Code, which forms part of the continuing obligations of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

The Company has complied with the Principles as set out in the Code and the relevant Catalist Rules and to the extent that there are deviations from the Provisions of the Code, explanations have been provided in this Report.

While it is always the objective of the Group to ensure all the Provisions of the Code are followed strictly, however, in view of the current lean cost structure and financial position of the Group, there are situations and reasons where full compliance with the Provisions of the Code may not be feasible or may not be meaningful for the Group at this stage in time. In this regard, where there are areas of the current practices which deviate from the Provisions of the Code, appropriate explanations are provided accordingly, and how the practices the Company had adopted are consistent with the intent of the relevant Principle of the Code. The Company will continue to assess its needs and implement appropriate practices accordingly.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

Provision 1.1

Board Duties and Responsibilities

The Board is collectively responsible for providing effective leadership and direction to enhance the long-term value of the Group to its shareholders. It has oversight responsibility over the management of the business and affairs of the Group. The Board also sets the tone for the Group where ethics and values are concerned.

The Board has direct responsibility for decision-making in respect of various specific matters, including:

1. Reviewing and approving Management's strategic and business plans, including understanding and questioning the assumptions upon which plans are based, and reaching an independent judgement as to the probability that the plans can be realised;

2. Approving the nomination of Directors and appointment of key management personnel ("**KMP**") of the Group;

3. Approving the annual budget, material acquisitions and disposals of assets or investments, major funding proposals, and any other matters which requires the Board's or shareholders' approval pursuant to the Catalist Rules, the Singapore Companies Act 1967 ("**Companies Act**") and other applicable rules and regulations;

CORPORATE GOVERNANCE REPORT

4. Establishing a framework of prudent and effective controls which enables risks to be properly assessed and managed to safeguard shareholders' interests and the Group's assets;

5. Reviewing the financial performance of the Group and necessary reporting compliance of the Group with all applicable laws, rules and regulations;

6. Identifying key stakeholder groups and recognising that their perceptions affect the Group's reputation;

7. Setting the Company's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met;

8. Assuming responsibility for corporate governance of the Group;

9. Considering sustainability issues as part of the strategic formulation of the Group; and

10. Performing such other functions as are prescribed by law or assigned to the Board in the Company's governing documents.

The Company has in place a Code of Business Conduct and Ethics which serves to guide the Directors, officers and employees of the Group, on the areas of ethical risk and sets a framework where integrity and accountability are paramount.

The Board has in place written terms of reference which clearly sets out the Board's responsibilities in accordance with the Code and Catalist Rules.

All Directors exercise due diligence and independent judgement in dealing with business affairs of the Group and are obliged to act in good faith and to make objective decisions in the interest of the Group.

Conflict of Interests

All Directors of the Company are required to act objectively in the best interests of the Company as fiduciaries at all times. Every Director is required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company as soon as is practicable after the relevant facts have come to his knowledge.

A Director who has an interest in a matter which may conflict with his duties to the Company must disclose his interests, recuse himself from the discussion and abstain from voting on the matter.

Provision 1.2

Directors' Induction, Training and Development

The Company does not have a formal training program for the Directors but on an ongoing basis, the Directors are provided with updates and briefings from time to time by professional advisers, the internal and external auditors, the Company Secretary and Management on relevant practices, new laws, rules and regulations that are relevant to the performance of their duties and responsibilities as Directors.

CORPORATE GOVERNANCE REPORT

Directors are encouraged to attend relevant training programmes organised by the Singapore Institute of Directors ("**SID**") and other relevant organisations and may suggest training topics that are relevant to his duties as a Director. The training programmes are funded by the Company.

Newly appointed Directors will be provided with information about the Group, the relevant governing documents of the Company and contact particulars of senior members of Management. Procedures are in place whereby newly appointed Directors are provided with a formal appointment letter setting out the terms of appointment, duties and obligations. Directors who do not have prior experience as a director of a Singapore-listed company will attend the relevant training courses as required under Rule 406(3)(a) of the Catalist Rules.

Provision 1.3

Matters Requiring Board Approval

The Company has adopted internal guidelines setting forth matters that require the Board's approval. These internal guidelines are clearly communicated to the Management. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Management via a structured authority matrix, which is reviewed and updated periodically when necessary.

Material transactions which are specifically reserved for the Board's approval are as follows:

1. Approval of material investment and divestment proposals, acquisitions and disposals, and funding requirements;

2. Approval of announcements released via SGXNet, including financial results announcements;

3. Approval of corporate plans and budgets, annual and interim reports, financial statements, directors' statement and annual reports;

4. Share issuances, dividends and other returns to shareholders;

5. Authorisation of banking facilities and corporate guarantees;

6. Approval of changes in corporate business strategy and direction;

7. Appointment and cessation of directors and KMP;

8. Interested party transactions; and

9. Any other matters as prescribed under the relevant legislations and regulations and the provisions of the Company's Constitution.

Management is responsible for the day-to-day operations of the Company and implementing the decisions of the Board. Where a subject has been reserved for the Board or a Board Committee's approval in its terms of reference, approval must be obtained before it is implemented.

CORPORATE GOVERNANCE REPORT

Provision 1.4

Board Committees

The responsibilities delegated by the Board to the Audit and Risk Committee ("**ARC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**") are clearly set out in the respective Board Committee's written terms of reference, which are updated periodically as necessary for alignment with the Code and relevant regulatory changes. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board. They also have full access to and co-operation from Management, resources to enable them to discharge their functions properly and full discretion to invite any Director or Management personnel to attend their meetings.

The Board Committees have the authority to deliberate on any issue that arises in their specific areas of responsibilities within their respective terms of reference and report to the Board with their decisions and/or recommendations. The ultimate responsibility and authority for the decisions and actions on all matters rest with the Board.

A description of, among other things, composition and the written terms of reference of the respective Board Committees in FY2023 is set out in this Report.

Provisions 1.5 and 1.6

Board Processes and Meeting Attendance

The Directors' attendance at formal meetings in FY2023 is set out in the table below.

		Number of meetings attended in 2023				
	Membership	**Board**	**ARC**	**NC**	**RC**	**AGM**
Datuk Low Kim Leng	Independent	4*	4	1	1*	1*
Mr Ong Swee Sin	Executive	4	4^	1^	1^	1
Mr Wee Hock Kee	Independent	4	4	1*	1	1
Mr Mark Leong Kei Wei	Independent	4	4*	1	1	1
Number of meetings held in 2023		**4**	**4**	**1**	**1**	**1**

* *Denotes Chairman.*

^ *By invitation.*

The Board convenes a minimum of four scheduled meetings a year. The proposed schedule for the Board and Board Committee meetings and Annual General Meeting ("**AGM**") are tabled at the beginning of each financial year. Where necessary, additional Board and Board Committee meetings are convened to address significant transactions or issues that arise. Board papers and related materials (including, where appropriate, relevant background or explanatory information, financial analysis and/or external reports) are provided to the Directors in advance of the relevant Board or Board Committee meetings.

CORPORATE GOVERNANCE REPORT

During the scheduled meetings, Management will provide the Board with updates on the Group's business and operations and the financial performance for that period, and any other significant matters or issues that may have arisen. The Board is apprised of the progress of the Group's business and operations as well as the issues and challenges facing the Group.

Unless a Director is required to recuse himself from the deliberations and abstain from voting on any matter due to a potential conflict of interest, all Directors will participate in the discussions and deliberations at Board and Board Committee meetings. A Director who is not able to attend a Board or Board Committee meeting in person is permitted by the Company's Constitution to participate by way of telephone or video-conferencing.

Management will attend Board and Board Committee meetings to provide any other information required by the Board or the relevant Board Committee, and to answer any queries from the Directors. In addition to the scheduled meetings, Management also regularly communicates with the Directors outside of formal Board and Board Committee meetings as appropriate through other means, such as electronic mail, telephone or video-conferencing, or separate physical meetings.

The Board and Board Committees may also make decisions by way of circular resolutions in writing in accordance with the Company's Constitution and the respective terms of references of the Board Committees. Management will, where required, provide any additional information required for the Directors to deliberate on the relevant matter before approving such written resolutions.

The Board requires Directors to be able to commit sufficient time and attention to the affairs of the Board and their relevant Board Committees. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company. More information on Directors' board representations is set out under Provision 4.5 of Principle 4 entitled "Board Membership", in this Report.

Provision 1.7

Access to Management, Advisors and Information

The Board has separate and independent access to Management, the internal and external auditors and the Company Secretary, and are entitled to request from Management and be provided with additional information as needed to make informed decisions.

The Board is provided with updates relating to the Group's business and operations and financial information on a quarterly basis or more frequently, as needed.

The Board takes independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The Directors, whether as a group or individually, may also seek independent professional advice or engage subject-matter experts at the Company's expense in the course of discharging their duties.

CORPORATE GOVERNANCE REPORT

Company Secretary

The Company Secretary attends all Board and Board Committee meetings and is responsible for ensuring that Board procedures are followed. The Company Secretary advises the Board on governance and compliance matters and, together with other management staff, is responsible for ensuring that the Company complies with the applicable requirements, rules and regulations.

The appointment and the removal of the Company Secretary are subject to the approval of the Board.

Commitment to Sustainability

The Board is committed to ensuring the Company's longevity and sustainability, including reviewing its performance, policies and practices in relation to material environmental, social and governance ("**ESG**") topics.

The Board, together with Management, considers ESG matters in all aspects of its business strategy. The Board assesses opportunities and risks presented by material ESG topics, which helps the Board to determine the appropriate strategies, policies and practices that will provide the Company with the adaptability and flexibility to seize opportunities to deliver sustainable shared socio-economic value and progress to key stakeholders, while being well-supported by sound risk management.

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.

Provisions 2.1 to 2.3

Board and Director Independence

There is a strong and independent element on the Board with Independent Non-Executive Directors comprising a majority of the Board, and no individual or small group of individuals dominate the Board's decision-making.

The Company complies with Provisions 2.2 and 2.3 of the Code, which requires Independent Directors and Non-executive Directors to make up a majority of the Board. The Company also complies with Rule 406(3)(d) of the Catalist Rules.

Each year, the NC assists the Board to assess the independence of each Director in accordance with the guidance in the Code and its Practice Guidance, Rule 406(3)(d) of the Catalist Rules, as well as the disclosure of his other appointments and commitments, personal circumstances, and his conduct in the discharge of his duties.

CORPORATE GOVERNANCE REPORT

Based on the Code, the NC considers an "independent director" as 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. Each Independent Director is also required to complete, on an annual basis, a Confirmation of Independence form based on Principle 2 of the Code for the NC's review and recommendation to the Board.

As at the date of this Report, the NC had reviewed the independence of each of the current Independent Directors and is satisfied that they are still independent. Each of the Independent Directors had completed and submitted a Confirmation of Independence form in respect of FY2023 for the NC's review. The Board concurs with the NC's assessment.

Each Independent Director had abstained from deliberating on his respective independence.

Tenure of Independent Directors

None of the Directors, independent or executive, have served for more than nine years.

Provision 2.4

Board Composition and Size

As at 31 December 2023, the Board comprises four Directors, three of whom are Independent Non-Executive Directors.

The size and composition of the Board are reviewed from time to time by the NC which strives to ensure that the size of the Board is conducive to effective decision-making and that the Board has an appropriate balance of Independent Directors.

As a group, the Directors bring with them a broad range of industry knowledge, expertise and experiences in areas such as accounting, law, business and management. The diversity of the Directors' experiences allows for the useful exchange of ideas and views and for effective decision-making. Key information regarding the Directors is set out in "Board of Directors and Key Management", "Appendix 1: Disclosure of Information on Directors Seeking Re-Election" of this Annual Report, and the "Board Representations" section relating to Provision 4.5 below.

Name of Director	Position	Date of Initial Appointment	Date of Last Re-election
Datuk Low Kim Leng	Chairman & Independent Non-Executive Director	1 January 2022	28 April 2023
Mr Ong Swee Sin	Executive Director & Chief Executive Officer	6 January 2022	28 April 2023
Mr Wee Hock Kee*	Independent Non-Executive Director	1 February 2022	29 April 2022
Mr Mark Leong Kei Wei**	Independent Non-Executive Director	9 February 2022	29 April 2022

* *Retiring at the forthcoming AGM.*

** *Subject to re-election at forthcoming AGM.*

CORPORATE GOVERNANCE REPORT

Taking into account the scope and nature of the current operations of the Group, the Board considers that the current board size of four Directors is appropriate to facilitate decision-making.

Board Diversity

In accordance with Catalist Rule 710A(1), the Board has adopted a Board Diversity Policy. The Board recognises that a diverse Board will enhance the decision-making process by utilising a variety of skills, industry and business experiences, gender, age and other distinguishing qualities of the members of the Board.

The Board, supported by the NC, reviews the Board's diversity. The Board comprises members across diverse age ranges and backgrounds, with professional skills and experiences in a wide range of fields including legal, finance, investment, internal audit, corporate management, information technology engineering and business and corporate development. Accordingly, the Board provides an appropriate balance and diversity of skills, experiences, backgrounds, age and knowledge. As such, the Board is of the view that there is diversity in its composition.

The NC has set a specific gender target for women to comprise at least 20% of the Board. As at the date of this Report, the gender target has not been met yet and will be taken into consideration for new Director appointments and as part of Board succession planning in due course. As at the date of this Report, a specific timeline to achieve this gender target has not been set yet. The final decision on selection of Directors will be based on merit against the objective criteria set and after giving due regard for the benefits of diversity on the Board. The fundamental principle is that the candidate must be of right fit and meet the relevant needs and vision of the Company. Diversity will be considered in determining the optimum composition of the Board as a whole. As and when there is a need for Board renewal, the Board will abide by the Board Diversity Policy in its search of the new Director candidate(s).

Provision 2.5

Meeting of Independent Directors without Management

When required, the Independent Directors may meet without the presence of the Executive Director and Management. In FY2023, the Independent Directors had discussions and meetings without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes and the Group's operational processes.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1

Chairman and Chief Executive Officer ("CEO")

The positions of Chairman and CEO are separate; and the Company has a clear separation of the roles and responsibilities of the Chairman and the CEO to ensure an appropriate balance of power and authority, accountability and decision-making.

CORPORATE GOVERNANCE REPORT

Provision 3.2

Role of Chairman

The Chairman, Datuk Low Kim Leng, is responsible for the following:

1. Leading the Board to ensure its effectiveness on all aspects of its role;

2. Setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

3. Promoting a culture of openness and encouraging Board members to engage Management in constructive debate on various matters including strategic issues and business plans;

4. Encouraging constructive relations within the Board and between the Board and Management;

5. Facilitating the effective contribution of all Directors; and

6. Ensuring effective communication with shareholders.

The Chairman is independent and has no familial or other close ties with the CEO.

Role of Group CEO

As the CEO, Mr Ong Swee Sin is responsible for the following:

1. Overseeing the day-to-day management of the affairs of the Group in accordance with the business plans, approved budgets, policies, practices, procedures and values adopted by the Board;

2. Communicating with the Board on a regular basis to review key developments, issues, opportunities and concerns;

3. Implementing the strategies and policies approved by the Board; and

4. Providing timely updates, reports and information on the Group's business operations to the Board.

All major proposals by the CEO are discussed and reviewed by the Board and Board Committees, and recommended to the Board for its approval.

Provision 3.3

Lead Independent Director

The Board currently does not have a Lead Independent Director as the Chairman is independent.

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.

Provisions 4.1 and 4.2

The NC comprises the following three Directors, all of whom are Independent Directors.

Mr Wee Hock Kee	–	Chairman
Datuk Low Kim Leng	–	Member
Mr Mark Leong Kei Wei	–	Member

Terms of Reference of the NC

The NC's roles and responsibilities, which are described in its terms of reference, are as follows:

1. Reviewing and assessing all candidates for directorship before making recommendations to the Board for appointment of Directors (including alternate directors, if any);

2. Reviewing and recommending to the Board the re-election of the Directors retiring in accordance with the Company's Constitution and the Catalist Rules at each AGM;

3. Reviewing and assessing all candidates for KMP positions before making recommendations to the Board for appointment of KMP;

4. Reviewing the composition of the Board annually to ensure that the Board has an appropriate balance of Independent Directors and an appropriate balance of experience, expertise, skills, attributes and diversity among the Directors;

5. Reviewing the independence of Directors annually in accordance with the Catalist Rules and Provision 2.1 of the Code;

6. Reviewing Board succession plans for the Board Chairman, Directors, CEO and KMP of the Company;

7. Developing the performance evaluation framework and evaluating the performance of the Board, Board Committees, individual Directors and CEO; and proposing objective performance criteria;

8. Reviewing the training and professional development needs of the Board;

9. Deciding whether a Director is able to and has adequately carried out his duties as a Director of the Company, in particular, where the Director concerned has multiple board representations; and

10. Undertaking such other functions and duties as may be required by the Board under the Code, statute or the Catalist Rules (where applicable).

CORPORATE GOVERNANCE REPORT

Provisions 4.3 and 4.4

Procedure for Selection and Appointment of New Directors

The selection and appointment of new Directors is based primarily on merit, with due and conscious consideration for the benefits of diversity. The NC, in consultation with Management and the Board, considers various aspects of diversity to address gaps and to maintain an appropriate range and balance of skills, experience, independence and knowledge of Directors, diversity representation on the Board and other relevant factors against the current and future needs of the Board.

Prospective Board candidates are sourced through recommendations from Board members, business associates, advisors, professional bodies and other industry players. These candidates are then reviewed by the NC.

The criteria for assessing the suitability of any candidate are determined by the NC. The NC, in evaluating the suitability of the candidate, will take into account his/her qualifications, business and related experience and ability to contribute effectively to the Board. The NC will also determine if the candidate would be able to commit time to his/her appointment having regard to his/her other Board appointments and principal commitments, and his/her independence. The evaluation process will also involve an interview or meeting with the candidate. Appropriate background and confidential searches will also be made. Recommendations of the NC are then put to the Board for consideration. The Board is also advised by the Sponsor on the appointment of Directors as required under Catalist Rule 226(2)(d).

The Company may, if required, appoint professional search firms and recruitment consultants to assist in the selection and evaluation process if the appointment involves specific skill sets or industry specialisation.

Retirement and Re-election of Directors

The Company's Constitution requires all Directors to submit themselves for re-nomination and re-election at least once every three years; and at least one-third of the Directors for the time being to retire from office by rotation. New Directors appointed during the year are subject to retirement and re-election at the following AGM of the Company.

In its deliberation on the nomination of retiring Directors for re-election, the NC takes into consideration the Directors' contribution and performance during the year. At the forthcoming AGM, Mr Wee Hock Kee and Mr Mark Leong Kei Wei will retire pursuant to Regulation 96 of the Company's Constitution. Mr Wee Hock Kee will not be seeking re-election and will retire from the Board at the conclusion of the Company's forthcoming AGM. Mr Mark Leong Kei Wei will be seeking re-election at the Company's forthcoming AGM.

Pursuant to Rule 720(5) of the Catalist Rules, information relating to the Director seeking re-election as set out in Appendix 7F of the Catalist Rules is disclosed in the section "Appendix 1: Disclosure of Information on Director Seeking Re-Election" of this Annual Report.

CORPORATE GOVERNANCE REPORT

Alternate Directors

Consistent with the principle that each Director is expected to be able to, and to adequately, carry out his duties as a Director, the Board does not encourage the appointment of alternate directors. No alternate director was appointed to the Board in FY2023.

NC's Determination of Director Independence

The NC is charged with determining the independence of the Directors as well as the relationships or circumstances which would deem a Director not to be independent.

As noted under the section on Principle 2 under "Board Independence", the NC assesses annually whether or not a Director is independent in accordance with the guidance in the Code and the Catalist Rules. To facilitate this process, Directors are required to disclose, among other things, their relationships 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 Directors' independent business judgement in the best interests of the Company.

An Independent Director shall notify the NC immediately, if as a result of a change in circumstances, he no longer meets the criteria for independence. The NC shall review the change in circumstances and make its recommendations to the Board.

Provision 4.5

Board Representations

Where a Director has multiple board representations, the NC will determine if the Director has been able to devote sufficient time and attention to the Company's affairs and if he/she has been adequately carrying out his/her duties as a Director. Such assessment is performed on an annual basis or from time to time when the need arises.

The NC is of the view that the number of directorships a Director can hold and his principal commitments should not be prescriptive as the time commitment for each board membership will vary. The NC assesses holistically, and on a case-by-case basis, whether a Director is able to carry out, and has been adequately carrying out, his duties and responsibilities as a Director taking into account, among other things, the factors mentioned above.

During the year, the NC had reviewed the directorships and principal commitments disclosed by each Director and was of the view that the existing directorships and principal commitments of the respective Directors have not impinged on their abilities to discharge their duties. The Board concurred with the NC.

CORPORATE GOVERNANCE REPORT

The table below shows the disclosure of directorships and chairmanships held over the preceding three years in other listed companies as well as other principal commitments of each respective Director:

Name of Director	**Past Directorships in other listed companies and principal commitments over the preceding three years**	**Present Directorships in other listed companies and principal commitments**
Datuk Low Kim Leng	Directorships: 1. AppAsia Berhad 2. Sersol Berhad Principal commitments: None	Directorships: None Principal commitments: 1. Messrs. Ringo Low & Associates 2. RLA Management Sdn. Bhd.
Mr Ong Swee Sin	Directorships: None Principal commitments: 1. Obviously Blue Sdn. Bhd. 2. Incredible Spark Sdn. Bhd. 3. Power Nutriboost Sdn. Bhd. 4. Dominant Resowave Sdn. Bhd. 5. Tinnolab Sdn. Bhd.	Directorships: None Principal commitments: 1. SSCM Sdn. Bhd. 2. Moments View Enterprise
Mr Wee Hock Kee	Directorships: 1. MIMOS Berhad Principal Commitments: 1. DBC Asia Healthcare Sdn. Bhd.	Directorships: None Principal Commitments: 1. Pertubuhan Keselamatan Sosial (PERKESO) 2. Malaysian Aviation Commission (MAVCOM) 3. The Institute of Internal Auditors Malaysia (IIAM) 4. BackToHealth (M) Sdn. Bhd. 5. ErgoRehab Sdn. Bhd. 6. Support Plus Systems (M) Sdn. Bhd. 7. CG Board Asia Pacific Sdn. Bhd.

CORPORATE GOVERNANCE REPORT

Name of Director	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
Mr Mark Leong Kei Wei	Directorships: 1. LCT Holdings Limited 2. Catalano Seafood Ltd 3. Lifebrandz Ltd Principal commitments: 1. Top Mining Ltd 2. Auspac Financial Advisory Pty Ltd 3. Cytomed Therapeutics (Malaysia) Sdn. Bhd.	Directorships: 1. HS Optimus Holdings Limited 2. LMIRT Management Ltd (as Manager of Lippo Malls Indonesia Retail Trust) 3. MDR Limited 4. Osteopore Ltd 5. Cytomed Therapeutics Ltd Principal commitments: 1. Avalon Partners Pte. Ltd. 2. Apeiron Agrocommodities Pte. Ltd.

Information on the interests of the Directors who held office at the end of the financial year in shares, debentures and share options in the Company and its related corporations (other than the wholly-owned subsidiaries) are set out in the Directors' Statement of this Annual Report.

BOARD PERFORMANCE

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

Provisions 5.1 and 5.2

The NC has an annual performance evaluation exercise for (a) the Board as a whole; (b) each of the Board Committees; (c) each of the Directors; and (d) the CEO. The aforesaid performance evaluations are carried out with questionnaires. The results are collated and anonymised. The findings are analysed and discussed by the NC, and reported to the Board.

The performance criteria for Board evaluation are based on financial and non-financial indicators such as an evaluation of the size and composition of the Board, the Board's access to information, Board processes, strategy and planning, risk management, accountability, Board's performance in relation to discharging its principal functions, communication with Management and standards of conduct of the Directors. The performance criteria do not change from year to year, unless the NC is of the view that it is necessary to change the performance criteria, for example, in order to align with any changes to the Code.

The Board Committees' performance evaluation questionnaires take into consideration the extent of how effectively each respective Board Committee has carried out its duties and responsibilities.

CORPORATE GOVERNANCE REPORT

The individual Director performance evaluation is a peer review where the Directors evaluate each of the other members of the Board on their areas of expertise, conduct and contribution to an effective Board.

The CEO performance evaluation assesses how well the CEO has performed in his role, functions and responsibilities as the CEO of the Company.

The aforesaid annual performance evaluations exercises provide a platform for the Board members to exchange feedback on the strengths and shortcomings of the Board, Board Committees, each Director and the CEO, with a view to strengthening the effectiveness of the Board. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvement will be discussed by the Board and, where appropriate, implemented.

The NC had conducted the aforesaid performance evaluations in respect of FY2023. No external facilitator was engaged for the purpose of these evaluations as the NC and the Board are of the view that the current evaluation process is adequate.

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.***

Provisions 6.1 to 6.3

The RC comprises the following three Directors, all of whom are Independent Directors:

Datuk Low Kim Leng – Chairman
Mr Wee Hock Kee – Member
Mr Mark Leong Kei Wei – Member

The composition of the RC is in accordance with the Code, which requires the RC to be made up entirely of Non-Executive Directors.

Terms of Reference of the RC

The terms of reference of the RC include the review and recommendation of the following matters by the RC to the Board:

1. Determining the Company's remuneration policies and in doing so, also consider the Company's risk appetite and ensure that the policies are aligned to long-term goals;

2. Ensuring that the level and structure of remuneration of the Board and KMP are appropriate and proportionate to the sustained performance and value creation of the Company;

CORPORATE GOVERNANCE REPORT

3. Recommending proposed Directors' fees for shareholders' approval at the AGM;

4. Reviewing the remuneration of employees related to the Directors, CEO or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;

5. Reviewing the ongoing appropriateness and relevance of the Company's remuneration policy (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered) and other benefit programmes (where appropriate);

6. Reviewing the design of all long-term and short-term incentive schemes for approval by the Board and shareholders;

7. Ensuring that the contractual terms including termination terms are fair to the individual and the Company;

8. Setting performance measures and determining targets for any performance-related pay schemes operated by the Company;

9. Ensuring that an appropriate proportion of Management's remuneration is structured so as to link rewards to corporate and individual performance; and

10. Undertaking such other functions and duties as may be required by the Board under the Code, statute or the Catalist Rules (where applicable).

No Director, including the members of the RC, are involved in discussions concerning his own remuneration. The RC's recommendations are submitted to the Board for endorsement.

Remuneration Framework

Broadly, the remuneration policy and framework for fixing Directors' fees, Executive Directors and KMP remuneration adopted by the Company are designed with a view to paying competitive remuneration to attract, retain and motivate the Directors to provide good stewardship of the Company and the KMP to successfully manage the Company for the long-term.

The Non-Executive Directors do not have service contracts or consultancy arrangements with the Company. They are paid Directors' fees based on a structured fee framework reflecting the responsibilities and time commitment of each Director. The fee framework comprises a base fee, and additional fees for holding appointment as Chairman of the Board or Chairman/member of Board Committees. The annual quantum of Directors' fees to be paid is also reviewed by the RC and the Board before submission to shareholders for approval at the Company's AGM.

The RC also reviews the remuneration packages of the Executive Directors and KMP and submits its recommendations to the Board for endorsement. The RC will look at the total remuneration provided which comprises a fixed salary, variable bonus and/or other benefits. The variable bonus component is linked to the performance of the Group and the individual's performance. The RC ensures that there is a strong correlation between bonuses payable, and the achievement and performance of the Group and individual staff.

CORPORATE GOVERNANCE REPORT

Provision 6.4

RC Access to Expert Professional Advice

The RC may, during its annual review of remuneration of Directors and KMP, seek advice from external professional consultants as and when it deems necessary. The expenses incurred from such advice is borne by the Company.

In FY2023, the RC did not appoint any remuneration consultants.

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.***

Provisions 7.1 to 7.3

The Company's remuneration framework is designed to encourage behaviours that contribute to the Group's long-term success while keeping remuneration competitive to attract, to retain and to motivate employees. Remuneration is commensurate with the performance of the Company, an employee's business unit or function, individual performance and contributions, competencies and alignment of behaviour to Company values. The remuneration package consists of fixed pay, variable bonus and/or benefits.

Performance-based Compensation

In reviewing the remuneration packages of individual Directors, the RC ensures that the remuneration of the Executive Director is commensurate with their performance and that of the Company. The RC also takes into account their contributions as well as the financial performance conditions, which include both quantitative and qualitative targets that have been achieved during the year.

The remuneration packages of the Executive Director and KMP comprise primarily a mix of a fixed component, a variable component (variable bonus) and benefits to align Management remuneration with the interests of shareholders and other stakeholders, and to link rewards to corporate and individual performance so as to promote the long-term sustainability and success of the Group.

The Executive Director does not receive Directors' fees. The remuneration package of Mr Ong Swee Sin, Executive Director and CEO of the Company, is reviewed and recommended to the Board by the RC and endorsed by the Board.

Remuneration of Non-Executive Directors

The RC reviews the Directors' fees paid to Non-Executive Directors, which is based on a structured fee framework, to ensure that it is appropriate to the level of contribution and responsibilities.

CORPORATE GOVERNANCE REPORT

The RC has recommended to the Board an amount of S$159,600 as Directors' fees for the financial year ending 31 December 2024 (FY2023: S$166,800). The Board concurred with the RC that the proposed Directors' fees for FY2024 is appropriate, taking into consideration the Company's performance in a challenging business environment, the level of contributions, responsibilities and obligations of the Directors. This would be tabled at the Company's forthcoming AGM for shareholders' approval.

Long-term Incentive Scheme

The RC will look into implementing appropriate long-term incentive plans to encourage alignment of Management's interests with that of shareholders.

DISCLOSURE ON REMUNERATION

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

Provision 8.1

Remuneration of Directors and KMP

The breakdown of Directors' remuneration for FY2023 is set out in the table below:

Name of Director	Fixed Salary	Variable Bonus	Allowance	Others	Directors' Fees	Total
Below S$250,000						
Datuk Low Kim Leng	–	–	–	–	100%	100%
Mr Wee Hock Kee	–	–	–	–	100%	100%
Mr Mark Leong Kei Wei	–	–	–	–	100%	100%
Mr Ong Swee Sin	100%	–	–	–	–	100%

The Group had only two KMP in FY2023. The breakdown of remuneration paid (in remuneration bands) to the top two KMP (who are not Directors or the CEO) in FY2023, is as follows:

CORPORATE GOVERNANCE REPORT

Name of Key Management Personnel	Fixed Salary	Variable Bonus	Allowance	Others	Total
Below S$250,000					
Mr Cheong San Wai[1]	100%	–	–	–	100%
Ms Chong Meng Fong[2]	100%	–	–	–	100%

1 Mr Cheong San Wai resigned as Group Head of Finance on 30 April 2023.
2 Ms Chong Meng Fong was appointed as Chief Financial Officer on 26 April 2023.

The aggregate remuneration paid to the two KMP in FY2023 was approximately S$107,500.

No termination, retirement and post-employment benefits were granted to the Directors, CEO and the KMP in FY2023.

The aforesaid disclosure is a variation from Provision 8.1(a) of the Code, which provides that the amount of remuneration of each individual director and the CEO are disclosed in the annual report.

The Board has decided not to disclose the aforementioned details as recommended by the Code for the time being, given the competitive business environment and possible negative impact on the Group's business interest, the disclosure of such detailed remuneration could have an adverse effect on working relationships and contributions to the operations of the Group.

After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein is sufficient to provide shareholders' information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with the intent of Principle 8 of the Code.

Provision 8.2

Employees who are Substantial Shareholders, Immediate Family Members of a Director or the CEO or a Substantial Shareholder

There are no employees who are substantial shareholders of the Company or immediate family members of a Director, the CEO or a substantial shareholder, and whose remuneration exceeds S$100,000 in FY2023.

Provision 8.3

Employee Share Option Scheme

The Company currently does not have any employee share option scheme in place.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

Provision 9.1

Implementation and Monitoring of Risk Management and Internal Control Systems

The Board and the ARC are responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. They also determine the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

Management is responsible for designing, implementing and monitoring the risk management and internal control systems of the Group. The Board is assisted by the ARC, which conducts reviews of the adequacy and effectiveness of the Group's internal controls and risk management systems with the assistance of the internal auditors of the Group. The reviews consider the Group's business and operational environment in order to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

In FY2023, the Group had established an enterprise risk management ("**ERM**") framework up to the standards of the Committee of Sponsoring Organizations ("**COSO**"). Under the ERM framework, the Board has approved the Group's risk management framework for the identification of key risks within the business. The roles of risk management have been delegated to the Risk Management Working Committee ("RMWC"), which consists of the CEO, CFO and Head of Departments. The RMWC reports to the ARC.

In implementing the ERM, RMWC had identified all key risk indicators ("KRI") and will monitor the KRI in conjunction with the updating of Risk Register and Risk Profile in the future. The system provides reasonable assurance against material financial misstatements or loss and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices and the identification and management of business risks.

Risk Management Policies and Processes

The Group's internal auditors reviews material internal controls as part of the Internal Audit Plan to provide independent assurance to the ARC and the Board on the adequacy, effectiveness and integrity of the Group's internal controls and risk management systems.

The Company's internal auditors provides their findings to the ARC after conducting internal audits in accordance with the Internal Audit Plan. If any non-compliance or internal control weaknesses are noted during the audit, the corresponding recommendations and Management's responses are reported to the ARC.

CORPORATE GOVERNANCE REPORT

The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with relevant legislation, regulations and best practices, and the identification and containment of business risks. The effectiveness of the risk management and internal control systems and procedures is to be monitored and reviewed at least annually by the ARC and the Board.

The Board also recognises that an effective internal control system will not preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The Board will continue its risk assessment, which is an on-going process, with a view to improve the Group's internal control system.

Provision 9.2

Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Board and the ARC review, with the assistance of the internal and external auditors, the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems.

For FY2023, the Board has received written assurances from the CEO and the Chief Financial Officer that in FY2023:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the Group's risk management and internal control systems to address the key financial, operational, compliance and information technology risks affecting the operations are adequate and effective to meet the needs of the Group in its current business environment.

The ARC had noted areas for improvement in the Group's internal controls over provision of customer credit and debtors management and has directed Management to strengthen its customer credit and debt recovery policy to mitigate credit risks. Management will also continue to review and strengthen the Group's control environment and devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, reviews performed by Management and the various Board Committees and the written assurances, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective in FY2023 to address financial, operational and compliance risks, including information technology risks, which the Company considers relevant and material to its operations.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1 to 10.3

The ARC comprises the following three Directors, all of whom are Independent Directors:

Mr Mark Leong Kei Wei – Chairman
Mr Wee Hock Kee – Member
Datuk Low Kim Leng – Member

The Board is of the view that the ARC members, having accounting and related financial management expertise and experience, are appropriately qualified to discharge their responsibilities. Majority of the members of the ARC have years of experience in accounting or related financial management expertise to discharge their responsibilities.

The external auditors provide regular updates and periodic briefings to the ARC on changes to accounting standards and other regulatory updates to enable the ARC to keep abreast of such changes and their corresponding impact on the financial statements, if any.

The ARC does not have any member who is a former partner or director of the Company's existing audit firm.

Terms of Reference of the ARC

The duties of the ARC as set out in its terms of reference include:

1. Reviewing the financial reporting issues and judgements so as to ensure the integrity of financial statements, and of announcements on the Company's financial performance and recommend changes;

2. Overseeing and reviewing the adequacy and effectiveness of the Company's risk management function;

3. Overseeing Management in establishing the risk management framework of the Company;

4. Reviewing and reporting to the Board at least annually on the adequacy and effectiveness of the Company's risk management and internal controls;

5. Reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;

6. Reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;

7. Reviewing assurance from the CEO and CFO (or equivalent personnel) on the financial records and financial statements;

CORPORATE GOVERNANCE REPORT

8. Recommending to the Board the appointment, re-appointment and removal of the external auditors, and its remuneration and terms of engagement;

9. Ensuring that the Company has programmes and policies in place to identify and prevent fraud;

10. Overseeing the establishment and operation of the whistleblowing process in the Company;

11. Reviewing all interested person transactions and related party transactions; and

12. Undertaking such other functions and duties as may be required by the Board under the Code, statute or the Catalist Rules (where applicable).

Key Audit Matters

During the review of the financial statements for FY2023, the ARC had discussed with Management on the accounting principles that were applied as well as to their judgement on items that might affect the integrity of the financial statements.

The ARC reviewed the work performed by Management and made enquiries relevant to the key audit matters. In addition, the ARC also reviewed and discussed the findings presented and related work performed by the external auditors. The ARC was satisfied that these material issues have been properly addressed and appropriately adopted and disclosed in the financial statements.

Provision 10.4

Authority of the ARC

The ARC has the authority to investigate any matter relating to the Company's accounting, auditing, internal controls and financial practices brought to its attention with full access to records, resources, and personnel to enable it to discharge its functions properly; and has full access to and cooperation of Management and the discretion to invite any Director or officer to attend its meetings. The external and internal auditors have unrestricted access to the ARC.

External Auditors

The Company's external auditors, Mazars LLP, is registered with the Accounting and Corporate Regulatory Authority. The ARC is satisfied that the resources and experience of Mazars LLP, the audit engagement partner and the team assigned to the audit of the Group are adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group.

The Group engages Mazars LLP to audit its Singapore-incorporated subsidiaries and member firms of Mazars in the respective countries for its significant foreign-incorporated subsidiaries.

CORPORATE GOVERNANCE REPORT

The ARC assesses the external auditors based on the requirements of the Catalist Rules, and reviews the nature and value of all non-audit services provided to the Group as well as other factors such as the performance and quality of its audit and the independence and objectivity of the external auditors, and recommends its appointment/re-appointment to the Board. During FY2023, there was no non-audit related work carried out by the external auditors, hence, there was no fee paid in this respect. The audit fees paid and/or payable to Mazars LLP and its member firm for their services for FY2023 are S$133,000. The external auditors have also confirmed their independence in this respect. Based on the review, the ARC is of the opinion that Mazars LLP is independent for the purpose of the Group's statutory audit.

For FY2023, the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of audit firms for the Group.

The ARC and the Board have recommended the nomination of Mazars LLP for re-appointment at the Company's forthcoming AGM.

Internal Auditors

The ARC approves the appointment, removal, evaluation and fees of the Group's outsourced internal audit function. In FY2023, the Group outsourced its internal audit function to an independent professional firm, Baker Tilly Monteiro Heng Governance Sdn. Bhd. ("**Baker Tilly**"). Moore Stephens Associates PLT was also appointed as the Company's consultant to advise on and establish an ERM framework up to the standards of COSO and conduct a risk assessment review.

Baker Tilly has more than 40 years of experience and ranks among the largest accounting and business advisory firms in Malaysia. The internal audit engagement partner and the team assigned to the internal audit of the Group have relevant qualifications and experience in internal controls advisory, risk management services, compliance audit and sustainability reporting and have served clients in various industries which are similar and relevant to the businesses of the Group.

The internal auditors report directly to the ARC Chair on internal audit matters and to the CEO on administrative matters. The internal auditors plan their internal audit in consultation with, but independent of, the Management. The internal audit plan is submitted to the ARC for approval prior to implementation. The internal auditors have unfettered access to the ARC, the Company's documents, records, properties and personnel.

Resource and Standing of Internal Audit Function

The ARC approves the Internal Audit Plan annually and reviews the adequacy and effectiveness of the Group internal audit function.

The ARC ensures the adequacy of the internal audit function by examining the scope of the internal auditors' work, the quality of their reports, their qualifications and training, their relationship with the external auditors and their independence of the areas reviewed.

Baker Tilly is staffed with professionals with relevant qualifications and experience and executes its internal audit engagement in accordance with internal audit methodology which is aligned with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The ARC is satisfied that the internal auditors meet the requisite standards, are effective, adequately resourced, are independent and have appropriate standing within the Group.

CORPORATE GOVERNANCE REPORT

Provision 10.5

Meeting with External Auditors and Internal Auditors

The ARC meets with the external and internal auditors without the presence of Management, at least annually, to discuss any issues they may have (including suspected fraud or irregularity, or suspected infringement of any applicable law, rules or regulations, which has or is likely to have a material impact on the Company and Group's operating results or financial position), and Management's response thereof.

For FY2023, both internal and external auditors had, without the presence of Management, confirmed to the ARC that they had access to and received full co-operation and assistance from Management and no restrictions were placed on the scope of their audit.

Whistle-blowing Policy

The ARC is responsible for oversight and monitoring arrangements by which Group employees or external parties may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The Company has in place a whistle-blowing policy to ensure independent investigations of such matters and for appropriate follow up action. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation.

The policy is aimed at encouraging the reporting of such matters in good faith, with the confidence that persons making such reports will be treated fairly. Every effort will be made to protect the identity of the employee who files the complaint or expresses his/her concerns, except in very limited circumstances, such as where disclosure of the person's identity is required by law or other regulatory body; or the identity of the person is material to the investigations.

The Company will not tolerate any reprisals, discrimination, harassment or victimisation of any person raising a genuine concern. All reported whistle-blowing incidents or concerns will be independently investigated under the directives of the ARC, and remedial actions will be taken to address the whistle-blowing incidents.

Details of the policy are made available to all employees (including permanent full time, part-time and contract employees) and the public via the Company's website. Employees and external parties may raise concerns, if any, directly to the ARC.

There were no whistle-blowing incidents reported in FY2023.

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.***

Shareholder Rights

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all shareholders are treated fairly and equitably, and information is communicated to shareholders on a timely basis through annual reports, interim financial results and announcements of significant transactions that are released on SGXNet.

Shareholders are also able to access investor-related information on the Group from the Company's corporate website at www.9rlimited.com.

Provision 11.1

Shareholder Participation at General Meetings

The Company welcomes the views of shareholders on matters concerning the Company and encourages shareholders' participation at general meetings. All shareholders are entitled to attend the general meetings and are given ample opportunity and time to participate effectively and vote at the meetings. All notices of general meetings, along with the related information, is sent to every shareholder.

The Company will comply with its Constitution, the Companies Act and the Catalist Rules in respect of the requisite notice periods for convening general meetings. In line with the Company's continuing sustainability efforts to protect the environment, the Company uses electronic communication for the transmission of its annual reports and other documents to shareholders. The annual report, notice of AGM and accompanying documents are released via SGXNET and are also made available on the Company's website at www.9rlimited.com. Shareholders will receive the printed notice of AGM and proxy form, which also contains information on requesting for printed copies of the annual report from the Company's share registrar, if required.

Shareholders are informed of the rules, including voting procedures that govern the general meetings. The Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote on behalf of the shareholder. A shareholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

CORPORATE GOVERNANCE REPORT

All resolutions at general meetings of the Company are voted by way of poll. An independent scrutineer, who is in attendance at every general meeting, validates the voting results, which are announced on SGXNet on the same day after the conclusion of the general meetings.

Provision 11.2

Separate Resolutions at General Meetings on Each Substantially Separate Issue

The Company does not practice bundling of resolutions at general meetings. Each proposal is tabled as a separate and distinct resolution and not bundled or made conditional to other resolutions. Relevant information relating to each resolution is provided in the notice of general meeting. In the event where the nature of the resolutions have to be "bundled", the Company will explain the reasons and material implications.

Provision 11.3

Attendance at General Meetings

All Directors, including the Chairman of the Board and the respective Chairman of the ARC, NC and RC, as well as the external auditors and the Company Secretary, are present at general meetings to address shareholders' queries. The Directors' attendance at the general meetings held in FY2023 is disclosed under "Board Processes and Meeting Attendance" section relating to Provisions 1.5 and 1.6 of this Report.

Provision 11.4

Absentia Voting

If any shareholder is unable to attend a shareholders' meeting, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms which are sent together with the Annual Reports or Circulars (as the case may be). As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

Provision 11.5

Minutes of General Meetings

The Company Secretary prepares minutes of general meetings which include substantial and relevant comments or queries from shareholders, and responses from the Board and Management. The Company releases its minutes of general meetings via its corporate website and SGXNet within one month after the general meetings.

CORPORATE GOVERNANCE REPORT

Provision 11.6

Dividend Policy

The Company currently does not have a formal dividend policy. The amount and frequency of dividend payments would depend on, inter alia, the Group's financial performance and financial position, its expansion plans and working capital needs, and other factors as the Board may deem appropriate.

In view of the Group's loss-making financial position, the Board has not recommended any dividends for FY2023.

ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1

Shareholder Engagement

The Company recognises that effective communication leads to transparency and enhances accountability. Shareholders are invited to ask questions and seek a better understanding of the Group's business operations, performance, strategies and outlook at general meetings. The Company provides timely information to its shareholders via SGXNet announcements. The Company does not practise selective disclosure and ensures timely and adequate disclosure of price sensitive and material information to shareholders of the Company via SGXNet.

Provisions 12.2 and 12.3

Investor Relations

The Company does not have an Investor Relations Policy in place. However, the Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective.

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDER RELATIONS

ENGAGEMENT WITH STAKEHOLDERS

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

Provisions 13.1 and 13.2

Managing Stakeholder Relations

The Company has arrangements in place to engage with its material stakeholder groups and to manage its relationships with such groups, which forms parts of its sustainability practices. The Company's material stakeholders include its shareholders and investors, customers, contractors and suppliers, regulatory authorities, employees and workers, and local communities. The Company engages its key stakeholders through various formal and informal channels to ensure that the business interests of the Group are balanced against the needs and interests of its materials stakeholders.

The Company is committed to integrating its stakeholders' concerns in its business strategies and policies. Therefore, it continuously seeks to explore effective communication channels and strengthen its relationships with stakeholders.

Further information on how the Company engages its stakeholders and its approach to materials topics will be detailed in the Company's Sustainability Report 2023.

Provision 13.3

Corporate Website

The Company maintains a corporate website at www.9rlimited.com, to communicate and engage with key stakeholders. The corporate website contains various information pertaining to the Group and the Company which serves as an important resource for investors and all key stakeholders. The website is updated from time to time.

INTERESTED PERSON TRANSACTIONS ("IPTs")

Pursuant to Rule 907 of the Catalist Rules, the Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARC and that the transactions are conducted at arms' length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. All IPTs are subject to review by the ARC on a quarterly basis to ensure compliance with established procedures in accordance with Chapter 9 of the Listing Manual.

The Company did not obtained any IPT mandate from shareholders pursuant to Chapter 9 of the Listing Manual. There is no discloseable IPT transaction for FY2023.

CORPORATE GOVERNANCE REPORT

DEALINGS IN SECURITIES

In line with Catalist Rule 1204(19) on dealing in securities, the Company has in place a policy prohibiting share dealings by the Company, Directors and employees of the Group during the period commencing one month before the announcement of the Company's half year and full year financial statements, and ending on the date of announcement of the relevant results.

Directors and employees are also required to observe at all times the insider trading rules stipulated in the Securities and Futures Act, Cap. 289 and are discouraged from dealing in the Company's securities on short-term considerations.

MATERIAL CONTRACTS

Save as disclosed in the Directors' Statement and Financial Statements, there were no material contracts (including loans) entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling shareholder which are either still subsisting as at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSORSHIP FEES

During FY2023, there were no non-sponsorship fees paid and/or payable to the Continuing Sponsor of the Company, UOB Kay Hian Private Limited.

USE OF PROCEEDS

1) Proceeds from exercise of warrants

As at 31 December 2023, 16,406,500 warrants have been exercised by the warrants holders raising net proceeds of S$656,260 which were fully utilised for general corporate and working capital as follows:

Summary of expenses	**General corporate and working capital S$**
Payment of professional fees	184,829
Payment of administrative expenses	150,902
Payment for deposit for acquisition of Compact Sensation Sdn. Bhd.	148,182
Repayment of existing shareholders loan	172,347
	656,260

The use of the proceeds is in accordance with the intended use as disclosed in the Company's Offer Information Statement dated 3 June 2022 and the First Supplementary Offer Information Statement dated 9 November 2022.

CORPORATE GOVERNANCE REPORT

2) Proceeds From Private Placement (Completed in November 2022)

On 25 November 2022, the Group announced the completion of proposed placement pursuant to which 250,390,700 placement shares were allotted and issued. Further details on this placement can be found in the Company's SGXNet announcement dated 10 November 2022. The Company has raised net proceeds of S$12,199,535 after deducting placement expenses. As at 13 March 2024, the net proceeds from the placement that were utilised are as follows:

Use of net proceeds	Fund allocation	Amount allocation S$	Amount utilised as at 13 March 2024 S$	Balance S$
General corporate and working capital requirements	30%	3,659,861	878,125	2,781,736
Proposed diversification of the Group's business	70%	8,539,674	8,462,509	77,165
Total	100%	12,199,535	9,340,634	2,858,901

A breakdown of the net proceeds from the placement that were utilised for working capital are:

Summary of expenses	General corporate and working capital S$
Payment of professional fees	657,256
Payment of administrative expenses	220,869
	878,125

The use of the proceeds from the placement is accordance with the intended use as disclosed in the Company's announcement.

The Board will continue to update in periodic announcements on the utilisation of the proceeds from the private placement and warrant issue as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and interim financial results announcements.

SUSTAINABILITY REPORT 2023

INSIGHTS INTO 9R'S SUSTAINABILITY REPORT

9R Limited and our subsidiaries ("9R" or "the Group") present our Sustainability Report for FY2023. Our report outlines how our environmental, social, and governance measures ("ESG") are integrated into every facet of the Group's supply chain management and lifestyle retail businesses. Providing a succinct overview of our sustainability strategy, this report also illustrates how we generate sustainable business value for long-term growth and success.

Sustainable development remains an integral aspect of 9R's operational excellence in the face of growing global challenges. This year, we maintained our membership with the Malaysian Association of Hotels, Malaysian Retail Chain Association ("MRCA") and Singapore Business Federation. We also showcased our measures to combat climate risks in line with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations.

Key Achievements in Focus

9R Limited at a Glance		
Safeguarding the Environment		
Set up waste segregation baskets at the Supply Chain Management Business office	Recycled a total of 1,791.8 kg of waste	
Social Responsibility		
Zero fatalities and lost time injuries recorded	Implemented the Code of Work Ethics within operations	Equal training hours for both men and women regardless of employee category
Good Governance		
Zero whistleblowing cases were reported	Generated a total revenue of SGD 6.6 million	

Outlining the Reporting Scope and Boundary

This report details 9R's business operations from 1 January 2023 to 31 December 2023 ("FY2023") at Diverse Supply Chain Sdn. Bhd. (hereinafter referred to as "Supply Chain Management Business") and Compact Sensation Sdn. Bhd. (hereinafter referred to as "Lifestyle Retail Business"). In this report, we discuss our non-financial aspects, such as risks, opportunities, and sustainability performance throughout FY2023. Wherever feasible, we have included FY2022 data to provide a comprehensive overview. However, it is important to note that the figures presented for FY2022 from the Lifestyle Retail Business only include data from Q4 following the acquisition of Compact Sensation Sdn. Bhd..

Diverse Supply Chain Sdn. Bhd. operates as an exclusive distributor of service robots within the Food and Beverage industry under the Group's supply chain management business.

Compact Sensation Sdn. Bhd., the Group's lifestyle retail arm, operates an established family-friendly karaoke outlet under the Red Box Plus brand at Elite Pavilion Kuala Lumpur.

Diverse Supply Chain (SG) Pte. Ltd., which is also involved in the distribution of service robots, is not included in the scope of this report due to its small-scale operations, mainly dedicated to robot storage.

SUSTAINABILITY REPORT 2023

Reporting Framework

Our Sustainability Report references the principles of the Singapore Exchange ("SGX") Practice Note 7F Sustainability Reporting Guide, Listing Rules 711A and 711B of the Catalist board together with the Global Reporting Initiative ("GRI") Standards to provide cohesive and reliable ESG disclosure. We remain closely aligned with TCFD recommendations while actively working to improve our climate-related risk and opportunity reporting.

Valuing Feedback

Stakeholder feedback drives our progress and enables performance improvement along our sustainability journey. As such, 9R welcomes any feedback, queries, suggestions, or concerns. Please feel free to reach out to us using the contact details provided below.

Joanne Chong
Chief Financial Officer
joanne.chong@9rlimited.com

Data Assurance

The Group employs internal data collection and verification processes to validate the accuracy of all information, encompassing sustainability-related figures, statements, and claims within this sustainability report. The sustainability reporting process is subject to internal review as stipulated by Rule 711B (3). Recognising the importance of providing our stakeholders with precise and reliable data, we acknowledge the significance of having external assurance which will be considered in our future reports to ensure credibility.

SUSTAINABILITY REPORT 2023

BOARD STATEMENT

Dear Respected Customers, Partners, Shareholders and Colleagues,

Acknowledging the pivotal role businesses play in confronting global challenges, we at 9R Limited are steadfast in our journey towards advancing a sustainable future. Climate change remains a key concern for global governments and regulatory bodies, making robust sustainability commitments crucial for long-term business resilience. Hence, our sustainability report serves as a valuable litmus test in this pursuit, enabling us to assess our progress while evaluating the risks and opportunities associated with significant ESG topics.

In this regard, we elevated our business in this fiscal year with our offerings of positive customer experiences. Our goal is to pioneer the integration of advanced, high-tech and mobile service robots across Malaysian hotels. To bring our ambitions to fruition, one of our operations, Diverse Supply Chain Sdn. Bhd. collaborated with local industry players, specifically the Malaysia Budget & Business Hotel Association ("MYBHA"), Malaysia Tourism Agency Association ("MATA"), and the ASEAN Retail-Chains and Franchise Federation ("ARFF").

Diverse Supply Chain Sdn. Bhd. also earned an accolade from the Bisnes Sinar Harian Awards ("BISA") by Sinar Harian in February 2023. We were presented with this honour in appreciation of our contribution to the economic sustainability of Malaysian communities.

9R Leisure Sdn. Bhd., the entity responsible for managing the Group's lifestyle retail business, achieved a notable milestone with the grand opening of a Red Box Plus karaoke outlet at The Exchange TRX on December 30, 2023. Additionally, following the successful acquisition of six Red Box and one Green Box karaoke outlets in February 2024, 9R Limited now operates a total of nine karaoke outlets at the time of writing this report.

As we move forward, we invite you to explore this report to gain a deeper understanding of our sustainability journey and the positive impact we are making. Your feedback is vital to our progress, and we look forward to your continued partnership as we work collectively to shape a brighter, more sustainable future.

Thank you for your trust, support and shared commitment to sustainability.

On behalf of the Board

ONG SWEE SIN
Executive Director and Chief Executive Officer

SUSTAINABILITY REPORT 2023

THE APPROACH TO 9R'S ESG COMMITMENTS

9R's Guiding Framework

We developed our sustainability framework through concentrated effort and collaboration to ensure the effective implementation of our strategies. It sets a systematic structure that facilitates ESG assimilation into daily operations, helping us achieve our sustainability ambitions. Guided by the 9R Core Values, the framework is focused on our three ESG pillars of Safeguarding the Environment, Social Responsibility, and Good Governance. This framework empowers our strategies and allows us to optimise our ESG practices to secure sustainable business development.

Our Core Values		
Customer Obsession	Courage, Passion and Growth	Teamwork and Trust
Ownership and Accountability	Creativity and Innovation	Integrity and Positive Impact
Our Sustainability Pillars		
Safeguarding the Environment	Social Responsibility	Good Governance
Our Material ESG Factors		
• Waste Management • Energy Consumption and Greenhouse Gas ("GHG") Emissions • Water Consumption	• Product Quality and Customer Satisfaction • Health and Safety • Employment • Training and Education • Diversity • Community Enrichment	• Corporate Governance and Anti-Corruption • Economic Performance • Responsible Procurement Practices
Our Strategic Stakeholders		
Shareholders and Investors	Government and Regulatory Authorities	Employees
Customers	Contractors and Suppliers	Communities
Our Alignments		
SGX	GRI	TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

SUSTAINABILITY REPORT 2023

Embedding Values with 9R's Sustainability Policy

We have a Group Sustainability Policy ("the Policy") in place that defines our core sustainability principles. The policy instils proper integration of sustainability concepts into all aspects of our daily operations.

Sustainability Policy Commitments	
Good Governance	The Group strives to maintain the highest standards of corporate conduct through being sincere, righteous, faithful and honest in all our business dealings. 9R is guided by the Singapore Code of Corporate Governance 2018 and recognises that good governance is key to sustainable growth.
Safeguarding the Environment	In our daily operations, we strive for efficient energy usage and proper management of general office waste. Given the climate change crisis the world is undergoing, we try to mitigate GHG emissions by also offering solutions and innovations to the market that do not impact the environment negatively. We expect that our suppliers and vendors also maintain the same care and concern as we do for the environment.
Social Responsibility	9R nurtures and grows talent while at the same time, provides a safe and enjoyable workplace for all. We are also cognisant of our role in society, primarily as a provider of jobs. As a provider of solutions and innovations in supply chain management, we help ease the labour issues that other businesses are undergoing. Our lifestyle retail business focuses on family-friendly entertainment for all in a fun and safe environment.

Moving Towards New Milestones

By steadfastly upholding our principles of accountability, transparency, and continuous growth, we have achieved notable milestones by successfully meeting several pivotal objectives in FY2023. We are dedicated to building upon these achievements while embarking on new sustainability endeavours in the years ahead.

Year	Achievements and Progress
FY2022	• Changed name to 9R Limited, disposed offshore and marine business and diversified into supply chain management and lifestyle retail businesses • Identified **6 Stakeholder Groups** • Conducted **first Materiality Assessment** • Identified **16 Material ESG Factors**
FY2023	• Included **Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations** • Established an **Environmental, Social, and Governance ("ESG") Framework** • Revised **Sustainability Governance Structure** • Established a **Terms of Reference** for the Sustainability Committee • Maintained 6 Stakeholder Groups • Conducted a **Materiality Reassessment** • Consolidated 16 Material ESG Factors into **12 Material ESG Factors**

SUSTAINABILITY REPORT 2023

SUSTAINABILITY GOVERNANCE STRUCTURE

Driving Positive Impact

To manage the evolving environment of our diverse business ventures, 9R developed a new two-tiered sustainability governance structure to align our strategic decisions. This robust structure delineates roles and responsibilities, allowing for the proactive management of sustainability matters that push us beyond addressing only immediate challenges.

The Board of Directors ("BoD" or "the Board") sits at the apex, with the Sustainability Committee under its stewardship. This facilitates strategic oversight of the approaches used to determine, manage and monitor important ESG aspects.

Sustainability Governance Structure	
Board of Directors	• Has strategic oversight of the management of sustainability strategies, material ESG factors, policies and targets. • Provides approval for proposed sustainability strategies, policies, material ESG factors, and the annual sustainability report. • Ensures ESG-related risks and opportunities are incorporated into the Group's strategy and risk management. • Considers sustainability issues during its strategic oversight of the planning, performance and long-term strategy of the Group.
Sustainability Committee (Comprises the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Executive Director, Heads of Departments ("HoDs"), and Personnel in Charge ("PICs") designated by HoDs for each department)	• Responsible for the strategic management of the material ESG factors and implementation of the Group's sustainability initiatives into day-to-day operations. • Proposes and advises the Board on sustainability strategies, initiatives, and targets while ensuring its alignment with the Group's overall business strategy. • Reviews, approves, and reports policies to the Board to be approved • Oversees the implementation of approved sustainability strategies and initiatives. • Monitors the sustainability performance and progress of the Group together with the management of stakeholder engagement.

SUSTAINABILITY REPORT 2023

STRENGTHENING STAKEHOLDER RELATIONSHIPS

Stakeholder feedback enables us to identify important ESG subjects relevant to their interests and shapes 9R's sustainability strategy and decision-making processes. It facilitates positive change across both financial and non-financial facets of our value chain, ultimately fostering the creation of long-term value. Therefore, we engage with our stakeholders on a regular basis, as their insight on key issues impacting our business is essential to our company's success.

Key Stakeholder Groups	Area of Concern	Key Methods of Engagement	Our Response
Shareholders and Investors	• Corporate governance • Risk management and business strategy • Financial performance	• Annual General Meeting • Extraordinary General Meeting • Announcements via corporate websites • Annual Report • Sustainability Report	• Establish and implement a compressive corporate governance structure • Mitigate risks via the Enterprise Risk Management Framework • Enhance economic performance
Government and Regulatory Authorities	• Anti-corruption policy • Listing rules and regulatory compliance • Legal compliance • Environmental management	• Compliance efforts and announcements via SGXNet • Karaoke outlet inspections	• Establish policies to ensure compliance with relevant legislation and regulatory requirements • To make changes as per recommendations from authorities and statutory bodies on the karaoke operation
Customers	• Customer experience • Product safety and quality • Timely services and response • Food and services quality	• Company website and social media platforms • Face-to-face visitor and customer feedback	• Improve product quality and marketing initiatives based on feedback received • Engage with customers to get feedback and measure satisfaction

SUSTAINABILITY
REPORT 2023

Key Stakeholder Groups	Area of Concern	Key Methods of Engagement	Our Response
Contractors and Suppliers	• Product quality and supply commitment • Timeliness of services	• Physical and virtual engagements • Supplier selection and evaluations	• Conduct supplier and vendor evaluations • Outlet visits and inspections
Employees	• Employee welfare • Career development opportunities • Job security • Health and safety	• Regular engagement with employees • Yearly performance appraisal	• Provide comprehensive benefits and competitive remuneration packages • Implement the "Human Resources Development Fund Plan" to enhance training and development • Provide trainings for professional development opportunities • Implement the Diversity, Inclusion and Non-Discrimination Policy
Community	• Community engagement	• Community engagement events • Company website and social media platforms	• Conduct regular corporate social responsibility activities

SUSTAINABILITY REPORT 2023

MATERIAL ESG FACTORS

Assessing Our Materiality

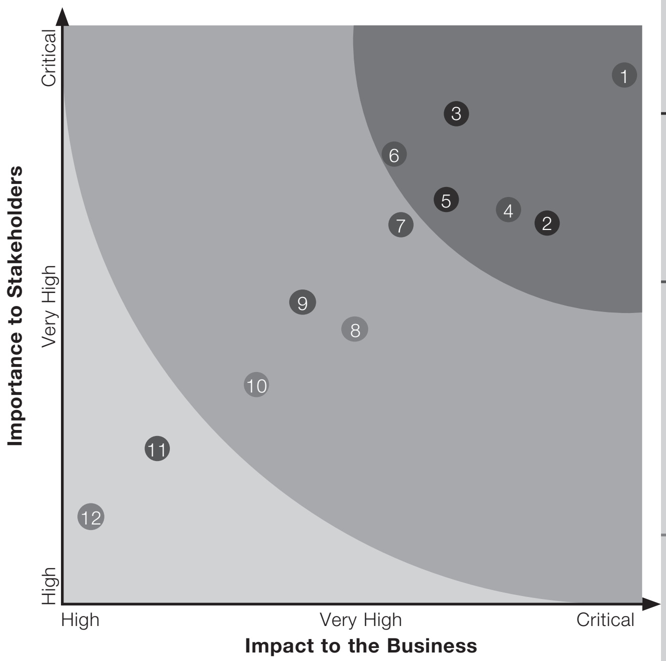
This year, we conducted a materiality reassessment to identify and prioritise the most current ESG topics of significance to our business and stakeholders. As an integral part of our sustainability journey, this assessment process reflects how we respond to material topics, allowing us to manage ESG risks and opportunities.

We reviewed our material ESG factors to ensure relevance with current reporting frameworks, with several consolidated into one material matter. Changes include restructuring “Energy Usage” and “Emissions” into “Energy Consumption and Greenhouse Gas (“GHG”) Emissions as well as restructuring “Customer Health and Safety” and “Occupational Health and Safety” into “Health and Safety” to better align with the TCFD Recommendations.

9R’s materiality assessment process follows a four-step approach as summarised below.

Step 1: Identification	12 material ESG factors were identified based on relevance to 9R and our stakeholders, including industry standards, and streamlined according to SGX requirements.
Step 2: Survey	Stakeholders were engaged via an online Google survey form to rank the material ESG factors in order of importance to the business and to stakeholders.
Step 3: Prioritisation	The responses were collated and analysed to generate a materiality matrix to visualise the prioritisation of the material ESG factors.
Step 4: Validation and Approval	The materiality matrix was presented to the Sustainability Committee for validation and the Board of Directors for approval.

9R’s Materiality Matrix



9R’s Material ESG Factors for FY2023

Good Governance

2. Economic Performance
3. Corporate Governance and Anti-Corruption
5. Responsible Procurement Practices

Social Responsibility

1. Product Quality and Customer Satisfaction
4. Employment
6. Health and Safety
7. Training and Education
9. Diversity
11. Community Enrichment

Safeguarding the Environment

8. Waste Management
10. Energy Consumption and Greenhouse Gas (“GHG”) Emissions
12. Water Consumption

Note: Certain topics have been consolidated due to their overlapping nature in our FY2022 Sustainability Report and for ease of reporting.

SUSTAINABILITY REPORT 2023

This year, we ascertained a total of 12 material ESG factors, with the top six (6) in high priority being **Product Quality and Customer Satisfaction, Economic Performance, Corporate Governance and Anti-Corruption, Employment, Responsible Procurement Practices**, and **Health and Safety**. These high-priority matters highlight the need to maintain a balance between fulfilling our social responsibilities while delivering quality products and services to create sustainable value.

Mapping Out Our Material Sustainability Matters

The table below illustrates the interrelationship between our sustainability pillars, key stakeholder groups and the material ESG factors.

Sustainability Pillars	Commitment Statement	Material ESG Factors	GRI Indicators	Stakeholders
Safeguarding the Environment	We are committed to safeguarding our planet for current and future generations. To showcase our environmental responsibility, we integrated climate resilience, energy efficiency, responsible resource use, effective waste management, and responsible water stewardship across our operations.	Waste Management	306 – Waste 2020	• Shareholders and Investors • Government and Regulatory Authorities • Employees • Contractors and Suppliers
		Energy Consumption and Greenhouse Gas ("GHG") Emissions	302 – Energy 2016 305 – Emissions 2016	
		Water Consumption	303 – Water and Effluents 2018	

SUSTAINABILITY REPORT 2023

Sustainability Pillars	Commitment Statement	Material ESG Factors	GRI Indicators	Stakeholders
Social Responsibility	We commit to being socially responsible by prioritising health and safety, embracing diversity, investing in employment, developing a valuable workforce, and engaging in community initiatives. This is to ensure we advance in social well-being and foster positive change in our society	Product Quality and Customer Satisfaction	416 – Customer Health and Safety 2016 417 – Marketing and Labelling 2016 418 – Customer Privacy 2016	• Government and Regulatory Authorities • Employees • Contractors and Suppliers • Customers • Communities
		Health and Safety	403 – Occupational Health and Safety 2018	
		Employment	401 – Employment 2016 408 – Child Labour 2016 409 – Forced or Compulsory Labor 2016	
		Training and Education	404 – Training and Education 2016	
		Diversity	405 – Diversity and Equal Opportunity 2016 406 – Non-discrimination 2016	
		Community Enrichment	413 – Local Communities 2016	
Good Governance	We commit to upholding the highest standards of governance and transparency by including strong corporate governance, anti-corruption measures, the projection of economic growth and responsible procurement	Corporate Governance and Anti-Corruption	2 – General Disclosures 2021 205 – Anti-corruption	• Shareholders and Investors • Government and Regulatory Authorities • Employees • Customers
		Economic Performance	201 – Economic Performance 2016	
		Responsible Procurement Practices	2 – General Disclosures 2021 204 – Procurement Practices	

SUSTAINABILITY REPORT 2023

THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

Understanding the need for comprehensive climate-related financial disclosures, the Financial Stability Board established the TCFD and released a set of recommendations. Designed to be adoptable across sectors, these recommendations intend to solicit useful, forward-looking information aimed at preparing organisations for climate-related risks and opportunities, allowing stakeholder groups to make prudent investment decisions.

Governance: The Group's governance around climate-related risks and opportunities
Strategy: The actual and potential impacts of climate-related risks and opportunities on the Group's businesses, strategy and financial planning
Risk Management: The processes carried out by the Group to identify, assess and manage climate-related risks and opportunities
Metrics and Targets: The metrics and targets are used to manage relevant climate-related risks and opportunities

Implementing the TCFD

Recognising the increasing urgency of addressing emerging climate challenges, we initiated our journey towards TCFD alignment in 2022 by including several climate-related disclosures. We implemented the following enhanced climate practices this year as we progress to the subsequent phase of our TCFD adoption.

Governance	9R ensures climate change considerations are taken into account in our decision-making as we are aware of the implications of climate change on our business. We began implementing simple initiatives at our office to practice sustainable waste management as well as reduce electricity and water usage. The Board maintains strategic oversight of the Group's ESG strategies, policies, and targets. We recognise the importance of staying informed about climate change risks and opportunities, including mitigation measures for climate-related risks. Accordingly, we aim to integrate discussions on climate-related topics into the agendas of both Board and committee meetings in the future.
Strategy	We implemented energy-saving initiatives in our operations and practiced internal energy conservation, contributing towards climate action while lowering energy costs and enhancing sustainability. Our enhanced Group Sustainability Policy covers climate risk considerations and will act as our overarching guide to sustainable company operations in future endeavours.

SUSTAINABILITY REPORT 2023

Risk Management	By upholding an effective risk management system, the Board in conjunction with the Audit and Risk Committee exercises strategic oversight over 9R's ESG risk indicators within our Enterprise Risk Management ("ERM") framework. We intend to incorporate climate risk indicators within our ERM framework to better identify climate-related risks and support the development of mitigation strategies.
Metrics and Targets	Our climate-related material ESG factors were combined into one and renamed to "Energy Consumption and Greenhouse Gas Emissions" this year. We disclosed our Scope 1 and Scope 2 GHG emissions, and we intend to assess our Scope 3 GHG emissions next year.

SAFEGUARDING THE ENVIRONMENT

Environmental challenges such as water scarcity, waste generation and climate change are exerting heightened global pressure over time. Recognising the interdependence of these concerns and the potential environmental effects of our operations, 9R works to optimise our climate risk management through practical initiatives.

Waste Management

Efficient waste management is crucial to preventing the detrimental effects of environmental pollution. As such, we make responsible waste management a core component of our operations, both in our supply chain management and lifestyle retail businesses.

9R does not produce scheduled waste or hazardous waste due to the nature of our business. We also continue to review systematic waste management initiatives that will best suit our current needs and future requirements as our businesses continue to evolve.

This year, we recycled a total of 1,791.8 kg of waste from both businesses. The Supply Chain Management Business recycled 96.8 kg of cardboard and plastic, reflecting an 83.5% decrease from the previous year's recycling figure of 589.1 kg. This can be attributed to a decrease in the procurement of robots, resulting in a decrease in packaging waste. Meanwhile, the Lifestyle Retail Business recycled 1,695 kg of oil.

Implementing waste management initiatives also imparts benefits such as cost savings and more sustainable business operations. We continued our recycling initiative for cardboard and plastic waste this year. We also implemented measures as outlined below.

- Set up waste segregation baskets at the Supply Chain Management Business office
- Recycled used cooking oil at the Lifestyle Retail Business
- Adopted the use of paper bags for takeaways at the Lifestyle Retail Business

SUSTAINABILITY REPORT 2023

As the global business trend progresses towards digitalisation, 9R is keen on digitising our operations. Beyond reducing our paper use, this process can confer additional benefits such as streamlining our workflow and increased cost savings. The Supply Chain Management Business, utilises email for exchanging sales and purchase invoices, as well as quotations. Conversely, at the Lifestyle Retail Business, we have introduced QR code scanning for our menu system, while still maintaining traditional paper-based methods for transactions.

Energy Consumption and Greenhouse Gas ("GHG") Emissions

The world's escalating demand for energy encompasses issues such as economic volatility, environmental degradation, and the universal challenge of climate change. Hence, our Group focuses on navigating the balance between energy consumption and minimising the carbon footprint of our business operations in support of the Paris Agreement together with achieving Net Zero by 2050.

Energy Consumption

We use both direct and indirect energy sources in our day-to-day operations. Our lifestyle retail business segment derives its direct energy from natural gas. Meanwhile, indirect energy, or purchased electricity, accounts for a significant amount of 9R's overall energy use and operational costs.

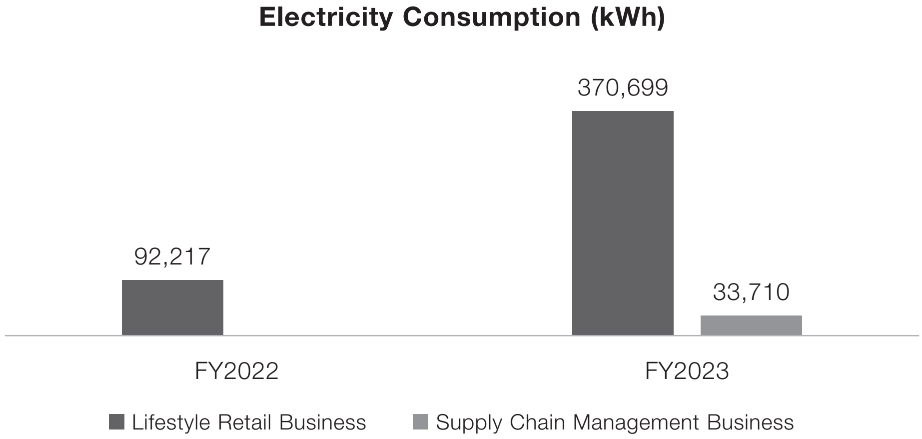
Fuel Consumption of Natural Gas in the Lifestyle Retail Business (m^3)

Notes:

1. FY2022 data from the Lifestyle Retail Business only encompasses the fourth quarter (October – December 2022), following its acquisition. The data presented for FY2023 is for the full year.
2. Natural Gas consumption data for FY2022 has been restated from our previous report due to inaccuracy.

SUSTAINABILITY REPORT 2023

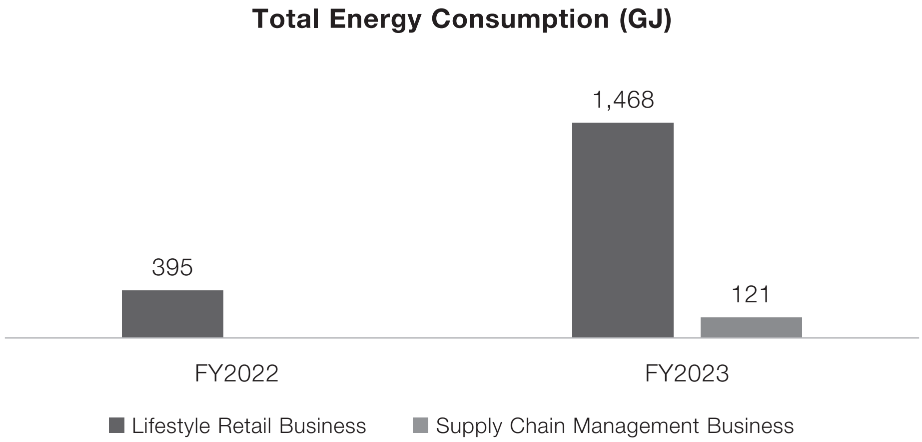
The Supply Chain Management Business contracted the delivery of its robot units to an external company which at this time does not possess any information pertaining to the transportation process. To enhance the reliability of our future reports, we are initiating a fuel consumption tracking and recording system for a more accurate overview in future reports.



Notes:

1. The data from the Lifestyle Retail Business is only available commencing from October 2022 onwards, following its acquisition.
2. Data from the Supply Chain Management Business is only available commencing from February 2023 onwards, following the relocation to a new office space. As the previous workplace operated within a shared workspace, electricity consumption was not monitored for FY2022 and January 2023.
3. Electricity consumption data for FY2022 has been restated from our previous report due to inaccuracy.

Electricity consumption for this year totalled 404,409 kWh. We continue to implement various energy-saving initiatives, such as minimising the use of lights and air conditioners in our offices and outlets whenever possible.



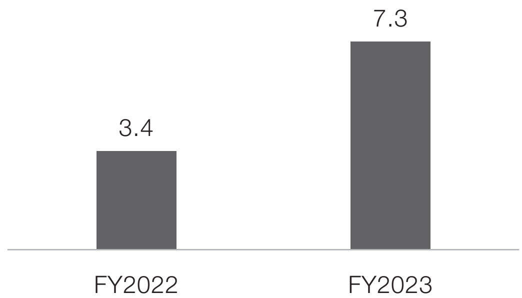
Notes:

1. Data from the Lifestyle Retail Business is only available commencing from October 2022 onwards, following its acquisition.
2. Data from the Supply Chain Management Business is only available commencing from February 2023 onwards, following the relocation to a new office space. As the previous workplace operated within a shared workspace, electricity consumption was not monitored for FY2022 and January 2023.

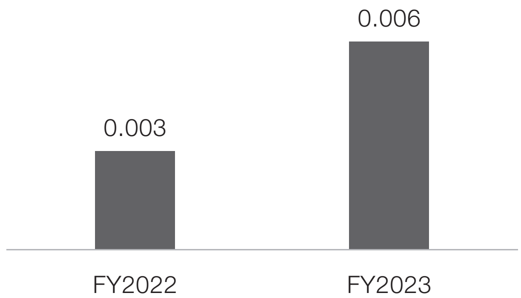
SUSTAINABILITY REPORT 2023

The Group strives to routinely assess our energy consumption and efficiency to identify opportunities for reduction.

Scope 1 GHG Emissions in the Lifestyle Retail Business (tCO_2e)



Scope 1 Emissions Intensity in the Lifestyle Retail Business (tCO_2e/m^2)

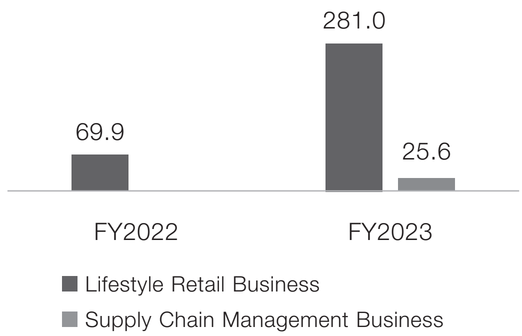


Notes:

1. FY2022 data from the Lifestyle Retail Business only encompasses October to December, following its acquisition. The data presented for FY2023 is for the full year.
2. The Scope 1 emissions calculated for FY2022 differ from the reported figure in our Sustainability Report FY2022. This variance is attributed to the recalculation of emissions using the UK Government GHG Conversion Factors for Company Reporting 2023.

Our Scope 1 GHG emissions[1] amounted to 7.3 tCO_2e in FY2023. The Lifestyle Retail Business recorded a Scope 1 GHG emissions intensity of 0.006 tCO_2e per every m^2 of floor space in FY2023.

Scope 2 GHG Emissions (tCO_2e)



Scope 2 Emissions Intensity (tCO_2e/m^2)

Notes:

1. Data from the Lifestyle Retail Business is only available commencing from October 2022 onwards, following its acquisition.
2. Data from the Supply Chain Management Business is only available commencing from February 2023 onwards, following the relocation to a new office space. As the previous workplace operated within a shared workspace, electricity consumption was not monitored for FY2022 and January 2023.
3. Scope 2 GHG emissions data for FY2022 has been recalculated using the emissions factor sourced from the National Energy Commission: Grid Emissions Factor (GEF) in Malaysia 2021 and the restated electricity consumption.

[1] Emissions resulting from the direct combustion of carbon-based fuel sources, such as diesel or petrol. Scope 1 was calculated using emissions factors from the UK Government GHG Conversion Factors for Company Reporting 2023.

SUSTAINABILITY REPORT 2023

Scope 2 GHG emissions[2] are indirect emissions associated with purchased electricity. These emissions stem from the electricity generation process and are accounted for in our GHG inventory as we draw energy from the electricity transmission grid. Scope 2 emissions generated by the Lifestyle Retail Business were 281.0 tCO_2e while the Supply Chain Management Business generated 25.6 tCO_2e in FY2023. In terms of Scope 2 GHG emissions intensity, the Lifestyle Retail Business recorded 0.246 tCO_2e per every m^2 of floor space in FY2023. The Supply Chain Management Business recorded 0.062 tCO_2e per every m^2 of floor space this year.

Overall, we generated a total of 313.9 tCO2e in GHG emissions this year.

Water Consumption

Water management serves as a responsible environmental practice with the potential to enhance favourable brand perception, in addition to being a cost-saving endeavour. While 9R's operations are not situated in water-stressed areas and our water consumption is primarily for operational and cleaning purposes, we aim to minimise our water use wherever possible. We are also keen on exploring additional water conservation methods continuously, such as optimising our water utilisation and decreasing wasteful consumption.

Water Consumption (litres)		
Business Operations	**FY2022**	**FY2023**
Lifestyle Retail Business	1,185	5,672
Supply Chain Management Business	–	110
Total	1,185	5,782

Notes:
1. FY2022 data from the Lifestyle Retail Business only encompasses the fourth quarter (October – December 2022), following its acquisition.
2. Data from the Supply Chain Management Business is only available commencing from February 2023 onwards, following the relocation to a new office space. As the previous workplace operated within a shared workspace, water consumption was not monitored for FY2022 and January 2023.
3. Water consumption data for FY2022 has been restated from our previous report due to inaccuracy.

We observed a total water consumption of 5,782 litres this year. Additionally, the Group did not receive any fines or penalties in FY2023 resulting from non-compliance with environmental laws or regulations.

[2] Emissions resulting from the purchase of grid electricity, generated in part from the combustion of carbon fuels, such as coal or natural gas. Scope 2 emissions factor was sourced from the National Energy Commission: Grid Emissions Factor (GEF) in Malaysia 2021.

SUSTAINABILITY REPORT 2023

SOCIAL RESPONSIBILITY

As proponents of human rights and social responsibility, we centre people and communities in everything we do. Our dedication to promoting the well-being of people inspires a culture of excellence, inspiring us to deliver exceptional service and products that safeguard customer safety and satisfaction.

Product Quality and Customer Satisfaction

Satisfied customers can be our most effective advocate, being the source of referral sales and repeat customers for 9R. As such, we constantly reinvent and improve our product and service quality solutions to align with customer needs and expectations, allowing us to maintain a competitive edge. At the Supply Chain Management Business, no incidents concerning customer health and safety were reported. The Lifestyle Retail Business reported only one minor injury, which involved a cut. We encourage our customers to notify our staff of any safety concerns or hazards immediately if they do encounter any.

Customer Privacy

We have implemented a consent form for customer personal data in FY2023, which requires individual customers or corporate representatives to provide their signature, indicating their agreement to have their personal data recorded for administrative purposes. In FY2023, the Group ensured an up-to-date record of all received consents from both customers and staff for the retention and processing of their personal data. While no training was conducted on personal data protection matters this year, we are committed to advancing this initiative and realising this goal in 2024.

Marketing and Labelling

9R recognises the significance of adhering to regulations concerning marketing and labelling. All product information is prominently featured on our products. Throughout FY2023, there were zero breaches of trade description laws pertaining to our marketing and labelling practices.

Health and Safety

The safety of our employees and customers remains a high priority. We believe maintaining the good health and emotional well-being of our employees is fundamental to our continued success. Our dedication to safe and seamless company operations drives us to consistently update our safety measures. We have a workplace safety policy in place at the Lifestyle Retail Business which guides us in safeguarding the well-being of our employees.

SUSTAINABILITY REPORT 2023

In FY2023, we recorded zero lost-time injuries and fatalities. At the Lifestyle Retail Business, only two minor injuries were reported, both involving kitchen staff who sustained minor cuts while handling food. 9R endeavours to provide proper training to all staff on safe handling of items that may cause injury, such as knives.

Health and Safety	
Indicators	**FY2023**(1)
Number of lost time injuries(2)	0
Number of fatalities	0
Lost Time Injury Rate	0

Notes:

(1) Encompasses both the Lifestyle Retail Business and the Supply Chain Management Business

(2) Lost time injuries refer to an on-the-job injury that results in an employee being unable to return to work for a certain period of time beyond the day of the injury.

Employment

Achieving long-term business ambitions depends on the quality of our employees. To cultivate a competent workforce, we strive to recruit and retain highly qualified individuals. Our Singapore-based holding company adheres to the Tripartite Guidelines on Fair Employment Practices while our subsidiaries in Malaysia strictly abide by the Malaysian Employment Act of 1955. This ensures fair and equitable recruitment practices in accordance with the labour laws and regulations of each respective country, creating a workplace environment conducive to ongoing enhancements in our robotics and karaoke customer services.

Fair Treatment for All

We continuously maintain zero-tolerance towards any form of child labour, forced labour and indentured labour in our business operations. Our Code of Work Ethics serves as the foundation of our fair employment practices which prohibits discrimination against individuals based on differences in background, race and gender. As we uphold equality for all, our Group implemented complaint procedures and channels as prescribed in the Employee Handbook. The handbook also describes the types of harassment and states our zero-tolerance stance towards harassment against employees. Through these strict ethical work practices, no incidents of discrimination or sexual harassment were recorded in FY2023, requiring no corrective action to be taken.

SUSTAINABILITY REPORT 2023

Fair Recruitment

Building a diverse workforce characterised by a broad spectrum of skills and experiences is fundamental to ensuring our success in the current global business environment. Accordingly, 9R is committed to unbiased hiring practices.

Group's New Hires – Gender		
By Gender	**FY2022**	**FY2023**
Men	8	24
Women	7	1

Group's New Hires – Age		
By Age Group	**FY2022**	**FY2023**
<30	9	24
30-50	5	1
>50	1	0

Group's Turnover – Gender		
By Gender	**FY2022**	**FY2023**
Men	3	18
Women	0	6

Group's Turnover – Age Group		
By Age Group	**FY2022**	**FY2023**
<30	3	19
30-50	0	4
>50	0	1

In FY2023, there were a total of 25 new hires and 24 turnovers.

SUSTAINABILITY REPORT 2023

Employee Benefits

We provide a variety of benefits to full-time, contract and part-time employees across our Group. Our full-time employees enjoy the complete benefit coverage, including life insurance and parental leave, while our part-time and contract workers are only entitled to outpatient medical benefits, retirement provision, disability and invalidity coverage, and annual leave.

In FY2023, two men employees from the Supply Chain Management Business took parental leave. Both individuals returned to work in the reporting period after the leave ended.

Training and Education

The rapidly evolving global corporate environment necessitates a well-equipped workforce. Hence, we provide our workers with professional development opportunities. 9R implements worker-focused strategies to proactively empower our employees, laying the groundwork to develop competent personnel who will drive long-term corporate growth.

Training Hours at the Lifestyle Retail Business in FY2023	
Total Training Hours	**129**
Average Training Hours per Employee	3
Average Training Hours per Man	3
Average Training Hours per Woman	3
Average Training Hours per Executive Employee	3
Average Training Hours per Non-Executive Employee	3

Training Hours at the Supply Chain Management Business in FY2023	
Total Training Hours	**4**
Average Training Hours per Employee	2
Average Training Hours per Man	2
Average Training Hours per Woman	2
Average Training Hours per Senior Management Employee	2
Average Training Hours per Executive Employee	2

Note: Data is only available for FY2023 as we began tracking of training hours this year.

SUSTAINABILITY REPORT 2023

To maintain the requisite standards of cleanliness and food safety, Malaysian establishments serving food and beverages are mandated to provide comprehensive food safety training for their employees. To fulfil this requirement, the Lifestyle Retail Business personnel have completed a 3-hour Food Handling Course. This training is instrumental in upholding the quality and safety of service at the karaoke retail outlet.

Performance Review

9R utilises employee performance appraisals to gauge the success of our upskilling efforts by allowing us to monitor each employee's abilities, successes and progress. We conduct performance appraisals on an annual basis for all employees. During these appraisals, we welcome bidirectional communication between the Group and employees, thereby allowing us to ascertain possible avenues for improvement for both parties.

The Group also employs the Employee Performance Appraisal Form ("EPA") to provide feedback on employee performance, their challenge resolution skills and areas of improvement. The EPA sets a score achieved by a given employee which determines salary increments and bonuses. Similarly, managers received feedback through the Reverse Performance Appraisal Form ("RPA") that operates on similar metrics. These forms offer remuneration-based incentives and clear career advancement metrics.

In FY2023, the Supply Chain Management Business conducted performance appraisals for 13 employees, alongside reverse performance appraisals for four managers. Additionally, the Lifestyle Retail Business conducted year-end performance appraisals for 25 employees.

Diversity

Developing an organisational culture built on diversity and equality can enhance the durability of the Group. We embrace these values, striving to hire talented individuals with varied experiences to create a demographically diverse, empowering and engaging work environment. 9R further enhanced ethical employment practices at the workplace by establishing our targeted Diversity, Inclusion and Non-Discrimination Policy.

Currently the Board comprises men, however 9R seeks to empower women and uplift them into leadership positions to inculcate an inclusive environment throughout all levels of the Group.

In FY2023, we had a total of 53 employees across the Group, an increase of 2% from the previous reporting year.

Group Diversity – Employee Category		
Employee Category	**FY2022**	**FY2023**
Senior Management	2	0
Management	2	3
Executive	17	12
Non-Executive	31	38
Total	52	53

SUSTAINABILITY REPORT 2023

The non-executive employee category comprises the most significant portion of the workforce, followed by executives, management and lastly senior management. 9R also records employee diversity by gender, age, nationality and hiring category.

Group Diversity – Gender		
Gender	**FY2022**	**FY2023**
Men	34	44
Women	18	9

Group Diversity – Age Group		
Age	**FY2022**	**FY2023**
<30	33	39
30-50	18	14
>50	1	0

Men comprised a greater proportion of our workforce in FY2023. Moreover, the majority of employees were under the age of 30. This workforce composition prompts innovation and creativity within the organisation, as it brings fresh perspectives that are indispensable for driving business advancement. Younger professionals are often more technologically adept compared to their more mature colleagues, facilitating the optimisation of our internal processes.

Group Diversity – Nationality		
Nationality	**FY2022**	**FY2023**
Local	52	48
Non-Local	0	5

Group Diversity – Hiring Category		
Hiring Category	**FY2022**	**FY2023**
Permanent	47	47
Part-Time	5	6

91% of our workforce consists of locals in FY2023, reflective of 9R's strong support and preference for local employment. 89% of employees in our workforce are permanent employees.

Community Enrichment

Community development is a quintessential part of our business. At 9R, we advocate individual growth and human rights, while setting out to generate societal value through our actions. Beyond building a positive corporate image, making charitable contributions allows us to create meaningful change in local communities.

SUSTAINABILITY REPORT 2023

GOOD GOVERNANCE

Trust, accountability and ethical conduct are the cornerstones of good governance. They establish a robust governance system capable of improving business sustainability, bolstering economic development and reinforcing stable supply chain management. Therefore, the Group endeavours to inculcate the best practices of good corporate governance throughout our business activities with reference to the Singapore Code of Corporate Governance 2018 (the “Code”).

Corporate Governance and Anti-Corruption

Our current governance policies prescribe the ethical and business conduct principles we stringently adhere to in our sustainability commitments. We also hold our employees and stakeholders to the same standards of ethical business conduct, ensuring we remain aligned across our value chain. All relevant documents are accessible on our corporate website at: www.9rlimited.com/governance, upholding our pledge to transparency and accountability.

Anti-Bribery and Corruption Policy	• This Policy outlines our zero-tolerance for improper solicitation and bribery among Board members, employees and business associates. • It is to be read in conjunction with the Whistleblowing Policy, the Employee Handbook, and relevant 9R procedures and policies.
Whistleblowing Policy	• The policy is approved by the Board and serves to provide an effective mechanism for employees along with other stakeholders of the Group to raise concerns regarding any illegal conduct or malpractice. • Zero incidents of whistleblowing were recorded in FY2023. • Concerns can be raised via email to whistleblower@9rlimited.com

Anti-corruption training is an essential facet of developing an ethical and compliant workplace that reaffirms our adherence with local laws and regulations. All 9R employees and management were provided with the Employee Handbook which covers the Code of Conduct that describes the fundamentals of corruption as well as outlines the repercussions of engaging in such activities. We are proud to report zero breaches of the Code of Conduct and Code of Work Ethics and zero reported incidents of corruption recorded in FY2023.

We encourage reporting any instance of violation to the Group via the whistleblowing channel per the Whistleblowing Policy. This effective mechanism provides a secure avenue for employees and other stakeholders to anonymously raise relevant concerns. All reports received will be treated with confidentiality and impartiality, and any harassment or discrimination resulting from any report will be dealt with accordingly. In FY2023, we successfully upheld our target of zero reported incidents related to anti-money laundering, corruption, or bribery.

Cybersecurity

We ensure the strength of our information systems to protect all data, encompassing customer, operational, and employee information, along with confidential business data. Similar to FY2022, there were no data leaks or breaches concerning personal information of customers or employees this year. In FY2023, we implemented cybersecurity measures to prevent personal data leaks or breaches. All employees were restricted from accessing servers belonging to other departments.

SUSTAINABILITY REPORT 2023

Economic Performance

Investment returns and long-term financial success are increasingly impacted by ESG performance. By assessing 9R's economic sustainability progression, we can illustrate the impact sustainable business practices have on our operations and present the full scope of our financial development to our stakeholders.

Business expansion frequently necessitates substantial financial investments. Strong revenue provides the financial resources needed to fund the growth of our Group, and is a positive indicator of operational growth.

Revenue	SGD 6,576,238
Operating costs	SGD 4,792,681
Taxes	SGD 10,752

Responsible Procurement Practices

Given the nature of our businesses, 9R depends on suppliers as well as service providers for the procurement of quality materials and services. In pursuit of responsible procurement, we extend our sustainability values and principles to these suppliers and service providers. This approach ensures the seamless integration of our sustainability standards across all levels of our supply chain.

Supplier evaluation is a crucial component of demonstrating our commitment to responsible supply chain management and transparency. Recognising this, we meticulously evaluate and select our suppliers based on their credentials, expertise and proximity to ensure optimal partnerships. Hence, we maintain superior product quality by exclusively procuring from licenced suppliers.

The robotic inventory of the Supply Chain Management Business primarily originates from the Klang Valley, except for Keenon robots, which are imported from China. Similarly, the Lifestyle Retail Business largely relies on local suppliers for sourcing, with specific exceptions such as kitchen equipment, crockery and decorative items which are procured from alternative suppliers.

In FY2023, we spent 61% of our procurement budget on local suppliers, increased by 15 percentage point from FY2022. In FY2023, we successfully met our target by recording no incidents of supply chain disruptions.

Procurement Budget Spending		
Type of Procurement	**FY2022**	**FY2023**
Local	46%	61%
Foreign	54%	39%

SUSTAINABILITY REPORT 2023

FY2023 PERFORMANCE MEASUREMENT

The Group prioritises the essential ESG topics for management and monitoring. Targets set for FY2023 were reviewed due to changes in material ESG factors, resulting in some targets becoming irrelevant.

Material ESG Topics	FY2023 Target(s)	FY2023 Performance Against Targets Set
Waste Management	• Continue recycling the type of waste recycled in FY2022 i.e. cardboard and plastic	• **Target met:** Recycled cardboard and plastic in FY2023.
	• Set up waste segregation baskets at our places of operations for Supply Chain Management Business and Lifestyle Retail Business	• **Ongoing progress:** Waste segregation baskets were implemented at the Supply Chain Management Business office. We endeavour to improve waste management at the Lifestyle Retail Business.
	• Explore whether food scraps waste can be composted	• **Ongoing progress:** At the Lifestyle Retail Business, we recycle used cooking oil, while other food scraps are currently disposed of.
	• Reduce the Group's use of paper through digitalisation	• **Ongoing progress:** At the Supply Chain Management Business, we utilise email to send and receive sales/purchase invoices and quotations. At the Lifestyle Retail Business, our menu system employs QR code scanning, while we continue to use paper-based methods for sales/ purchases.
	• Exploring the possibility of adopting biodegradable food packaging (paper cups, paper and reusable straws, paper takeaway containers), strawless cup lids and reducing the use of single-use plastic bags	• **Ongoing progress:** At the Lifestyle Retail Business, we exclusively utilise paper bags for takeaways, while continuing to employ plastic containers and straws in our operations.

SUSTAINABILITY REPORT 2023

Material ESG Topics	FY2023 Target(s)	FY2023 Performance Against Targets Set
Energy Consumption and Greenhouse Gas (“GHG”) Emissions	• Implement energy-saving initiatives such as switching off lights and electrical appliances in unused karaoke rooms and office spaces	• **Ongoing progress:** We continue to minimise the use of lights and air conditioners in our offices and outlets whenever possible.
	• Endeavour to observe the Earth hour	• **Target met:** Partially participated in Earth Hour to take accountability for our environmental impact.
	• Endeavour to reduce emissions intensity for the Group in 2023	• **Ongoing progress:** The Lifestyle Retail Business recorded Scope 1 GHG emissions intensity of 0.006 tCO_2e per every m^2 of floor space in FY2023. In terms of Scope 2 GHG emissions intensity, the Lifestyle Retail Business recorded 0.246 tCO_2e per every m^2 of floor space. The data of Scope 1 & 2 GHG emissions for Lifestyle Retail Business in FY2022 only covers the fourth quarter, therefore is not meaningful to compare with FY2023 data. The Supply Chain Management Business recorded 0.062 tCO_2e per every m^2 of floor space this year.

SUSTAINABILITY REPORT 2023

Material ESG Topics	FY2023 Target(s)	FY2023 Performance Against Targets Set
	• Endeavour to select suppliers located near the places of our operations	• **Target met:** 9R prioritises suppliers based on their credentials, expertise, and close proximity. The Supply Chain Management Business primarily sources its robotic inventory from the Klang Valley, except for Keenon robots imported from China. For the Lifestyle Retail Business, most of our supplies are sourced from local sources, except for kitchen equipment, crockery, and decorative items, which we procure from alternative suppliers. In FY2023, the Group spent 61% of our procurement budget on local suppliers, which increased by 15 percentage point from FY2022.
	• Tracking the electricity consumption for the supply chain management business office space from February 2023 to December 2023 and disclosing such consumption in the sustainability for FY2023	• **Target met:** Electricity consumption for the supply chain management business office was disclosed from February 2023 to December 2023.
Water Consumption	• Tracking the water consumption for the supply chain management business office space from February 2023 to December 2023 and disclosing such consumption in the sustainability for FY2023	• **Target met:** Water consumption for the supply chain management business office was disclosed from February 2023 to December 2023.
	• Monitor and explore initiatives to reduce the water consumed across its New Businesses	• **Ongoing progress:** We remain keen on exploring additional water conservation methods, such as optimising our water utilisation and decreasing wasteful consumption.

SUSTAINABILITY REPORT 2023

Material ESG Topics	FY2023 Target(s)	FY2023 Performance Against Targets Set
Product Quality and Customer Satisfaction	• Endeavour to uphold zero incidents and violations reported of customer health and safety	• **Ongoing progress:** There were no incidents of customer health and safety reported at the Supply Chain Management Business. At the Lifestyle Retail Business, one minor injury occurred. We consistently reinvent and improve product and service quality to minimise any health or safety risks.
	• Endeavour to train all staff on personal data protection matters in FY2023	• **Ongoing progress:** We will endeavour to provide training to all employees concerning personal data protection in FY2024.
	• To maintain an updated record of all consents received from customers and staff	• **Target met:** The Group ensured an up-to-date record of all received consents from both customers and staff for the retention and processing of their personal data.
	• Endeavour to uphold the trend of zero violations of trade description laws relating to our marketing and labelling practice reported	• **Target met:** Throughout FY2023, there were zero breaches of trade description laws pertaining to our marketing and labelling practices.
Health and Safety	• Endeavours to implement a workplace safety policy applicable to all employees of the Group which focuses on safe workplace practices	• **Ongoing progress:** A workplace safety policy was implemented at the Lifestyle Retail Business. At the Supply Chain Management Business, the adoption of a workplace safety policy has yet to be initiated.
	• Explore on the necessity to provide training on workplace safety	• **Target met:** The Lifestyle Retail Business personnel completed a 3-hour Food Handling Course to uphold the quality and safety of service at the karaoke retail outlet.

SUSTAINABILITY REPORT 2023

Material ESG Topics	FY2023 Target(s)	FY2023 Performance Against Targets Set
	• Endeavour to uphold zero work-related injuries and fatalities incidents	• **Ongoing progress:** We achieved zero lost-time work-related injuries and fatalities. At the Lifestyle Retail Business, two minor injuries were reported. We remain committed to regularly updating our safety measures and workplace safety policy to ensure employees' well-being.
Employment	• Endeavour to uphold the trend of zero sexual harassment incidents reported	• **Target met:** No sexual harassment incidents reported in FY2023.
	• Implement and exhibit a notice to raise awareness on sexual harassment at places of our operations	• **Target met:** Ensured there were no complaints regarding "Unfair Employment Practices" and emphasised the complaint procedure on sexual harassment in the employee handbooks.
Training and Education	• Continue to send employees for trainings to upskill	• **Target met:** Attained 129 training hours at the Lifestyle Retail Business for a food handling course and 4 training hours at the Supply Chain Management Business on financial literacy.
	• Develop and train employees on the areas for development identified in the EPA and RPA	• **Target met:** At the Supply Chain Management Business, 13 employees received an EPA while four managers received an RPA. The Lifestyle Retail Business also conducted year-end performance appraisals for 25 employees.

SUSTAINABILITY REPORT 2023

Material ESG Topics	FY2023 Target(s)	FY2023 Performance Against Targets Set
Diversity	• Implement a diversity and inclusion, and non-discrimination policy • Adopt a diversity and inclusion policy	• **Target met:** We implemented a diversity and inclusion, and non-discrimination policy.
Community Enrichment	• Where possible, the Group endeavours to provide the contracts to local businesses in the locations of operation	• **Ongoing progress:** We advocate individual growth and human rights while setting out to generate societal value through our actions. We will work towards achieving this target in the future. In addition, the Group also spent 61% of our procurement budget on local suppliers in FY2023.
Corporate Governance and Anti-Corruption	• Ensure adequate training and/or briefings to the employees on its conduct guidelines	• **Ongoing progress:** The Code of Conduct was covered in the Employee Handbook. 9R remains vigilant to achieve the target of providing adequate training in the future.
	• Ensure effective investigation and corrective action on whistleblowing incidents	• **Target met:** There were zero incidents of whistleblowing recorded in FY2023. If any reports were received, they will be handled with confidentiality and impartiality, and any harassment or discrimination resulting from any report will be addressed accordingly.
	• Endeavour for zero breaches of Code of Conduct and Code of Work Ethics	• **Target met:** No breaches of Code of Conduct and Code of Work Ethics recorded.
	• Endeavour all staff to attend AML, ABC and personal data protection training • Implement the AML and ABC policies and conduct training on such matters	• **Ongoing progress:** We will endeavour to provide training to all employees concerning AML, ABC and personal data protection.

SUSTAINABILITY REPORT 2023

Material ESG Topics	FY2023 Target(s)	FY2023 Performance Against Targets Set
	• Endeavour to uphold the trend of zero incidents of anti-money laundering, corruption or bribery	• **Target met:** Zero incidents of anti-money laundering, corruption or bribery recorded in FY2023.
	• Endeavour to uphold the trend of zero incidents of personal data leaks or breaches	• **Target met:** There were no data leaks or breaches concerning personal information of customers or employees this year.
	• Explore measures to strengthen its cybersecurity measures against personal data leaks or breaches	• **Target met:** We implemented cybersecurity measures to prevent personal data leaks or breaches. All employees were restricted from accessing servers belonging to other departments.
	• Continue to comply with the SGX ST Listing Manual Section B: Rules of Catalist	• **Target met:** We continued to comply with the SGX ST Listing Manual Section B: Rules of Catalist
Economic Performance	• Endeavour to maintain the viability and explore any expansion plans of the Lifestyle Retail Business and Supply Chain Management Business	• **Target met:** As of December 2023, the Group generated a revenue of SGD 6,576,238. In December 2023, we also entered into a Sale and Purchase Agreement to acquire 7 karaoke outlets.
Responsible Procurement Practices	• Endeavour to uphold the trend of zero incidents of supply chain disruptions reported	• **Target met:** There were no incidents of supply chain disruptions reported.

SUSTAINABILITY REPORT 2023

SETTING THE AGENDA FOR FY2024 AND BEYOND

With reference to the SGX Practice Note 7F Sustainability Reporting Guide, targets should be considered for defined short-, medium- and long-term horizons. In FY2023, specific, measurable and relevant targets were established to effectively manage sustainability goals and assess progress, while also identifying areas for enhancement.

Material ESG Topics	Short-Term Target (FY2024)	Medium-Term Target (2024-2027)	Long-Term Target (2027-2030)
Waste Management	• Continue recycling cardboard and plastic waste. • Set up waste segregation baskets at the Lifestyle Retail Business. • Explore whether food scraps waste can be composted. • Further reduce the Group's use of paper through digitalisation. • Explore the possibility of adopting biodegradable food packaging and strawless cup lids.	Implement digital document management systems while encouraging electronic communication and documentation.	Recycle 100% of cardboard and plastic waste.
Energy Consumption and Greenhouse Gas ("GHG") Emissions	• Continuously implement energy-saving initiatives such as switching off lights and electrical appliances in unused karaoke rooms and office spaces. • Endeavour to reduce emissions intensity for the Group in 2024. • Conduct at least one energy saving awareness workshop among employees.	Commence monitoring of fuel consumption from business travel and employee commute for Scope 3 GHG emissions.	Achieve reduction in GHG emissions intensity for Scope 1, 2 and 3.
Water Consumption	• Continuously monitor and explore initiatives to reduce the water consumed across 9R's businesses. • Continue recording the total water consumption of 9R's operations.	Invest in water-efficient technologies such as low-flow fixtures.	

SUSTAINABILITY REPORT 2023

Material ESG Topics	Short-Term Target (FY2024)	Medium-Term Target (2024-2027)	Long-Term Target (2027-2030)
Product Quality and Customer Satisfaction	• Implement a customer satisfaction survey. • Regular engagement sessions with contractors, suppliers and customers. • To train all staff on personal data protection matters.		
Health and Safety	• Implement a workplace safety policy applicable to the Supply Chain Management Business which focuses on safe workplace practices. • Maintain zero fatalities, permanent disability or major injuries across 9R.		
Employment	• Maintain zero incidents of human rights infringement throughout 9R's operations.		
Training and Education	• Develop and train employees on the areas for development identified in the EPA and RPA. • All employees receive 24 hours of training.		
Diversity	Commence at least one engagement activity and/or social gathering to promote inclusivity.	Conduct employee satisfaction survey for all departments and analyse survey findings to identify areas of improvement.	
Community Enrichment	• To provide contracts to local businesses. • To allocate for at least one community investment annually.		
Corporate Governance and Anti-Corruption	• Ensure adequate training and/or briefings for the employees on its conduct guidelines. • Encourage all staff to attend AML, ABC and personal data protection training. • Implement the AML and ABC policies and conduct training on such matters. • Maintain zero incidents of bribery and corruption by enforcing the ABC Policy.		
Economic Performance	• Increase revenue generated by expansion in the market.		
Responsible Procurement Practices	• Increase sourcing from local suppliers. • Maintain zero incidents of supply chain disruptions.		

VENTURING ONWARDS IN OUR SUSTAINABILITY JOURNEY

Our commitment to sustainability is unwavering, urged forth by our determination to leave a positive impact on our planet and society. We made important strides in reducing our environmental footprint, promoting social responsibility and fostering economic stability.

At 9R, sustainability is not just a goal; it is the basis of our long-term viability. It guides our aspirations to propel us towards our mission to redefine customer service sector. We aim to achieve this by continuously optimising our supply chain operations, expanding the accessibility of our groundbreaking service robot technology, all while creating exceptional karaoke experiences.

As we press forward, we recognise that sustainability is a constantly evolving journey. We acknowledge the challenges that lie ahead and the need to continually innovate and adapt to changing circumstances. Our commitment to sustainability will continue to be a driving force in our decision-making processes, guiding us from the boardroom to our daily operations.

SUSTAINABILITY REPORT 2023

GRI CONTENT INDEX

Statement of use	9R Limited has reported the information cited in this GRI content index for the period 1 January 2023 until 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-1 Organisational details	44-45
	2-2 Entities included in the organisation's sustainability reporting	44-45
	2-3 Reporting period, frequency and contact point	44-45
	2-6 Activities, value chain and other business relationships	44-45
	2-7 Employees	62-66
	2-9 Governance structure and composition	49
	2-11 Chair of the highest governance body	49
	2-12 Role of the highest governance body in overseeing the management of impacts	49
	2-14 Role of the highest governance body in sustainability reporting	49
	2-16 Communication of critical concerns	67
	2-22 Statement on sustainable development strategy	46
	2-23 Policy commitments	48, 67
	2-24 Embedding policy commitments	48, 67
	2-25 Processes to remediate negative impacts	67
	2-26 Mechanisms for seeking advice and raising concerns	67
	2-27 Compliance with laws and regulations	67
	2-28 Membership associations	44
	2-29 Approach to stakeholder engagement	50
GRI 3: Material Topics 2021	3-1 Process to determine material topics	51
	3-2 List of material topics	51
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	68

SUSTAINABILITY
REPORT 2023

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 204: Procurement Practices 2016	3-3 Management of material topic	68
	204-1 Proportion of spending on local suppliers	68
GRI 205: Anti-corruption 2016	3-3 Management of material topic	67
	205-2 Communication and training about anti-corruption policies and procedures	67
	205-3 Confirmed incidents of corruption and actions taken	67
GRI 302: Energy 2016	3-3 Management of material topic	57-58
	302-1 Energy consumption within the organisation	57-58
GRI 303: Water and Effluents 2018	3-3 Management of material topic	60
	303-5 Water consumption	60
GRI 305: Emissions 2016	3-3 Management of material topic	59-60
	305-1 Direct (Scope 1) GHG emissions	59
	305-2 Energy indirect (Scope 2) GHG emissions	59-60
	305-4 GHG emissions intensity	59-60
GRI 306: Waste 2020	3-3 Management of material topic	56
	306-2 Management of significant waste-related impacts	56-57
	306-3 Waste generated	56-57
	306-4 Waste diverted from disposal	56-57
GRI 401: Employment 2016	3-3 Management of material topic	62-64
	401-1 New employee hires and employee turnover	62-63
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	64
	401-3 Parental leave	64
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topic	61
	403-1 Occupational health and safety management system	61
	403-9 Work-related injuries	62
	403-10 Work-related ill health	62

SUSTAINABILITY REPORT 2023

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 404: Training and Education 2016	3-3 Management of material topic	64-65
	404-1 Average hours of training per year per employee	64
	404-3 Percentage of employees receiving regular performance and career development reviews	65
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topic	65-66
	405-1 Diversity of governance bodies and employees	65-66
GRI 406: Non-discrimination 2016	3-3 Management of material topic	65
	406-1 Incidents of discrimination and corrective actions taken	65
GRI 408: GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	62
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topic	62
GRI 413: Local Communities 2016	3-3 Management of material topic	66
GRI 416: Customer Health and Safety 2016	3-3 Management of material topic	61
GRI 417: Marketing and Labelling 2016	3-3 Management of material topic	61
GRI 418: Customer Privacy 2016	3-3 Management of material topic	61

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of 9R Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2023 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2023.

1. Opinion of directors

In the opinion of the directors,

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

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

2. Directors

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

Executive director

Ong Swee Sin (Chief Executive Officer)

Independent non-executive directors

Datuk Low Kim Leng (Non-Executive Chairman)
Wee Hock Kee
Mark Leong Kei Wei

3. Arrangements to enable directors to acquire shares and debentures

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

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

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

	Deemed Interest		
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At 21 January 2024**
Ordinary shares of the Company			
Ong Swee Sin	20,419,958	20,419,958	20,419,958
Warrants of the Company			
Ong Swee Sin	8,167,982	8,167,982	8,167,982

By virtue of Section 7 of the Act, Ong Swee Sin is deemed to have an interest in all wholly owned subsidiaries of the Company.

5. Share options

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

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

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

6. Warrants

At the end of the financial year, details of the outstanding warrants are as follows:

Date of issue	Warrants outstanding at 1.1.2023	Warrants exercised	Warrants outstanding at 31.12.2023	Date of expiration
29.06.2022	268,169,058	(4,402,150)	263,766,908	28.06.2027

On 29 June 2022, the Company allotted and issued 140,086,704 new ordinary shares ("Right Shares") at an issue price of $0.025 for each Right Share and 280,173,408 free detachable warrants ("Warrants") pursuant to a renounceable and non-underwritten rights cum warrants issue. Each Warrant carries the right to subscribe for a new ordinary share in the capital of the Company at an exercise price of $0.04 for each new ordinary share and is exercisable during a five-year period from the date of issue.

DIRECTORS' STATEMENT

7. Audit and risk committee

The audit and risk committee of the Company comprises three independent directors and at the date of this report, they are:

Mark Leong Kei Wei (Chairman)
Datuk Low Kim Leng
Wee Hock Kee

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

The audit and risk committee had carried out its functions in accordance with Section 201B (5) of the Act, the Singapore Exchange ("SGX") Listing Manual and the Code of Corporate Governance. In performing those functions, the audit and risk committee had:

(i) reviewed the audit plan and results of the external audit, the independence and objectivity of the external auditors, including, where applicable, the review of the nature and extent of non-audit services provided by the external auditors to the Group;

(ii) reviewed the audit plan of the internal auditors of the Group for the new businesses of the Group and had put in place a plan to review their evaluation of the adequacy of the Group's system of internal accounting controls for the new businesses which will be conducted by the internal auditors in accordance with the audit plan;

(iii) reviewed the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

(iv) reviewed the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;

(v) put in place a plan to review and assess the adequacy of the Group's risk management framework for the new businesses of the Group, with the assistance of the internal auditors of the Group and in accordance with the audit plan;

(vi) reviewed and checked the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(vii) reviewed interested person transactions in accordance with SGX listing rules;

(viii) reviewed the nomination of external auditors and gave approval of their compensation; and

(ix) submitted of report of actions and minutes of the audit and risk committee to the board of directors with any recommendations as the audit and risk committee deems appropriate.

7. Audit and risk committee (cont'd)

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

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

8. Independent auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

Ong Swee Sin	**Datuk Low Kim Leng**
Director	Director

Singapore
3 April 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 9R LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of 9R Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 91 to 176.

In our opinion, the accompanying financial statements of the Group and the statements of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

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

Overview

Audit Approach

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

Materiality

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

Scope of Audit

For the audit of the current financial year's financial statements, we identified 5 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

Out of the 5 significant components, 3 were audited by other Mazars offices as component auditor under our instructions and the remaining 2 were directly audited by us. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 9R LIMITED

Report on the Audit of Financial Statements (cont'd)

Overview (cont'd)

Area of Focus

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

Key Audit 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 this matter.

Matter	Audit response
Impairment assessment of goodwill (refer to Note 3.2 and Note 14 to the financial statements)	
As at 31 December 2023, the Group recorded goodwill arising from business combination of $2,586,434, net of impairment of goodwill of $1,001,914 which represented 22.7% of the Group's total non-current assets. The Group's goodwill is attributed to one cash-generating unit ("CGU"), being Compact Sensation Sdn. Bhd. Management determines the recoverable amount of the CGU to which goodwill is allocated to, using the value-in-use ("VIU") method, estimated using discounted cash flow projections. Significant judgements and estimates have been applied by the management in determining the recoverable amount, principally, the revenue growth rates, budgeted gross profit margins, terminal growth rate and discount rate used. These estimates are inherently subject to estimation uncertainties and hence we consider management's determination of recoverable amount as a key audit matter.	Our audit procedures included, and were not limited to, the following: • We discussed with management on their planned strategies around business expansion, revenue stream growth strategies and cost initiative; • We reviewed prior period forecasts against actual results by comparing assumptions, investigating variances and assessed management's response; • Together with our internal valuation specialist, we evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's estimates applied in the VIU models, with comparison to recent performance, trend analysis and market expectations; and • We reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 9R LIMITED

Report on the Audit of Financial Statements (cont'd)

Key Audit Matters (cont'd)

Matter	Audit response
Expected credit losses ("ECL") on trade receivables and contract assets (refer to Note 3.2, Note 18 and Note 21 to the financial statements)	
The carrying amount of the Group's trade receivables as at 31 December 2023 was approximately $175,888, net of allowance for ECL of approximately $2,112,029. The carrying amount of the Group's contract assets as at 31 December 2023 was approximately $119,643, net of allowance for ECL of approximately $22,125. In applying SFRS(I) 9 Financial Instruments ("SFRS(I) 9"), the Group used an allowance matrix to estimate ECL for trade receivables and contract assets. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations and significant macro-economic factors on these customers, where applicable, as well as forward looking factors specific to the debtors and the economic environment, which could affect the ability of the debtors to settle the trade receivables and contract assets. As the determination of the ECL requires significant judgement and estimation of management and in consideration of the significance of trade receivables and contract assets in the Group, we consider management's assessment and application of SFRS(I) 9 to the impairment of trade receivables and contract assets as a key audit matter.	Our audit procedures included, and were not limited to, the following: • Obtained an understanding of the Group's process in assessing and determining the loss rates used in their allowance matrix; • Reviewed the appropriateness of the bases of the Group for determining the loss rates, with reference to also the historical payment trends of its customers in the past 3 financial years analysed by past due dates and the customers' geographical locations, adjusted for the Group's outlook of the macro-economic environment and conditions in which its customers operate in, and considered the subsequent receipts, where applicable; • Assessed and tested the arithmetic accuracy of the allowance matrix; • For long outstanding receivables, we performed background checks on the customers to assess whether the receivables could be credit impaired; and • Reviewed the appropriateness and sufficiency of the corresponding disclosures made in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 9R LIMITED

Report on the Audit of Financial Statements (cont'd)

Other Information

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

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

In connection with our audit of the financial statements our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 9R LIMITED

Report on the Audit of Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 9R LIMITED

Report on the Audit of Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Chan Hock Leong, Rick.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
3 April 2024

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 $	2022 $
Revenue	4	**6,576,238**	2,974,565
Cost of sales		**(3,481,048)**	(1,708,134)
Gross profit		**3,095,190**	1,266,431
Other income	5	**1,011,276**	312,511
Marketing and distribution expenses		**(78,909)**	(60,229)
Administrative expenses		**(3,220,277)**	(2,937,037)
Other operating expenses		**(3,531,614)**	(247,277)
Loss allowance on financial assets and contract assets		**(2,438,295)**	(22,127)
Finance costs	6	**(83,321)**	(58,684)
Loss before income tax from continuing operations	8	**(5,245,950)**	(1,746,412)
Income tax expense	9	**(10,752)**	(228,366)
Loss for the year from continuing operation		**(5,256,702)**	(1,974,778)
Profit for the year from discontinued operation, net of tax	10	**–**	150,747
Loss for the year		**(5,256,702)**	(1,824,031)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translating foreign operations		**155,894**	(66,438)
Other comprehensive income/(loss) for the year		**155,894**	(66,438)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(5,100,808)**	(1,890,469)
Loss attributable to:			
Continuing operations, net of taxation			
Owners of the Company		**(5,256,702)**	(1,974,778)
Discontinued operation, net of taxation			
Owners of the Company		**–**	183,389
Non-controlling interests		**–**	(32,642)
		–	150,747
Loss for the year		**(5,256,702)**	(1,824,031)
Total comprehensive loss attributable to:			
Owners of the Company		**(5,100,808)**	(1,857,827)
Non-controlling interests		**–**	(32,642)
		(5,100,808)	(1,890,469)
(Loss)/Earnings per share attributable to owners of the Company (cents per share)			
Basic loss per share from continuing operations	11	**(0.52)**	(0.30)
Basic earnings per share from discontinued operation	11	**–**	0.03
Total basic loss per share		**(0.52)**	(0.27)
Diluted loss per share from continuing operations	11	**(0.52)**	(0.25)
Diluted earnings per share from discontinued operation	11	**–**	0.02
Total diluted loss per share		**(0.52)**	(0.23)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
ASSETS					
Non-current assets					
Property, plant and equipment	12	**8,735,101**	4,506,208	**–**	–
Investments in subsidiaries	13	**–**	–	**7,958,405**	330,438
Intangible assets	14	**2,586,434**	3,588,348	**–**	–
Deferred tax assets	15	**55,941**	1,473	**–**	–
Trade receivables	18	**–**	108,575	**–**	–
Contract assets	21	**35,196**	–	**–**	–
Total non-current assets		**11,412,672**	8,204,604	**7,958,405**	330,438
Current assets					
Inventories	17	**1,184,425**	963,519	**–**	–
Trade receivables	18	**175,888**	556,170	**–**	–
Other receivables	19	**1,527,977**	2,397,254	**124,329**	97,978
Amounts due from subsidiaries	20	**–**	–	**507,842**	5,441,072
Contract assets	21	**84,447**	15,854	**–**	–
Income tax receivable		**206,120**	87,234	**–**	–
Assets classified as held-for-sale	22	**–**	43,157	**–**	–
Cash and cash equivalents	23	**3,941,126**	11,841,308	**2,990,792**	11,523,493
Total current assets		**7,119,983**	15,904,496	**3,622,963**	17,062,543
Total assets		**18,532,655**	24,109,100	**11,581,368**	17,392,981
EQUITY AND LIABILITIES					
Equity					
Share capital	24	**124,094,758**	123,898,293	**124,094,758**	123,898,293
Treasury shares	24	**(527,775)**	(527,775)	**(527,775)**	(527,775)
Accumulated losses		**(113,412,017)**	(108,155,315)	**(132,896,376)**	(127,169,858)
Other reserves	25	**1,105,437**	969,922	**20,595,310**	20,615,689
Equity attributable to owners of the parent		**11,260,403**	16,185,125	**11,265,917**	16,816,349
Non-controlling interests		**–**	–	**–**	–
Total equity		**11,260,403**	16,185,125	**11,265,917**	16,816,349
Non-current liabilities					
Deferred tax liabilities	15	**92,994**	171,565	**–**	–
Lease liabilities	16	**4,570,103**	2,443,910	**–**	–
Loans and borrowings	26	**–**	172,347	**–**	172,347
		4,663,097	2,787,822	**–**	172,347
Current liabilities					
Lease liabilities	16	**500,975**	417,203	**–**	–
Contract liabilities	21	**93,998**	114,703	**–**	–
Trade payables	27	**283,872**	273,302	**–**	–
Other payables	28	**1,600,719**	4,259,976	**315,451**	404,285
Provision of restoration cost		**126,995**	64,048	**–**	–
Provision of warranty		**2,596**	6,921	**–**	–
Total current liabilities		**2,609,155**	5,136,153	**315,451**	404,285
Total liabilities		**7,272,252**	7,923,975	**315,451**	576,632
Total equity and liabilities		**18,532,655**	24,109,100	**11,581,368**	17,392,981

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

STATEMENTS OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Attributable to owners of the Company						
	Note	Share capital $	Treasury shares $	Accumulated losses $	Other reserves $	Equity attributable to owners of the Company, total $	Non-controlling interests $	Total equity $
Group								
Balance at 1 January 2022		104,811,429	(527,775)	(106,363,926)	(207,985)	(2,288,257)	(100,098)	(2,388,355)
Loss for the year		–	–	(1,791,389)	–	(1,791,389)	(32,642)	(1,824,031)
Other comprehensive loss:								
Foreign currency translation reserve		–	–	–	(66,438)	(66,438)	–	(66,438)
Other comprehensive loss for the year, net of tax		–	–	–	(66,438)	(66,438)	–	(66,438)
Total comprehensive loss for the year		–	–	(1,791,389)	(66,438)	(1,857,827)	(32,642)	(1,890,469)
Disposal of subsidiaries	10	–	–	–	–	–	132,740	132,740
Issuance of new shares	24, 25	19,086,864	–	–	1,244,345	20,331,209	–	20,331,209
Balance at 31 December 2022		123,898,293	(527,775)	(108,155,315)	969,922	16,185,125	–	16,185,125
Loss for the year		–	–	(5,256,702)	–	(5,256,702)	–	(5,256,702)
Other comprehensive income:								
Foreign currency translation reserve		–	–	–	155,894	155,894	–	155,894
Other comprehensive income for the year, net of tax		–	–	–	155,894	155,894	–	155,894
Total comprehensive (loss)/income for the year		–	–	(5,256,702)	155,894	(5,100,808)	–	(5,100,808)
Issuance of new shares	24, 25	196,465	–	–	(20,379)	176,086	–	176,086
Balance at 31 December 2023		**124,094,758**	**(527,775)**	**(113,412,017)**	**1,105,437**	**11,260,403**	**–**	**11,260,403**

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

STATEMENTS OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Share capital $	Treasury shares $	Accumulated losses $	Other reserves $	Total equity $
<u>**Company**</u>						
Balance at 1 January 2022		104,811,429	(527,775)	(125,911,985)	19,548,945	(2,079,386)
Loss for the year		–	–	(1,257,873)	–	(1,257,873)
Other comprehensive loss:						
Forgiveness of amounts due from subsidiaries		–	–	–	(177,601)	(177,601)
Other comprehensive loss for the year, net of tax		–	–	–	(177,601)	(177,601)
Total comprehensive loss for the year		–	–	(1,257,873)	(177,601)	(1,435,474)
Issuance of new shares	24, 25	19,086,864	–	–	1,244,345	20,331,209
Balance at 31 December 2022		123,898,293	(527,775)	(127,169,858)	20,615,689	16,816,349
Loss for the year, representing total comprehensive loss for the year		–	–	(5,726,518)	–	(5,726,518)
Issuance of new shares	24, 25	196,465	–	–	(20,379)	176,086
Balance at 31 December 2023		**124,094,758**	**(527,775)**	**(132,896,376)**	**20,595,310**	**11,265,917**

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

CONSOLIDATED
STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 $	2022 $
OPERATING ACTIVITIES			
Loss before income tax from continuing operations		**(5,245,950)**	(1,746,412)
Profit before income tax from discontinued operation	10	**–**	150,747
Total loss before income tax		**(5,245,950)**	(1,595,665)
Adjustments for:			
Interest expense	6	**83,321**	58,684
Depreciation of property, plant and equipment	12	**1,042,526**	150,998
Property, plant and equipment written off	12	**12,741**	33,034
Fair value adjustment arising from contingent considerations in relation to acquisition of subsidiary		**–**	222,625
Gain on disposal of subsidiary	10	**–**	(2,252,121)
Quoted equity investments written off		**–**	4
Inventories written off		**–**	43,756
Impairment of property, plant and equipment	12	**153,727**	–
Loss allowance on trade receivables	30	**2,111,369**	22,127
Loss allowance on other receivables	30	**304,233**	–
Impairment loss on goodwill	14	**1,001,914**	–
Loss allowance on contract assets	30	**22,693**	–
Waiver on late interest charged	5	**(60,252)**	–
Write-back of other creditors	5	**–**	(235,041)
Write-back of contingent consideration for acquisition of a subsidiary	5	**(772,535)**	–
Allowance for inventories obsolescence	17	**869,737**	–
Provision of warranty		**(4,325)**	6,921
Unrealised exchange loss		**302,849**	139
Total operating cash flows before movements in working capital		**(177,952)**	(3,544,539)
Changes in working capital			
Inventories		**(1,090,643)**	(661,532)
Trade receivables		**(1,629,915)**	(2,526,007)
Other receivables, deposits and prepayments		**1,408,358**	–
Contract assets		**(126,482)**	161,911
Trade payables		**15,142**	1,614,475
Other payables and accruals		**(1,269,805)**	–
Contract liabilities		**(20,705)**	433,894
Cash used in operations		**(2,892,002)**	(4,521,798)
Income taxes paid		**(257,587)**	(93,214)
Net cash flows used in operating activities		**(3,149,589)**	(4,615,012)

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

CONSOLIDATED
STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 $	2022 $
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	12	**(2,814,634)**	(5,685)
Proceeds from disposal of asset held for sale		**43,157**	–
Acquisition of a subsidiary, net of cash and cash equivalents	13, 34	**(1,469,292)**	(547,966)
Net cash outflow from disposal of subsidiaries	13	**–**	(195,667)
Net cash flows used in investing activities		**(4,240,769)**	(749,318)
FINANCING ACTIVITIES			
Interest expenses paid		**(83,321)**	(58,684)
Payment of principal portion of lease liabilities		**(422,347)**	(207,810)
Proceeds from loans and borrowings		**–**	1,361,787
Repayment of loans and borrowings		**(43,805)**	(1,452,655)
Proceeds from issuance of shares, net of share issuance expenses		**47,544**	16,192,467
Net cash flows (used in)/from financing activities		**(501,929)**	15,835,105
Net (decrease)/increase in cash and cash equivalents		**(7,892,287)**	10,470,775
Cash and cash equivalents at beginning of the financial year		**11,841,308**	1,370,533
Effect of currency translation on cash and cash equivalents		**(7,895)**	–
Cash and cash equivalents at end of the financial year	23	**3,941,126**	11,841,308

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

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

Reconciliation of liabilities arising from financing activities

	At beginning of financial year	Financing cash flows	Non cash changes							At end of financial year
			Interest expenses/ (income)	Acquisition of a subsidiary	Provision of restoration cost	Loan conversion (Note 26)	Addition of right-of-use assets	Lease modification	Currency realignment	
	$	$	$	$	$	$	$	$	$	$
2023										
Liabilities										
Lease liabilities	**2,861,113**	**(505,642)**	**83,295**	**-**	**-**	**-**	**2,721,611**	**66,042**	**(155,341)**	**5,071,078**
Loans and borrowings	**172,347**	**(43,805)**	**-**	**-**	**-**	**(128,542)**	**-**	**-**	**-**	**-**
2022										
Liabilities										
Lease liabilities	-	(266,494)	58,684	3,002,468	64,048	-	-	-	2,407	2,861,113
Loans and borrowings	1,490,000	(90,868)	-	-	-	(1,189,440)	-	-	(37,345)	172,347

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

1. General

9R Limited (the "Company") (Registration Number: 199307300M) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 20 Collyer Quay, #11-07, Singapore 049319.

The principal activities of the Company are the provision of management and other services to related companies and investment holding. The principal activities of the respective subsidiaries are disclosed in Note 13 to the financial statements.

The consolidated financial statements of 9R Limited and its subsidiaries (collectively, the "Group") for the year ended 31 December 2023 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 3 April 2024.

2. Summary of material accounting policies

2.1 *Basis of preparation*

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

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statements of financial position and changes in equity of the Company are presented in Singapore dollar ("SGD" or "$") which is also the functional currency of the Company, unless otherwise indicated.

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

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of material accounting policies (cont'd)

2.1 ***Basis of preparation (cont'd)***

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of material accounting policies (cont'd)

2.2 *Basis of consolidation*

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

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

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

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

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

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

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

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

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

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

2. Summary of material accounting policies (cont'd)

2.3 ***Business combinations***

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of material accounting policies (cont'd)

2.3 *Business combinations (cont'd)*

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

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

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

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

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

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

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

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

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

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

2. Summary of material accounting policies (cont'd)

2.4 ***Revenue recognition***

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

Supply chain management

Supply chain management mainly relates to the sale of goods. Revenue from the sale of goods is recognised at a point in time when control of the goods is transferred to the end customers (i.e. when the goods are delivered in accordance with applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer).

Payment for the transaction price of the goods is typically collected at the point the customer signs the contract, except for certain contracts that have a payment structure allowing customers to pay for the goods over a period of time. For these arrangements, the Group discounts the transaction price using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due.

Warranty obligations

The Group provides an assurance-type warranty for the sale of certain robot products. These warranties are accounted for under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets.*

Lifestyle retail business

Lifestyle retail business mainly relates to the operation of family karaoke and entertainment business. Revenue from this segment splits into two streams. One is from the sale of goods and the other is from the rental of karaoke room.

Sale of goods

Revenue from the sale of goods recognised at a point in time when control of the goods is transferred to the end customers (i.e. when the goods are delivered in accordance with applicable terms and conditions and significant risks and rewards of ownership of the services have been transferred to the customer).

2. Summary of material accounting policies (cont'd)

2.4 ***Revenue recognition (cont'd)***

Lifestyle retail business (cont'd)

Rental of karaoke room

Revenue from the rental of karaoke room is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group.

Advance consideration received from customers for the sale of goods not yet delivered or rental of karaoke room not yet utilised is recognised as a contract liability (Note 21). A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due.

2.5 ***Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2.6 ***Retirement benefit costs***

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

2.7 ***Employee leave entitlement***

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of material accounting policies (cont'd)

2.8 *Income tax*

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of material accounting policies (cont'd)

2.8 *Income tax (cont'd)*

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

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

2.9 *Foreign currency transactions and translation*

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of material accounting policies (cont'd)

2.10 *Property, plant and equipment*

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

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

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

Computers and office equipment	–	1 to 8 years
Renovation, furniture and fixtures	–	3 to 10 years
Motor vehicles	–	5 years
Machinery	–	5 to 10 years
Office premise	–	2 years
Outlet premise	–	9 years
Hostel	–	2 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 16.

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

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

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising from disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

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

2. Summary of material accounting policies (cont'd)

2.11 ***Intangible assets***

Goodwill on acquisition

Goodwill represents the excess of the cost of an acquisition over the net fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity carried at the date of acquisition. Goodwill is recognised at cost less any accumulated impairment losses.

2.12 ***Impairment of non-financial assets excluding goodwill***

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

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

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

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

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

2. Summary of material accounting policies (cont'd)

2.13 ***Financial instruments***

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

Financial assets

Initial recognition and measurement

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

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

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

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

Financial assets at amortised cost

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of material accounting policies (cont'd)

2.13 *Financial instruments (cont'd)*

Financial assets (cont'd)

Effective interest method

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

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognised in interests income.

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Impairment of financial assets

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

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

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

2. Summary of material accounting policies (cont'd)

2.13 ***Financial instruments (cont'd)***

Financial assets (cont'd)

Impairment of financial assets (cont'd)

The Group applies the simplified approach to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

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

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

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 30.

Derecognition of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of material accounting policies (cont'd)

2.13 ***Financial instruments (cont'd)***

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Ordinary share capital

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

Warrants

Warrants is classified as equity. Incremental costs directly attributable to the issue of warrants are recognised as a deduction from equity.

When the warrants are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the warrants reserve are credited to the share capital account, when new ordinary shares are issued.

Upon expiry of unexercised warrants, the balance previously recognised in the warrants reserve is transferred to retained profits directly.

2. Summary of material accounting policies (cont'd)

2.13 ***Financial instruments (cont'd)***

Financial liabilities and equity instruments (cont'd)

Equity instruments (cont'd)

Treasury shares

When shares recognised as equity are acquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the accumulated profits of the Company if the shares are purchased out of earnings of the Company, or proportionately against the share capital and accumulated profits accounts if the shares are purchased both out of capital and accumulated profits of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Financial liabilities

Initial recognition and measurement

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

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

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of material accounting policies (cont'd)

2.13 ***Financial instruments (cont'd)***

Financial liabilities and equity instruments (cont'd)

Financial liabilities (cont'd)

Other financial liabilities

Trade and other payables

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

Borrowings

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

Derecognition of financial liabilities

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

Offsetting of financial instruments

A financial asset and a financial liability shall be offset, and the net amount presented in the statement of financial position when, and only when, an entity:

(i) Currently has a legally enforceable right to set off the recognised amounts; and

(ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. Summary of material accounting policies (cont'd)

2.14 ***Inventories***

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

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.15 ***Cash and cash equivalents***

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

2.16 ***Discontinued operation***

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of material accounting policies (cont'd)

2.17 ***Leases***

The Group as a lessee

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

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

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

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

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

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

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

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

2. Summary of material accounting policies (cont'd)

2.17 ***Leases (cont'd)***

The Group as a lessee (cont'd)

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

– fixed payments, including in-substance fixed payments less any lease incentive receivable;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee;

– the exercise price under a purchase option that the Group is reasonably certain to exercise; and

– payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

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

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

The Group as a lessor

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of material accounting policies (cont'd)

2.17 ***Leases (cont'd)***

The Group as a lessor (cont'd)

Operating Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. 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.

2.18 ***Provisions***

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

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

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

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

A provision is recognised for onerous contracts when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and is measured at the lower of the cost of fulfilling it and any expected cost of terminating it. In determining the cost of fulfilling the contract, the Group includes both the incremental costs and an allocation of others costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

Provision of restoration costs

The Group recognises a liability if the Group has a present legal or constructive obligation to reinstate the leased premises to their original state upon expiry of the lease. The provision is made based on management's best estimate of the expected costs to be incurred to reinstate the leased premises to their original state.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Summary of material accounting policies (cont'd)

2.19 ***Government grants***

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

Non-monetary government grant is recognised at nominal amount.

2.20 ***Contingencies***

A contingent liability is:

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

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

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

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

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

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

2. Summary of material accounting policies (cont'd)

2.21 *Segment reporting*

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

3. Significant accounting estimates and judgements

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

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

Impairment of financial assets

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

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

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

3. Significant accounting estimates and judgements (cont'd)

3.2 ***Key sources of estimation uncertainty***

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

Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired includes an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The Group has impaired the goodwill during the financial year of $1,001,914 (2022: $Nil). The carrying amount of goodwill as at 31 December 2023 was $2,586,434 (2022: $3,588,348).

Determining whether goodwill is impaired requires an estimation of their recoverable amounts. Where such recoverable amounts are based on the assets' values-in-use, the determination of such value-in-use involves significant use of estimates and assumptions by management. These estimates and assumptions are disclosed and further explained in Note 14.

Impairment of property, plant and equipment

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

Management judgement is required in the area of asset impairment, particularly in assessing (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the market value or the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in estimating the market value of preparing the cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, could materially affect the net present value used in the impairment test and as a result may potentially affect the Group's results. The carrying amounts of the Group's property, plant and equipment at 31 December 2023 were $8,735,101 (2022: $4,506,208).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Significant accounting estimates and judgements (cont'd)

3.2 *Key sources of estimation uncertainty (cont'd)*

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Management estimates the useful lives of property, plant and equipment to be within 1 to 10 years. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's property, plant and equipment as at 31 December 2023 were $8,735,101 (2022: $4,506,208).

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where applicable, the Company's determination of the recoverable value is based on the estimation of the value-in-use of the applicable assets as defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amounts of investments in subsidiaries as at 31 December 2023 was $7,958,405 (2022: $330,438).

Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 December 2023 was $1,184,425 (2022: $963,519).

Measurement of ECL of trade receivables and contract assets

The Group uses an allowance matrix to measure ECL for trade receivables and contract assets. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables and contract assets. In considering the impact of the economic environment on the ECL rates, the Group assesses and estimates, for example, the gross domestic production growth rates of the countries (i.e. Singapore and Malaysia) and the growth rates of the major industries in which its customers operate. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables and contract assets as at 31 December 2023 was $2,112,029 (2022: $22,127) and $22,125 (2022: $Nil) respectively.

3. Significant accounting estimates and judgements (cont'd)

3.2 ***Key sources of estimation uncertainty (cont'd)***

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's deferred tax assets, deferred tax liabilities and income tax receivables as at 31 December 2023 were $55,941 (2022: $1,473), $92,994 (2022: $171,565) and $206,120 (2022: $87,234) respectively.

Measurement of ECL of other receivables and amounts due from subsidiaries

The Group and the Company use amongst other factors, the financial positions of the third parties and subsidiaries, the past financial performances, and cash flow trends, adjusted for the outlook of the industry and economy in which the third parties and subsidiaries operate in. Impairment on these balances has been measured on the 12-month expected loss basis which reflects low credit risk of the exposures. The expected loss allowance on the Group's other receivables as at 31 December 2023 was $296,627 (2022: $Nil). The carrying amounts of the Group's other receivables as at 31 December 2023 was $1,288,231 (2022: $1,929,493). The carrying amount of the Company's amounts due from subsidiaries as at 31 December 2023 was $507,842 (2022: $5,441,072).

Provision of warranty

Provision is recognised for assurance-type warranties when the inventory is sold, and the quantification is based on current volumes of products sold and which are still under warranty, historical product failure rates for the preceding 1 year (2022: 3 to 9 months) as well as estimates and assumptions on future product failure rates and an estimate of the costs to remedy the various qualitative issues that might occur. Changes in claim rates and differences between actual and expected warranty costs could impact warranty obligation estimates which could consequentially impact the Group's results and financial position. The carrying amount of the Group's provision for warranty as at 31 December 2023 was $2,596 (2022: $6,921).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. Revenue

	Group 2023 $	Group 2022 $
Continuing operations		
Revenue from contracts with customers		
– At a point in time	**5,530,258**	2,819,099
– Over time	**1,045,980**	155,466
	6,576,238	2,974,565

Disaggregation of revenue from contracts with customers is as follows:

	Supply chain management	Lifestyle retail business		
	Sale of goods $	Sale of goods $	Rental of karaoke room $	Total $
2023				
Geographical markets				
Singapore	**1,544,257**	**–**	**–**	**1,544,257**
Malaysia	**816,502**	**3,185,659**	**1,029,820**	**5,031,981**
	2,360,759	**3,185,659**	**1,029,820**	**6,576,238**
2022				
Geographical markets				
Malaysia	1,846,324	972,775	155,466	2,974,565

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

	Group 2023 $	Group 2022 $
Within one year	**20,423**	98,849
After one year and within five years	**7,901**	–
	28,324	98,849

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. Other income

	Group	
	2023	**2022**
	$	**$**
Continuing operations		
Government grants	**392**	3,829
Rental income	**11,466**	32,291
Service income	**2,500**	75
Write-back of other creditors	**–**	235,041
Write-back of contingent consideration for the acquisition of a subsidiary	**772,535**	–
Foreign exchange gain, net	**63,856**	–
Bank interest income	**34,422**	–
Waiver on late interest charged	**60,252**	–
Others	**65,853**	41,275
Total other income	**1,011,276**	312,511

Included in other income for current year is a write-back of contingent consideration for the acquisition of a subsidiary due to conditions for contingent consideration to be paid is not satisfied during the financial year. In prior financial year, the conditions were expected to be fulfilled and thus, the contingent consideration were recognised as part of the fair value of consideration and taken into account for computation of goodwill.

6. Finance costs

	Group	
	2023	**2022**
	$	**$**
Continuing operations		
Interest expenses on:		
– lease liabilities	**83,295**	58,684
– others	**26**	–
	83,321	58,684

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. Employee benefits

	Group	
	2023	2022
	$	$
Continuing operations		
Salaries and bonuses	**1,098,805**	722,884
Employers' contribution to defined contribution plans	**109,071**	71,869
Other short-term benefits	**143,616**	5,818
	1,351,492	800,571

These include the amount shown as key management personnel compensation in Note 33.

8. Loss before income tax from continuing operations

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

	Group	
	2023	2022
	$	$
Continuing operations		
Depreciation of property, plant and equipment	**1,042,526**	150,998
Fair value adjustment arising from contingent considerations in relation to acquisition of a subsidiary	**–**	222,625
Provision for warranty	**(4,325)**	6,921
Property, plant and equipment written off	**12,741**	33,034
Allowance for inventory obsolescence	**869,737**	–
Impairment loss on goodwill	**1,001,914**	–
Impairment loss on property, plant and equipment	**153,727**	–
Quoted equity investment written off	**–**	4
Inventories written off	**–**	43,756
Audit fees paid to:		
– Auditors of the Company	**133,000**	145,540
– Other auditors	**–**	12,000
Non-audit fees paid to:		
– Other auditors	**17,388**	12,000
Directors' fees	**166,800**	146,000
Staff costs (excluding directors' fees)	**1,351,492**	800,571
Loss allowance on trade receivables	**2,111,369**	22,127
Loss allowance on other receivables	**304,233**	–
Loss allowance on contract assets	**22,693**	–

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. Income tax expense

	Group	
	2023	2022
	$	$
Current tax expense:		
– Current financial year	**253,011**	83,199
– Overprovision in prior financial years	**(115,923)**	(67,905)
	137,088	15,294
Deferred tax expense (Note 15):		
– Current financial year	**(111,990)**	170,393
– Overprovision of deferred tax assets in prior financial years	**–**	42,679
– Overprovision of deferred tax liabilities in prior financial years	**(14,346)**	–
	(126,336)	213,072
Income tax expense	**10,752**	228,366

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

Reconciliation of effective tax rate is as follows:

	Group	
	2023	2022
	$	$
Loss before income tax		
– Continuing operations	**(5,245,950)**	(1,746,412)
– Discontinued operation	**–**	150,747
	(5,245,950)	(1,595,665)
Taxation at statutory rate of 17% (2022: 17%)	**(891,812)**	(271,263)
Tax effects of:		
Income not subject to tax	**(20,274)**	(25,627)
Effect of expenses not deductible for tax purposes	**1,125,891**	360,265
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(174,653)**	19,824
Deferred tax assets not recognised	**213,859**	–
Origination of temporary differences	**(111,990)**	170,393
(Over)/Under provision in respect of prior years		
– Current tax expense	**(115,923)**	(67,905)
– Deferred tax expense	**(14,346)**	42,679
Total income tax expense for the financial year	**10,752**	228,366

10. Discontinued operation

In prior financial year, the Group has entered into 4 transactions to dispose of the entities from the Offshore and Marine segment as follows:

1. On 18 May 2022, the Company disposed of its entire interest in Viking Airtech Pte. Ltd. (“VAT”) and its subsidiaries (collectively, “VAT Group”) to a third party, Acapella Energy Pte. Ltd. (“Acapella Energy”) for cash consideration of $25,000. The subsidiaries of VAT are as follow:

    a. Viking Airtech (Yantai) Co., Ltd
    b. Viking Offshore Malaysia Sdn. Bhd.
    c. Viking Airtech (Shanghai) Co., Ltd
    d. PT Viking Offshore

2. On 18 May 2022, the Company also disposed of its entire interest in Viking HVAC Pte. Ltd. (“HVAC”) to a third party, Acapella Energy for cash consideration of $25,000.

3. On 29 July 2022, the Company disposed of its entire interest in Marshal Systems Pte. Ltd. (“MSPL”) and its subsidiaries (collectively, “MSPL Group”) to a third party, Transvictory Holdings Pte. Ltd. (“Transvictory”) for cash consideration of $252,500. The subsidiary of MSPL is Marshal Offshore & Marine Engineering Co., Ltd.

4. On 29 July 2022, the Company disposed of its entire interest in Promoter Hydraulic Pte. Ltd. (“PHPL”) to a third party, Transvictory for cash consideration of $252,500.

VAT Group, HVAC, MSPL Group and PHPL results are presented separately in the statement of profit or loss and other comprehensive income as “(Loss)/Profit for the year from discontinued operation, net of tax”. VAT Group, HVAC, MSPL Group and PHPL constitutes the Group’s offshore and marine segment.

The major classes of assets and liabilities of VAT Group, HVAC, MSPL Group and PHPL on their respective disposal dates as mentioned above are disclosed in Note 13(f).

All the financial assets and liabilities held by VAT, HVAC, MSPL and PHPL are denominated in Singapore dollar. The financial assets and liabilities held by the subsidiaries under VAT Group are denominated in Chinese renminbi, Malaysian ringgit and Indonesian rupiah. The financial assets and liabilities held by the subsidiary under MSPL Group is denominated in Chinese renminbi.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. Discontinued operation (cont'd)

The results of VAT Group and HVAC for the financial period ended 18 May 2022 (disposal date 1), and MSPL Group and PHPL for the financial period ended 29 July 2022 (disposal date 2) are as follows:

	VAT Group	HVAC	MSPL Group	PHPL	Total
	18 May 2022	18 May 2022	29 July 2022	29 July 2022	At disposal dates 1 and 2
	$	$	$	$	$
Revenue	736,952	–	886,138	713,870	2,336,960
Cost of sales	(488,156)	–	(407,939)	(501,436)	(1,397,531)
Gross profit	248,796	–	478,199	212,434	939,429
Other income	40,449	34,266	24,930	18,763	118,408
Marketing and distribution expenses	777	–	(13,254)	(2,239)	(14,716)
Administrative expenses	(324,728)	–	(556,965)	(375,946)	(1,257,639)
Other operating expenses	(1,803,309)	(292)	(82,409)	–	(1,886,010)
Finance costs	(846)	–	–	–	(846)
Pre-tax loss for the financial period	(1,838,861)	33,974	(149,499)	(146,988)	(2,101,374)
Income tax expense	–	–	–	–	–
Post-tax (loss)/profit for the financial period	(1,838,861)	33,974	(149,499)	(146,988)	(2,101,374)
Gain on disposal of subsidiaries Note 13(f)	292,555	1,572,823	72,897	313,846	2,252,121
(Loss)/Profit for the period from discontinued operation	(1,546,306)	1,606,797	(76,602)	166,858	150,747

Cash flow statement disclosures

	VAT Group	HVAC	MSPL Group	PHPL	Total
	18 May 2022	18 May 2022	29 July 2022	29 July 2022	At disposal dates 1 and 2
	$	$	$	$	$
Operating	(286,482)	(12,877)	(9,410)	(213,027)	(521,796)
Investing	–	–	1,430	7,050	8,480
Net cash outflows	(286,482)	(12,877)	(7,980)	(205,977)	(513,316)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. Discontinued operation (cont'd)

(Loss)/Earnings per share disclosures

	VAT Group	HVAC	MSPL Group	PHPL	Total
	18 May 2022	18 May 2022	29 July 2022	29 July 2022	At disposal dates 1 and 2
	$	$	$	$	$
Loss per share from discontinued operation attributable to owners of the Company (cents):					
Basic	(0.22)	0.24	(0.01)	0.02	0.03
Diluted	(0.19)	0.20	(0.01)	0.02	0.02

The basic and diluted (loss)/earnings per share from discontinued operations were calculated by dividing the earning/(loss) from discontinued operation, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively.

11. Earnings per share

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group					
	Continuing operations		Discontinued operations		Total	
	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$
(Loss)/Profit attributable to ordinary shareholders	**(5,256,702)**	(1,974,778)	**–**	183,389	**(5,256,702)**	(1,791,389)

	2023	2022
Number of ordinary shares in issue at the beginning of the financial year	**1,006,328,615**	549,359,674
Issue of shares under placements	**–**	35,586,568
Issue of shares under rights issue	**–**	71,386,649
Issue of shares converted from warrants	**2,219,185**	4,277,103
Issue of shares to a vendor (Note 24)	**–**	7,389,049
Weighted average number of ordinary shares in issue during the financial year	**1,008,547,800**	667,999,043

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. Earnings per share (cont'd)

Diluted earnings per share is based on:

	Group					
	Continuing operations		Discontinued operations		Total	
	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$
(Loss)/Profit attributable to ordinary shareholders	**(5,256,702)**	(1,974,778)	**–**	183,389	**(5,256,702)**	(1,791,389)

For the purpose of calculating the diluted loss per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive warrants into ordinary shares, with the potential ordinary shares weighted for the period outstanding.

The effects of the exercise of warrants on the weighted average number of ordinary shares in issue are as follows:

	2022
Weighted average number of:	
Ordinary shares used in the calculation of basic earnings per share	667,999,043
Potential ordinary shares issuable under:	
– Warrants	136,656,013
Weighted average number of ordinary shares in issue and potential ordinary shares assuming full conversion	804,655,056

	2023	2022
(Loss)/Earnings per share attributable to owners of the Company (cents per share)		
Basic loss per share from continuing operations	**(0.52)**	(0.30)
Basic earnings per share from discontinued operation	**–**	0.03
Total basic loss per share	**(0.52)**	(0.27)
Diluted loss per share from continuing operations	**(0.52)**	(0.25)
Diluted earnings per share from discontinued operation	**–**	0.02
Total diluted loss per share	**(0.52)**	(0.23)

For the financial year ended 31 December 2023, the diluted loss per share was not presented as the outstanding dilutive potential ordinary shares are antidilutive. Accordingly, the diluted loss per share for the financial year ended 31 December 2023 was the same as the basic loss per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. Property, plant and equipment

	Computers and office equipment $	Renovation, furniture and fixtures $	Motor vehicles $	Machinery $	Office premise $	Outlet premise $	Hostel $	Total $
Group								
Cost								
At 1 January 2022	1,892,058	651,141	436,140	1,969,751	–	–	–	4,949,090
Acquisition of subsidiary	1,027,866	2,236,566	–	–	–	3,228,147	–	6,492,579
Disposal of subsidiaries	(1,658,355)	(639,903)	(436,140)	(1,969,751)	–	–	–	(4,704,149)
Additions	654	5,031	–	–	58,650	64,048	7,805	136,188
Written off	(725,073)	(74,936)	–	–	–	(33,700)	–	(833,709)
Reclassification as held for sales	(83,060)	–	–	–	–	–	–	(83,060)
Exchange difference	(13,725)	(29,866)	–	–	–	(42,183)	–	(85,774)
At 31 December 2022	440,365	2,148,033	–	–	58,650	3,216,312	7,805	5,871,165
Additions	1,102,480	1,703,783	63,801	–	–	2,718,066	14,776	5,602,906
Lease modification	–	–	–	–	–	66,042	–	66,042
Written off	(30,580)	–	–	–	–	–	(7,542)	(38,122)
Reclassification	16,563	–	–	–	–	(16,563)	–	–
Exchange difference	(25,899)	(123,424)	–	–	(3,401)	(186,493)	(263)	(339,480)
At 31 December 2023	**1,502,929**	**3,728,392**	**63,801**	**–**	**55,249**	**5,797,364**	**14,776**	**11,162,511**
Accumulated depreciation								
At 1 January 2022	1,841,724	645,674	430,945	1,960,330	–	–	–	4,878,673
Charge for the year	20,820	74,713	–	13,762	22,614	15,076	4,013	150,998
Acquisition of subsidiary	649,579	774,546	–	–	–	430,931	–	1,855,056
Disposal of subsidiaries	(1,611,970)	(634,436)	(430,945)	(1,974,092)	–	–	–	(4,651,443)
Written off	(710,533)	(62,843)	–	–	–	(27,299)	–	(800,675)
Reclassification as held for sales	(39,902)	–	–	–	–	–	–	(39,902)
Exchange difference	(9,206)	(12,394)	–	–	(621)	(5,419)	(110)	(27,750)
At 31 December 2022	140,512	785,260	–	–	21,993	413,289	3,903	1,364,957
Charge for the year	109,896	465,107	6,554	–	28,333	425,077	7,559	1,042,526
Written off	(17,839)	–	–	–	–	–	(7,542)	(25,381)
Reclassification	6,073	–	–	–	–	(6,073)	–	–
Exchange difference	(10,725)	(56,886)	(164)	–	(1,983)	(34,592)	(226)	(104,576)
At 31 December 2023	**227,917**	**1,193,481**	**6,390**	**–**	**48,343**	**797,701**	**3,694**	**2,277,526**

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. Property, plant and equipment (cont'd)

	Computers and office equipment $	Renovation, furniture and fixtures $	Motor vehicles $	Machinery $	Office premise $	Outlet premise $	Hostel $	Total $
Group								
Impairment								
At 1 January 2022 and 31 December 2022	–	–	–	–	–	–	–	–
Impairment during the year	29,038	106,240	–	–	7,083	–	11,366	153,727
Exchange difference	(726)	(2,656)	–	–	(177)	–	(284)	(3,843)
At 31 December 2023	**28,312**	**103,584**	**–**	**–**	**6,906**	**–**	**11,082**	**149,884**
Carrying amount								
At 31 December 2023	**1,246,700**	**2,431,327**	**57,411**	**–**	**–**	**4,999,663**	**–**	**8,735,101**
At 31 December 2022	299,853	1,362,773	–	–	36,657	2,803,023	3,902	4,506,208

An assessment is made on whether there are indicators that the Group's property, plant and equipment are impaired. During financial year ended 31 December 2023, an impairment loss of $153,727 was recognised in the "other operating expenses" line item of the consolidated statements of profit or loss and other comprehensive income after taking into account the current economic conditions and the performance of the Group's business operation.

	Computers and office equipment $	Renovation, furniture and fixtures $	Total $
Company			
Cost			
At 1 January 2022	233,703	11,238	244,941
Written off	(233,703)	(11,238)	(244,941)
At 31 December 2022 and 31 December 2023	–	–	–
Accumulated depreciation			
At 1 January 2022	229,754	11,238	240,992
Charge for the year	1,464	–	1,464
Written off	(231,218)	(11,238)	(242,456)
At 31 December 2022 and 31 December 2023	–	–	–
Carrying amount			
At 31 December 2022 and 31 December 2023	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. Property, plant and equipment (cont'd)

Property, plant and equipment of the Group includes right-of-use assets of $5,057,074 (2022: $2,843,582) respectively which are presented together with the owned assets of the same class as the underlying assets. Details of the right-of-use assets are disclosed in Note 16(a).

During the financial year, the Group acquired plant and equipment for an aggregate cost of approximately $2,870,064 (2022: $5,685) of which approximately $55,430 (2022: $Nil) was acquired by means of leases. Cash payments of $2,814,634 (2022: $5,685) were made to purchase plant and equipment.

13. Investments in subsidiaries

	Company	
	2023	**2022**
	$	**$**
Unquoted equity shares, at cost	**9,297,691**	1,345,486
Deemed investment arising from forgiveness of amounts due from a subsidiary	**6,264,130**	6,264,130
Less: Allowance for impairment loss	**(7,603,416)**	(7,279,178)
	7,958,405	330,438

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

	Company	
	2023	**2022**
	$	**$**
At 1 January	**7,279,178**	91,744,965
Addition during the year	**324,238**	–
Disposals of subsidiaries	**–**	(84,465,787)
At 31 December	**7,603,416**	7,279,178

An assessment is made on whether there are indicators that the Company's investments are impaired. During financial year ended 31 December 2023, an impairment loss of $324,238 was recognised for its investment in subsidiary arising from Diverse Supply Chain Sdn. Bhd. mainly due to change in forecasted sales and revenue growth rates after taking into account the current economic conditions and performance of the subsidiary's business operation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. Investments in subsidiaries (cont'd)

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

	Company 2023 $	Company 2022 $
Diverse Supply Chain (SG) Pte. Ltd.	**1,015,048**	1,015,048
Viking Asset Management Pte. Ltd.	**2**	2
Diverse Supply Chain Sdn. Bhd.	**324,238**	324,238
9R Leisure Sdn. Bhd.	**7,955,411**	6,198
9R Management Sdn. Bhd.	**2,992**	–
	9,297,691	1,345,486
Deemed investment in a subsidiary	**6,264,130**	6,264,130
	15,561,821	7,609,616

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

Name of company	Country of incorporation	Principal activities	Percentage of effective equity held by the Group 2023 %	2022 %
Held by the Company				
Diverse Supply Chain (SG) Pte. Ltd.*	Singapore	Supply chain management services, trading, supply and distribution of artificial intelligence-powered robotic products and health wellness products	**100**	100
Viking Asset Management Pte. Ltd.*	Singapore	Investment holding	**100**	100
Diverse Supply Chain Sdn. Bhd.**	Malaysia	Supply chain management services, trading, supply and distribution of artificial intelligence-powered robotic products and health wellness products	**100**	100
9R Leisure Sdn. Bhd.**	Malaysia	Investment holding	**100**	100
9R Management Sdn. Bhd.**	Malaysia	Management services	**100**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. Investments in subsidiaries (cont'd)

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

Name of company	Country of incorporation	Principal activities	Percentage of effective equity held by the Group 2023 %	2022 %
Held through Viking Asset Management Pte. Ltd.				
Viking LR1 Pte. Ltd.*	Singapore	Ownership and charter of assets	**100**	100
Viking LR2 Pte. Ltd.*	Singapore	Ownership and charter of assets	**100**	100
Viking Gold Pte. Ltd.*	Singapore	Ownership and charter of assets	**100**	100
Held through 9R Leisure Sdn. Bhd.				
GR9 Jewel Sdn. Bhd.**	Malaysia	Dormant company	**100**	100
Compact Sensation Sdn. Bhd.**	Malaysia	Lifestyle retail business with interactive entertainment where everyone can sing along with recorded music and food and beverage services provided	**100**	100
9R Canary Sdn. Bhd.**	Malaysia	Lifestyle retail business with interactive entertainment where everyone can sing along with recorded music and food and beverage services provided	**100**	–

* Audited by Mazars LLP, Singapore.

** Audited by Mazars PLT, Malaysia.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. Investments in subsidiaries (cont'd)

(b) Incorporation of 9R Management Sdn. Bhd.

On 17 February 2023, the Company incorporated a wholly-owned subsidiary, 9R Management Sdn. Bhd. with a share capital of RM10,000.

(c) Incorporation of 9R Canary Sdn. Bhd.

On 7 February 2023, a wholly-owned subsidiary of the Company, 9R Leisure Sdn. Bhd. ("9RL") incorporated a wholly-owned subsidiary, 9R Canary Sdn. Bhd. ("9RC") with a share capital of RM950,000.

(d) Additional investments in 9RL

On 30 September 2023, the Company capitalised an amount of RM14,980,000 ($4,359,213) owing by a wholly-owned subsidiary of the Company, 9RL by way of an issuance of ordinary shares in 9RL.

On 31 December 2023, the Company capitalised an amount of RM12,500,000 ($3,590,000) owing by a wholly-owned subsidiary of the Company, 9RL by way of an issuance of ordinary shares in 9RL.

(e) Acquisition of Compact Sensation Sdn. Bhd. ("CSSB")

On 21 September 2022, the Group announced the proposed acquisition of the 100% equity interest in CSSB. The Group offered a purchase consideration of RM16.0 million (equivalent to $4.72 million) for the acquisition of the entire share capital. The consideration consists of 2 portions as follow:

1. RM4.0 million in cash (equivalent to $1.24 million) and RM9.5 million (equivalent to $2.95 million) in shares in the Company of which RM2.0 million in cash (equivalent to $0.62 million) has been paid in cash and RM9.5 million of shares in the Company has been issued. The remaining RM2.0 million in cash (equivalent to $0.62 million) has been paid after the financial year ended 31 December 2022.

2. An additional RM1.0 million in cash (equivalent to fair value of $0.27 million) and RM1.5 million (equivalent to fair value of $0.39 million) in shares in the Company as "Earn-out Shares" if CSSB has achieved an audited net profit after tax of RM2.5 million in the financial year ending 31 December 2023.

The Group foresees that the acquisition of CSSB will provide the Group with sustainable and long-term prospects of profitability and growth. The acquisition of CSSB is the next step undertaken by the Group in developing the lifestyle retail business. The lifestyle retail business will create new business opportunities and an alternate revenue stream for the Group, which would hence enhance the Group's business performance and shareholder value. In addition, the lifestyle retail business will allow the Group to reduce its reliance on its existing business which remained challenging.

The Group treated the acquisition of CSSB as a business combination. The acquisition of CSSB was on 1 October 2022, which was also the date the Group obtained control over CSSB.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. Investments in subsidiaries (cont'd)

(e) Acquisition of Compact Sensation Sdn. Bhd. ("CSSB") (cont'd)

Fair values of the identifiable assets and liabilities of Compact Sensation Sdn. Bhd. as at the date of acquisition

	Fair value recognised on date of acquisition $
Assets	
Deferred tax assets	37,636
Property, plant and equipment	4,637,523
Income tax receivables	59,627
Inventories	319,245
Trade and other receivables	1,048,061
Cash and cash equivalents	70,043
	6,172,135
Liabilities	
Lease liabilities	(3,002,468)
Trade and other payables	(2,035,834)
	(5,038,302)
Net identifiable assets at fair value	1,133,833
Goodwill arising from acquisition	3,588,348
Total consideration	4,722,181

The gross contractual amount receivables for trade and other receivables approximate the fair value as presented above. None of these receivables are expected to be not collected.

Goodwill of $3,588,348 was recognised on the acquisition based on the difference between the fair value of consideration and the fair value of the identifiable assets and liabilities at the date of the acquisition. The goodwill arising from the acquisition comprises the value of expanding the Group's portfolio approach. Therefore, existing operations of the Group will not be disposed of or reduced in terms of production capacity as a result of the combination. None of the goodwill recognised is expected to be tax deductible for income tax purposes.

From the acquisition date, CSSB has contributed $1.13 million of revenue to the Group for the year. Had CSSB been consolidated from 1 January 2022, consolidated revenue and consolidated loss for the year ended 31 December 2022 would have been $6.93 million and $1.28 million respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. Investments in subsidiaries (cont'd)

(e) Acquisition of Compact Sensation Sdn. Bhd. ("CSSB") (cont'd)

Effects of the acquisition of the subsidiary on cash flows

	$
Total consideration for 100% equity interest acquired	4,722,181
Consideration payable in cash (As above)	(618,009)
Fair value of consideration paid via share issuance of the Company	(2,821,414)
Fair value of contingent consideration payable in cash within one year	(272,250)
Fair value of contingent consideration payable via share issuance of the Company within one year	(392,499)
Consideration paid in cash	618,009
Less: Cash and cash equivalents of subsidiary acquired	(70,043)
Net cash outflow on acquisition during the financial year ended 31 December 2022	(547,966)

(f) Disposal of subsidiaries

As mentioned in Note 10, on 18 May 2022, the Company had disposed of its entire interest in VAT Group and HVAC. On 29 July 2022, the Company had disposed of its entire interest in MSPL Group and PHPL.

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

	VAT Group $	HVAC $	MSPL Group $	PHPL $	Total $
Assets					
Plant and equipment	31,203	–	16,063	5,440	52,706
Inventories	211,619	–	307,126	8,595	527,340
Trade and other receivables	1,055,578	91,847	677,408	494,065	2,318,898
Contract assets	1,042,374	–	120,152	135,269	1,297,795
Other assets	63,335	56	–	–	63,391
Amount due from related party	–	–	–	36,187	36,187
Cash and cash equivalents	400,756	15,023	227,159	107,729	750,667
	2,804,865	106,926	1,347,908	787,285	5,046,984
Liabilities					
Contract liabilities from contracts with customers	(760,622)	–	(517,453)	(398,749)	(1,676,824)
Trade and other payables	(2,326,586)	(844,535)	(650,852)	(449,882)	(4,271,855)
Amounts due to related party	(99,767)	(810,214)	–	–	(909,981)
	(3,186,975)	(1,654,749)	(1,168,305)	(848,631)	(6,858,660)
Net (liabilities)/assets	(382,110)	(1,547,823)	179,603	(61,346)	(1,811,676)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. Investments in subsidiaries (cont'd)

(f) Disposal of subsidiaries (cont'd)

Carrying amounts of the assets and liabilities as at the respective date of disposals are as follows: (cont'd)

	VAT Group $	HVAC $	MSPL Group $	PHPL $	Total $
Cash consideration	25,000	25,000	252,500	252,500	555,000
Cash and cash equivalents of subsidiaries disposed of	(400,756)	(15,023)	(227,159)	(107,729)	(750,667)
Net cash (outflows)/inflows on disposal	(375,756)	9,977	25,341	144,771	(195,667)
Gain on disposal:					
Cash consideration received	25,000	25,000	252,500	252,500	555,000
Net liabilities derecognised	382,110	1,547,823	(179,603)	61,346	1,811,676
Cumulative exchange differences relating to Viking Airtech Pte. Ltd. reclassified from equity	18,185	–	–	–	18,185
Attribution to NCI	(132,740)	–	–	–	(132,740)
Gain on disposal	292,555	1,572,823	72,897	313,846	2,252,121

14. Intangible assets

	Goodwill $	Customer relationships $	Software $	Club membership $	Total $
<u>Group</u>					
Cost					
At 1 January 2022	–	9,648,000	161,615	70,000	9,879,615
Addition	3,588,348	–	–	–	3,588,348
Disposal of subsidiaries	–	(9,648,000)	(161,615)	(70,000)	(9,879,615)
Impairment during the year	(1,001,914)	–	–	–	(1,001,914)
At 31 December 2022 and 31 December 2023	2,586,434	–	–	–	2,586,434
Amortisation					
At 1 January 2022	–	9,648,000	161,615	70,000	9,879,615
Disposal of subsidiaries	–	(9,648,000)	(161,615)	(70,000)	(9,879,615)
At 31 December 2022 and 31 December 2023	–	–	–	–	–
Carrying amount					
At 31 December 2023	**2,586,434**	**–**	**–**	**–**	**2,586,434**
At 31 December 2022	3,588,348	–	–	–	3,588,348

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. Intangible assets (cont'd)

The intangible asset comprise of goodwill and was acquired through business combination.

For the financial year ended 31 December 2023, goodwill is allocated to the Group's cash-generating units ("CGU") identified that are expected to benefit from business combinations, being CSSB (2022: CSSB) with carrying amount of $2,586,434 (2022: $3,588,248).

The Group tests the CGU for impairment annually, or more frequently when there is an indication that the unit may be impaired. The estimate of the recoverable amount is determined based on value-in-use calculations. Cash flow projection used in this calculation was based on financial budgets covering a five-year period.

The key assumptions used in value-in-use calculations are as follows:

	CSSB	
	2023	**2022**
Growth rates[A]	**1%**	10% – 15%
Pre-tax discount rate[B]	**20%**	20%
Budgeted gross profit margin[C]	**65%**	67%
Terminal growth rate[D]	**0%**	4%

A Annual growth rates used to extrapolate cash flows for the next five-year period are based on the published industry research, adjusted for the specific circumstances of the CGU and based on management's experience.

B The discount rate applied is based on the weighted average cost of the Group's capital (the "WACC"), adjusted for the specific circumstances of the CGU and based on management's experience, and grossed-up to arrive at the pre-tax rate.

C Budgeted gross profit margin based on historical data, adjusted for the specific circumstances of the CGU.

D Terminal growth rate beyond the budget period based on published industry research, adjusted for the specific circumstances of the CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal sources, including but not limited to historical data.

Sensitivity to changes in assumptions

Management is of the view that any reasonable possible change in any of the above key assumptions are not likely to materially cause the CGU's carrying amount to exceed its recoverable amount.

Impairment loss recognised

Consequent to the assessment during the financial year ended 31 December 2023, an impairment loss of $1,001,914 (2022: $Nil) was recognised for goodwill arising from acquisition of CSSB mainly due to change in forecasted sales and revenue growth rates after taking into account the current economic conditions.

15. Deferred tax

	Group	
	2023	2022
	$	$
Deferred tax assets	**55,941**	1,473
Deferred tax liabilities	**(92,994)**	(171,565)

Deferred tax assets

The movements in deferred tax assets were as follows:

	Group	
	2023	2022
	$	$
At 1 January	**1,473**	–
Acquisition of subsidiary	**–**	37,636
Charge for the year	**55,953**	1,514
Overprovision in prior financial years	**–**	(42,679)
Currency realignment	**(1,485)**	5,002
At 31 December	**55,941**	1,473

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

Unrecognised deferred income tax assets

The following deferred income tax assets are not recognised in the statements of financial position as it is presently uncertain the extent timing and quantum of future taxable profit that will be available against which the Group can utilise the benefits as follows:

	Group	
	2023	2022
	$	$
Unabsorbed tax losses	**7,608,326**	6,350,333
Unrecognised deferred tax benefits	**1,293,415**	1,079,557

Tax losses do not expire under current legislation and are available for set-off against future taxable profits subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective country of incorporation. These losses may be carried indefinitely subject to the conditions imposed by law.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. Deferred tax (cont'd)

Deferred tax liabilities

The movements in deferred tax liabilities were as follows:

	Group	
	2023	**2022**
	$	**$**
At 1 January	**(171,565)**	–
Charge for the year	**56,037**	(171,907)
Overprovision in prior financial years	**14,346**	–
Currency realignment	**8,188**	342
At 31 December	**(92,994)**	(171,565)

Deferred tax liabilities principally arise as a result of excess of carrying amount over tax written down value of property, plant and equipment.

16. The Group as a lessee

The Group leases motor vehicles, office premise, outlet premise and hostel for a period of 1 to 9 years (2022: 1 to 9 years). The Group has several lease contracts with extension options exercisable by the Group up to 180 days before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation. As at 31 December 2023, the Group is not reasonably certain that they will exercise these extension options.

Recognition exemptions

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

16. The Group as a lessee (cont'd)

(a) Right-of-use assets

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

	Motor vehicles $	Office premise $	Outlet premise $	Hostel $	Total $
Group					
At 1 January 2022	–	–	–	–	–
Acquisition of subsidiary	–	–	2,797,216	–	2,797,216
Additions	–	58,650	64,048	7,805	130,503
Written off	–	–	(6,401)	–	(6,401)
Depreciation	–	(22,614)	(15,076)	(4,013)	(41,703)
Currency realignment	–	621	(36,764)	110	(36,033)
At 31 December 2022	–	36,657	2,803,023	3,902	2,843,582
Additions	63,801	–	2,718,066	14,776	2,796,643
Lease modification	–	–	66,042	–	66,042
Reclassification	–	–	(10,490)	–	(10,490)
Depreciation	(6,554)	(28,333)	(425,077)	(7,559)	(467,523)
Impairment loss	–	(7,083)	–	(11,366)	(18,449)
Currency realignment	164	(1,241)	(151,901)	247	(152,731)
At 31 December 2023	**57,411**	**–**	**4,999,663**	**–**	**5,057,074**

The total cash outflows for leases during the financial year ended 31 December 2023 is $505,642 (2022: $266,494).

(b) Lease liabilities

	Group 2023 $	Group 2022 $
Non-current	**4,570,103**	2,443,910
Current	**500,975**	417,203
	5,071,078	2,861,113

The maturity analysis of lease liabilities is disclosed in Note 30.

Lease liabilities are denominated Malaysian ringgit.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. The Group as a lessee (cont'd)

(c) Amounts recognised in profit or loss

	Group	
	2023	**2022**
	$	**$**
Expense relating to short-term leases	**29,390**	60,665

17. Inventories

	Group	
	2023	**2022**
	$	**$**
Robots	**921,140**	727,752
Food and beverages consumables	**263,285**	235,767
	1,184,425	963,519

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

	Group	
	2023	**2022**
	$	**$**
At 1 January	**–**	11,482,840
Allowance for obsolescence	**869,737**	–
Written off	**–**	(8,925,050)
Disposal of subsidiaries	**–**	(2,557,790)
Currency realignment	**(17,115)**	–
At 31 December	**852,622**	–

The cost of inventories recognised as an expense in cost of sales of the Group was $3,297,218 (2022: $1,685,447). Finished goods of the Group are stated at net realisable value after write off of inventories amounting to $Nil (2022: $43,756).

18. Trade receivables

	Group 2023 $	Group 2022 $
Non-current		
Trade receivables	**–**	108,575
Current		
Trade receivables	**2,287,917**	578,297
Less: Loss allowance	**(2,112,029)**	(22,127)
	175,888	556,170
Total trade receivables	**175,888**	664,745

Trade receivables are non-interest bearing and are generally on 7 to 30 days (2022: 7 to 30 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The details of the loss allowance of trade receivables are disclosed in Note 30.

Trade receivables are denominated in the following currencies as at the reporting date:

	Group 2023 $	Group 2022 $
Singapore dollar	**3,149**	–
Malaysian ringgit	**172,739**	664,745
	175,888	664,745

19. Other receivables

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Deposits	**1,267,303**	282,271	**–**	–
Advances to suppliers	**3,185**	364,331	**–**	–
GST receivables	**163,206**	92,628	**107,939**	92,628
Other receivables	**20,928**	435,714	**–**	–
Amounts due from ex-shareholder of a subsidiary	**296,627**	1,211,508	**–**	–
Prepayments	**73,355**	10,802	**16,390**	5,350
	1,824,604	2,397,254	**124,329**	97,978
Less: Loss allowance	**(296,627)**	–	**–**	–
	1,527,977	2,397,254	**124,329**	97,978

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. Other receivables (cont'd)

Deposits mainly comprise of payments made during the financial year for acquisition of entities. The acquisition was completed after the financial year ended 31 December 2023. Refer to Note 34 for more information.

Amounts due from ex-shareholder of a subsidiary were non-trade in nature, unsecured, interest-free and repayable on demand.

The details of the loss allowance of other receivables are disclosed in Note 30.

Other receivables are denominated in the following currencies as at the reporting date:

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Singapore dollar	**193,477**	432,356	**124,329**	97,978
Malaysian ringgit	**1,334,500**	1,964,898	**–**	–
	1,527,977	2,397,254	**124,329**	97,978

20. Amounts due from subsidiaries

	Company	
	2023	2022
	$	$
Amounts due from subsidiaries	**4,924,914**	5,441,072
Less: Loss allowance	**(4,417,072)**	–
Total amounts due from subsidiaries	**507,842**	5,441,072

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

Amounts due from subsidiaries are denominated in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. Contract assets and liabilities

Information about contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group		
	2023	2022	1 January 2022
	$	$	$
Non-current			
Contract assets	**40,310**	–	–
Less: Loss allowance	**(5,114)**	–	–
	35,196	–	–
Current			
Contract assets	**101,458**	15,854	2,730,704
Less: Loss allowance	**(17,011)**	–	(1,255,144)
	84,447	15,854	1,475,560
Contract assets	**119,643**	15,854	1,475,560
Contract liabilities	**(93,998)**	(114,703)	(1,357,633)

Contract assets consist of unbilled revenue and relate to the revenue recognised to date but have not been invoiced to the customer as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers.

Contract liabilities consist of advance consideration and relate to revenue not recognised to date but have been paid by the customers as at the financial year end, and is transferred to revenue, at the point when the performance obligation is satisfied.

The increase in contract assets for financial year ended 31 December 2023 was mainly due to customers not invoiced as the billing milestones is after the end of financial year ended 31 December 2023.

Decrease in contract liabilities was mainly due to customers consuming the goods for which payment was made in prior financial year being more than payments received from customers for which the goods remain unconsumed for financial year ended 31 December 2023.

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

	Group	
	2023	2022
	$	$
Supply chain management	**114,703**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. Assets classified as held-for-sale

In prior financial year, management had plans to dispose certain equipment after the acquisition of CSSB. Management had assessed that the disposal of the identified equipment as highly probable in accordance to SFRS(I) 5 and accordingly classified the identified equipment as assets held-for-sale. During the financial year, the identified equipment has been sold to a third party.

23. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Cash and bank balances	**3,911,332**	11,810,257	**2,990,792**	11,523,493
Short term deposit	**29,794**	31,051	**–**	–
	3,941,126	11,841,308	**2,990,792**	11,523,493

The effective interest rates of the cash and cash equivalents of the Group was 2.85% (2022: 1.85%) per annum. Short term deposit are placed for twelve months (2022: twelve months).

Cash and cash equivalents are denominated in the following currencies as at the reporting date:

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Singapore dollar	**3,353,790**	11,524,931	**2,990,792**	11,523,493
United States dollar	**5,728**	–	**–**	–
Malaysian ringgit	**581,608**	316,377	**–**	–
	3,941,126	11,841,308	**2,990,792**	11,523,493

Risk disclosures relating to the above cash and cash equivalents has been disclosed in Note 30.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

24. Share capital and treasury shares

Share capital

	Group and Company			
	2023	2022	2023	2022
	No. of ordinary shares		$	$
At 1 January	**1,006,487,845**	549,518,904	**123,898,293**	104,811,429
Issuance of new shares	**4,402,150**	413,468,897	**196,465**	16,042,825
Issuance of new shares to vendor	**–**	43,500,044	**–**	3,044,039
At 31 December	**1,010,889,995**	1,006,487,845	**124,094,758**	123,898,293

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

During the financial year, the Company allotted and issued 4,402,150 ordinary shares amounting to $176,086 due to Warrants being exercised at $0.04 per warrant for each new share. Details of warrant reserve adjusted for unexercised Warrants issued is disclosed in Note 25 to the financial statements.

In prior financial year, the Company allotted and issued 456,968,941 ordinary shares amounting to $19,086,864 as follows:

1. 261,377,843 placement shares were allotted and issued to shareholders amounting to $13,399,565;

2. 43,500,044 new ordinary shares were allotted and issued to Body Power Sdn. Bhd. as part of settlement for acquisition of CSSB amounting to $2,949,302;

3. 140,086,704 new ordinary shares (“Right Shares”) and 280,173,408 free detachable warrants (“Warrants”) (collectively as “Rights cum Warrants shares”) amounting to $2,257,823 in total (net of adjustment for warrant reserve on unexercised Warrants). Included in the Rights cum Warrants shares were 47,577,579 Rights Shares via conversion of loans from shareholders amounting to $1,189,440; and

4. 12,004,350 new ordinary shares were allotted and issued due to the Warrants being exercised at $0.04 per warrant for each new share amounting to $480,174. Details of warrant reserve adjusted for unexercised Warrants issued is disclosed in Note 25 to the financial statements.

Treasury shares

	Group and Company			
	2023	2022	2023	2022
	No. of ordinary shares		$	$
At 1 January and 31 December	**(159,230)**	(159,230)	**(527,775)**	(527,775)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. Other reserves

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Foreign currency translation reserve	**(232,585)**	(388,479)	**–**	–
Capital reserve	**114,056**	114,056	**19,371,344**	19,371,344
Warrant reserve	**1,223,966**	1,244,345	**1,223,966**	1,244,345
	1,105,437	969,922	**20,595,310**	20,615,689

Foreign currency translation reserve

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

Capital reserve

Capital reserve relates to the gain recognised on reissuance of treasury shares and forgiveness of amounts due to/from related companies.

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
At 1 January	**114,056**	114,056	**19,371,344**	19,548,945
Forgiveness of amounts due from subsidiaries	**–**	–	**–**	(177,601)
At 31 December	**114,056**	114,056	**19,371,344**	19,371,344

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. Other reserves (cont'd)

Warrant reserve

	Group and Company			
	2023	2022	2023	2022
	No. of ordinary shares		$	$
At 1 January	**268,169,058**	–	**1,244,345**	–
Issuance of new warrants (Note 24)	**–**	280,173,408	**–**	1,300,047
Exercise of warrants (Note 24)	**(4,402,150)**	(12,004,350)	**(20,379)**	(55,702)
At 31 December	**263,766,908**	268,169,058	**1,223,966**	1,244,345

On 29 June 2022, the Company allotted and issued 140,086,704 new ordinary shares ("Right Shares") at an issue price of $0.025 for each Right Share and 280,173,408 free detachable warrants ("Warrants") pursuant to a renounceable and non-underwritten rights cum warrants issue. Each Warrant carries the right to subscribe for a new ordinary share in the capital of the Company at an exercise price of $0.04 for each new ordinary share and is exercisable during a five-year period from the date of issue.

During the financial year, 4,402,150 (2022: 12,004,350) units of Warrants have been exercised at $0.04 (2022: $0.04) per warrant for each new share and its proportioning warrant reserve for the exercised Warrants have been recognised in the Group's profit or loss following the exercise of Warrants.

26. Loans and borrowings

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Loans from shareholders	**–**	172,347	**–**	172,347

In prior financial year, loans from shareholders pertain to interest-free loans from SSCM Sdn. Bhd. (formerly known as Synergy Supply Chain Management Sdn. Bhd.) ("SCCM") amounting to $43,805 and Mr. Toh Kok Soon amounting to $128,542 respectively.

A total of $128,542 was offsetted against amount payable by a shareholder following exercise of Warrants. Remaining amount has been settled in full by the Company during the financial year.

In prior financial year, loans and borrowings were denominated in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. Trade payables

	Group	
	2023	2022
	$	$
Trade payables	**283,872**	273,302

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

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

	Group	
	2023	2022
	$	$
Chinese renminbi	**26,284**	43,136
Malaysian ringgit	**257,588**	230,166
	283,872	273,302

28. Other payables

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Accrued operating expenses	**946,414**	461,298	**122,194**	76,862
Customers deposits	**3,172**	103,843	**–**	–
Service tax payables	**41,762**	47,280	**–**	–
Other payables	**609,371**	525,011	**193,257**	327,423
Amounts due to ex-shareholder of a subsidiary	**–**	3,122,544	**–**	–
	1,600,719	4,259,976	**315,451**	404,285

In prior financial year, amounts due to ex-shareholder of a subsidiary represents amount payable for the acquisition of the subsidiary including contingent consideration of $772,535, are non-trade in nature, unsecured, interest-free and repayable on demand.

28. Other payables (cont'd)

Other payables and accruals are denominated in the following currencies as at the reporting date:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Singapore dollar	**539,395**	641,662	**315,451**	404,285
Chinese renminbi	**52,333**	117,256	**–**	–
Malaysian ringgit	**1,008,991**	3,501,058	**–**	–
	1,600,719	4,259,976	**315,451**	404,285

29. Segment information

The Group has four (2022: five) reportable segments, as described below, which are the Group's strategic business unit. The strategic business units are involved in business activities in two (2022: at least nine) different countries. The Board of Directors of the Group reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Offshore and marine: sale of offshore and marine goods, project revenue (discontinued)
- Chartering services: rendering of services
- Corporate management fee, dividend income
- Supply chain management: offering robot products and health and wellness products
- Lifestyle retail business: interactive entertainment and food and beverage service provided

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

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

Income taxes are managed on a Group basis.

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

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss. However, certain comparative figures have been reclassified to conform with the current financial year's presentation.

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

29. Segment information (cont'd)

(a) Geographical segments

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

	Revenue		Non-current assets	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Malaysia	**5,031,981**	2,974,565	**11,356,731**	8,204,604
Singapore	**1,544,257**	–	**–**	–
	6,576,238	2,974,565	**11,356,731**	8,204,604

Non-current assets information presented above consists of property, plant and equipment, intangible assets, trade receivables and contract assets as presented in the consolidated balance sheets.

29. **Segment information (cont'd)**

(b) ***Business segments***

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

Group	Chartering services $	Corporate $	Supply chain management $	Lifestyle retail business $	Adjustments and eliminations $	Total $
2023						
Revenue						
External customers	–	–	2,360,759	4,215,479	–	6,576,238
Inter-segment revenue	–	–	126,588	–	(126,588)	–
Total revenue	–	–	2,487,347	4,215,479	(126,588)	6,576,238
Loss from operations	(18,495)	(1,534,057)	(6,753,969)	(2,533,248)	–	(10,839,769)
Interest expense – lease liabilities	–	–	3,650	79,645	–	83,295
Depreciation of property, plant and equipment	–	2,818	74,051	965,657	–	1,042,526
Loss allowance on financial assets and contract assets	–	–	2,074,241	364,054	–	2,438,295
Impairment losses on property, plant and equipment	–	–	153,727	–	–	153,727
Impairment losses on goodwill	–	–	–	1,001,914	–	1,001,914
Allowance for inventory obsolescence	–	–	869,737	–	–	869,737
Provision for warranty	–	–	4,325	–	–	4,325
Loss before income tax	(18,495)	(1,531,239)	(3,574,238)	(121,978)	–	(5,245,950)
Income tax (expense)/credit	(13,270)	–	6,906	(4,388)	–	(10,752)
Net loss for the financial year	(31,765)	(1,531,239)	(3,567,332)	(126,366)	–	(5,256,702)
Reportable segment assets	6	12,006,412	1,418,303	18,232,147	(13,124,213)	18,532,655
Reportable segment liabilities	(131,808)	(3,018,093)	(4,791,658)	(9,176,535)	9,845,842	(7,272,252)

29. Segment information (cont'd)

(b) Business segments (cont'd)

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

Group	Offshore and marine (Discontinued) $	Chartering services $	Corporate $	Supply chain management $	Lifestyle retail business $	Adjustments and eliminations $	Total $
2022							
Revenue							
External customers	–	–	–	1,846,324	1,128,241	–	2,974,565
Total revenue	–	–	–	1,846,324	1,128,241	–	2,974,565
Profit/(Loss) from operations	2,389,106	312,719	(1,759,701)	(56,522)	(495,049)	–	390,553
Interest expense – lease liabilities	–	–	–	56,336	2,348	–	58,684
Depreciation of property, plant and equipment	13,762	–	1,464	27,124	108,648	–	150,998
Property, plant and equipment written off	–	–	2,486	–	30,548	–	33,034
Fair value adjustment arising from contingent considerations in relation to acquisition of a subsidiary	–	–	–	–	222,625	–	222,625
Gain on disposal of subsidiary	(2,252,121)	–	–	–	–	–	(2,252,121)
Quoted equity investment written off	–	–	4	–	–	–	4
Inventories written off	–	–	–	–	43,756	–	43,756
Loss allowance on financial assets and contract assets	–	–	–	16,182	5,945	–	22,127
Write-back of other creditors and accrual	–	(187,555)	(47,486)	–	–	–	(235,041)
Provision for warranty	–	–	–	6,921	–	–	6,921
Unrealised foreign exchange differences	–	–	–	–	140	–	140
Other income	–	–	(37,345)	–	–	–	(37,345)
Profit/(Loss) before income tax	150,747	125,164	(1,840,578)	50,041	(81,039)	–	(1,595,665)
Income tax (expense)/credit	–	–	–	(24,671)	(203,695)	–	(228,366)
Net profit/(loss) for the financial year	150,747	125,164	(1,840,578)	25,370	(284,734)	–	(1,824,031)
Reportable segment assets	–	6	17,727,358	2,009,142	11,503,072	(7,130,478)	24,109,100
Reportable segment liabilities	–	(102,296)	(1,107,792)	(1,601,547)	(10,358,406)	5,246,066	(7,923,975)

29. Segment information (cont'd)

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

	31 December 2023 $	31 December 2022 $
Revenue		
Total revenue for reportable segments/Consolidated revenue	**6,576,238**	2,974,565
Profit or loss		
Total loss for reportable segments	**(5,245,950)**	(1,824,031)
Elimination of discontinued operation	**–**	(150,747)
Consolidated loss before income tax	**(5,245,950)**	(1,974,778)

	Reportable segments $	Offshore and marine (Discontinued) $	Total $
Other material items 2023			
Depreciation of property, plant and equipment	**(1,042,526)**	**–**	**(1,042,526)**
Loss allowance on financial assets and contract assets	**(2,438,295)**	**–**	**(2,438,295)**
Allowance for inventory obsolescence	**(869,737)**	**–**	**(869,737)**
Other material items 2022			
Depreciation of property, plant and equipment	(150,998)	13,762	(137,236)
Gain on disposal of subsidiary	2,252,121	(2,252,121)	–

30. Financial instruments and financial risks

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Group		Company	
	2023 $	2022 $	2023 $	2022 $
Financial assets at amortised cost				
Trade receivables	**175,888**	664,745	**–**	–
Other receivables*	**1,288,231**	1,929,493	**–**	–
Amounts due from subsidiaries	**–**	–	**507,842**	5,441,072
Cash and cash equivalents	**3,941,126**	11,841,308	**2,990,792**	11,523,493
	5,405,245	14,435,546	**3,498,634**	16,964,565

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments and financial risks (cont'd)

Financial instruments by category (cont'd)

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Financial liabilities at amortised cost				
Trade payables	**283,872**	273,302	**–**	–
Other payables**	**1,558,957**	4,212,696	**315,451**	404,285
Loans and borrowings	**–**	172,347	**–**	172,347
Lease liabilities	**5,071,078**	2,861,113	**–**	–
	6,913,907	7,519,458	**315,451**	576,632

* Exclude advances to suppliers, GST receivables and prepayments.
** Exclude service tax payables.

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

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

There have been no changes 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.

Credit risks

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

The Group's credit risks arise mainly from cash and cash equivalents, trade and other receivables, other debt instruments carried at amortised cost as well as contract assets. Cash and cash equivalents are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from cash and cash equivalents to be material, if any.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

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

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

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

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

Note 1. Low credit risks

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

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

Note 2. Significant increase in credit risks

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

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

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

Note 3. Credit-impaired

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

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

30. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

Note 4. Write off

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

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

During the financial year ended 31 December 2023, the Group wrote off $784 (2022: $16,508,063) of trade receivables, of which $784 (2022: $Nil) was recognised in profit or loss during the year. The amounts were trade receivables from third parties which have been outstanding for at least 7 years and are not secured. In consideration of the aforementioned factors and the financial ability of the debtors, the Group assessed there is no reasonable expectation of recovery.

In prior financial year, the Group wrote off $112,747 of other receivables, of which $Nil was recognised in the profit or loss. The amounts were non-trade receivables from third parties which have been outstanding for at least 7 years and are not secured. In consideration of the aforementioned factors and the financial ability of the debtors, the Group assessed there was no reasonable expectation of recovery.

The Group does not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics other than the geographical location of their operations.

As at the end of the financial year, 2 (2022: nil) customers represented approximately 72% (2022: nil) of trade receivables. These customers are mainly located in Malaysia. In prior financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

<u>Trade receivables (Note 18) and contract assets (Note 21)</u>

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

The contract assets relate mainly to unbilled revenue and have substantially the same risk characteristics as trade receivables for the same type of contracts. Therefore, the Group concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the credit loss rates of the contract assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

Trade receivables (Note 18) and contract assets (Note 21) (cont'd)

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

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

The loss allowance for trade receivables and contract assets are determined as follows:

	Current	Past due less than 60 days	Past due 60 to 90 days	Past due more than 90 days	Total
31 December 2023					
Expected credit loss rates	**12.77%**	**91.58%**	**100%**	**95.52%**	
Trade receivables (Gross amount)	**83,563**	**23,088**	**17,227**	**2,164,039**	**2,287,917**
Contract assets (Gross amount)	**141,768**	**–**	**–**	**–**	**141,768**
Loss allowance ($)	**28,763**	**21,144**	**17,227**	**2,067,020**	**2,134,154**
31 December 2022					
Expected credit loss rates	0.00%	4.58%	7.01%	7.50%	
Trade receivables (Gross amount)	337,654	116,203	138,423	94,592	686,872
Contract assets (Gross amount)	15,854	–	–	–	15,854
Loss allowance ($)	–	5,322	9,709	7,096	22,127

30. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

Other receivables excluding advances to suppliers, GST receivables and prepayments (Note 19)

As of 31 December 2023, the Group recorded other receivables of $1,288,231 (2022: $1,929,493) consequent to an extension of loans to third parties. Other than the credit-impaired receivable classified under category 4, the Group assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of these third parties, the Company considered amongst other factors, the financial position of the third parties as of 31 December 2023, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the third parties operate in and significant macro-economic factors, where applicable. Using 12-month ECL, the Group determined that the ECL is insignificant.

Amounts due from subsidiaries (Note 20)

As of 31 December 2023, the Company recorded amount owing by subsidiaries of $507,842 (2022: $5,441,072) consequent to an extension of loans to subsidiaries. Other than the credit-impaired receivable classified under category 4, the Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of these subsidiaries the Company considered amongst other factors, the financial position of the subsidiaries as of 31 December 2023, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in and significant macro-economic factors, where applicable. Using a 12-month ECL, the Company determined that the ECL is insignificant.

30. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

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

Group	Trade receivables				Contract assets			Other receivables (Note (ii))			
Internal credit risk grading	Note (i)	Category 4	Category 5	Total	Note (i)	Category 4	Total	Category 1	Category 4	Category 5	Total
	$	$	$	$	$	$	$	$	$	$	$
Loss allowance											
At 1 January 2022	–	16,926,769	–	16,926,769	–	1,255,144	1,255,144	–	112,247	–	112,247
Loss allowance recognised	22,127	–	–	22,127	–	–	–	–	–	–	–
Disposal of subsidiaries	–	(418,706)	–	(418,706)	–	(1,255,144)	(1,255,144)	–	–	–	–
Transfer between categories	–	(16,508,063)	16,508,063	–	–	–	–	–	(112,247)	112,247	–
Write off of receivables	–	–	(16,508,063)	(16,508,063)	–	–	–	–	–	(112,247)	(112,247)
At 31 December 2022	22,127	–	–	22,127	–	–	–	–	–	–	–
Loss allowance recognised	–	2,111,369	–	2,111,369	–	22,693	22,693	–	304,233	–	304,233
Transfer between categories	–	(784)	784	–	–	–	–	–	–	–	–
Write off of receivables	–	–	(784)	(784)	–	–	–	–	–	–	–
Currency realignment	–	(20,683)	–	(20,683)	–	(568)	(568)	–	(7,606)	–	(7,606)
At 31 December 2023	**22,127**	**2,089,902**	**–**	**2,112,029**	**–**	**22,125**	**22,125**	**–**	**296,627**	**–**	**296,627**
Gross carrying amount											
At 31 December 2022	686,872	–	–	686,872	15,854	–	15,854	1,929,493	–	–	1,929,493
At 31 December 2023	**198,015**	**2,089,902**	**–**	**2,287,917**	**119,643**	**22,125**	**141,768**	**1,288,231**	**296,627**	**–**	**1,584,858**
Net carrying amount											
At 31 December 2022	664,745	–	–	664,745	15,854	–	15,854	1,929,493	–	–	1,929,493
At 31 December 2023	**175,888**	**–**	**–**	**175,888**	**119,643**	**–**	**119,643**	**1,288,231**	**–**	**–**	**1,288,231**

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

Note (ii): Other receivables exclude advances to suppliers, GST receivables and prepayments.

30. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

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

	Amount due from subsidiaries			Other receivables (Note (ii))		
Internal credit risk grading	Category 1	Category 4	Total	Category 4	Category 5	Total
	$	$	$	$	$	$
Loss allowance						
At 1 January 2022	–	–	–	106,467	–	106,467
Transfer between categories	–	–	–	(106,467)	106,467	–
Write off of receivables	–	–	–	–	(106,467)	(106,467)
At 31 December 2022	–	–	–	–	–	–
Loss allowance recognised	–	4,417,072	4,417,072	–	–	–
At 31 December 2023	**–**	**4,417,072**	**4,417,072**	**–**	**–**	**–**
Gross carrying amount						
At 31 December 2022	5,441,072	–	5,441,072	–	–	–
At 31 December 2023	**507,842**	**4,417,072**	**4,924,914**	**–**	**–**	**–**
Net carrying amount						
At 31 December 2022	5,441,072	–	5,441,072	–	–	–
At 31 December 2023	**507,842**	**–**	**507,842**	**–**	**–**	**–**

Note (ii): Other receivables exclude advances to suppliers, GST receivables and prepayments.

Market risks

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

Interest rate risks

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

The Group's interest rate risks relate to interest bearing liabilities.

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

At the reporting date, the Group do not have significant exposure to interest rate risks.

30. Financial instruments and financial risks (cont'd)

Market risks (cont'd)

Interest rate risks (cont'd)

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, based on carrying amounts are as below:

	Group	
	2023	**2022**
	$	**$**
Fixed rate financial instruments		
Financial asset		
Short term deposit	**29,794**	31,051
Financial liability		
Finance leases	**52,324**	–
Net financial (liabilities)/assets	**(22,530)**	31,051

Sensitivity analysis for fixed rate financial instruments as at the end of the reporting date is not presented as fixed rate financial instruments are not affected by change in interest rates.

Foreign currency risks

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Singapore dollar (SGD) and Malaysian ringgit (MYR). The foreign currencies in which these transactions are denominated are mainly SGD and MYR. Approximately 77% (2022: 100%) of the Group's sales are denominated in foreign currencies whilst 59% (2022: 100%) of costs are denominated in the respective functional currencies of the Group entities. Details of the Group's trade receivable and trade payable exposure to foreign currency at the end of the reporting period are disclosed in Note 18 and Note 27 respectively.

The Group is exposed to foreign currency risk on certain income, expenses, monetary assets, mainly cash and cash equivalents, and liabilities that are denominated in currencies other than the functional currencies of the respective entities in the Group. As at the reporting date, the Group and Company do not have significant foreign currency risk exposure except for the financial assets denominated in Malaysian ringgit, Chinese renminbi and United States dollar.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations in Malaysia. The Group's net investments in Malaysia are not hedged as currency positions in Malaysian ringgit are considered to be long-term in nature.

NOTES TO THE

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments and financial risks (cont'd)

Market risks (cont'd)

Foreign currency risks (cont'd)

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

	2023			2022	
	MYR	RMB	USD	MYR	RMB
	$	$	$	$	$
Monetary assets:					
Trade receivables	**172,739**	**–**	**–**	664,745	–
Other receivables	**1,334,500**	**–**	**–**	1,964,898	–
Cash and cash equivalents	**581,608**	**–**	**5,728**	316,377	–
	2,088,847	**–**	**5,728**	2,946,020	–
Monetary liabilities:					
Trade payables	**(257,588)**	**(26,284)**	**–**	(230,166)	(43,136)
Other payables	**(1,008,991)**	**(52,333)**	**–**	(3,501,058)	(117,256)
Lease liabilities	**(5,071,078)**	**–**	**–**	(2,861,113)	–
	(6,337,657)	**(78,617)**	**–**	(6,592,337)	(160,392)
Net monetary liabilities/ (assets)	**(4,248,810)**	**(78,617)**	**5,728**	(3,646,317)	(160,392)
Add:					
Currency exposure of those denominated in the respective entity's functional currency	**4,248,810**	**–**	**–**	3,646,317	–
Currency exposure of monetary (liabilities)/ assets net of those denominated in the respective entity's functional currency	**–**	**(78,617)**	**5,728**	–	(160,392)

30. Financial instruments and financial risks (cont'd)

Market risks (cont'd)

Foreign currency risks (cont'd)

Foreign currency sensitivity analysis

At 31 December 2023, it is estimated that a five percentage point weakening of foreign currencies against the functional currency of respective entities, with all variables held constant, would decrease the Group's post-tax loss by approximately $424 (2022: increase post-tax loss by $6,246). A five percentage point strengthening of foreign currencies against the functional currency, with all variables held constant, would have an equal but opposite effect. 5% is the sensitivity rate used when reporting foreign currency risks internally to key management personnel and represents management's assessment of the possible changes in foreign exchange rate.

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

	Loss before income tax	
	2023	**2022**
	$	**$**
USD	**(286)**	–
RMB	**3,931**	8,020

Liquidity risks

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

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

The Group prepares cash flows projections on a regular basis for its core operations to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group's operations are financed mainly through internal funds.

30. Financial instruments and financial risks (cont'd)

Liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities

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

	Effective interest rate %	Less than 1 year $	1 to 5 years $	More than 5 years $	Total $
Group					
As at 31 December 2023					
Undiscounted financial assets					
Trade receivables	–	175,888	–	–	175,888
Other receivables*	–	1,288,231	–	–	1,288,231
Cash and cash equivalents	–	3,941,126	–	–	3,941,126
		5,405,245	–	–	5,405,245
Undiscounted financial liabilities					
Trade payables	–	283,872	–	–	283,872
Other payables**	–	1,558,957	–	–	1,558,957
Lease liabilities	2.58 – 6.85	709,128	3,218,219	2,179,771	6,107,118
		2,551,957	3,218,219	2,179,771	7,949,947
Total net undiscounted financial assets/(liabilities)		2,853,288	(3,218,219)	(2,179,771)	(2,544,702)

* Exclude advances to suppliers, GST receivables and prepayments.
** Exclude service tax payables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments and financial risks (cont'd)

Liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Groups and the Companys financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (cont'd):

	Effective interest rate %	Less than 1 year $	1 to 5 years $	More than 5 years $	Total $
Group					
As at 31 December 2022					
Undiscounted financial assets					
Trade receivables	–	556,170	108,575	–	664,745
Other receivables*	–	1,929,493	–	–	1,929,493
Cash and cash equivalents	–	11,841,308	–	–	11,841,308
		14,326,971	108,575	–	14,435,546
Undiscounted financial liabilities					
Trade payables	–	273,302	–	–	273,302
Other payables and accruals**	–	4,212,696	–	–	4,212,696
Lease liabilities	2.58 – 5.70	504,461	1,808,945	825,537	3,138,943
Loans and borrowings	–	–	172,347	–	172,347
		4,990,459	1,981,292	825,537	7,797,288
Total net undiscounted financial assets/(liabilities)		9,336,512	(1,872,717)	(825,537)	6,638,258

* Exclude advances to suppliers, GST receivables and prepayments.
** Exclude service tax payables.

	Effective interest rate %	Less than 1 year $	1 to 5 years $	More than 5 years $	Total $
Company					
As at 31 December 2023					
Undiscounted financial assets					
Amount due from subsidiaries	**–**	**507,842**	**–**	**–**	**507,842**
Cash and cash equivalents	**–**	**2,990,792**	**–**	**–**	**2,990,792**
		3,498,634	**–**	**–**	**3,498,634**
Undiscounted financial liabilities					
Other payables and accruals	**–**	**315,451**	**–**	**–**	**315,451**
Total net undiscounted financial assets		**3,183,183**	**–**	**–**	**3,183,183**

30. Financial instruments and financial risks (cont'd)

Liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Groups and the Companys financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (cont'd):

	Effective interest rate %	Less than 1 year $	1 to 5 years $	More than 5 years $	Total $
Company					
As at 31 December 2022					
Undiscounted financial assets					
Amount due from subsidiaries	–	5,441,071	–	–	5,441,071
Cash and cash equivalents	–	11,523,493	–	–	11,523,493
		16,964,564	–	–	16,964,564
Undiscounted financial liabilities					
Other payables and accruals	–	404,285	–	–	404,285
Loans and borrowings	–	–	172,347	–	172,347
		404,285	172,347	–	576,632
Total net undiscounted financial assets/(liabilities)		16,560,279	(172,347)	–	16,387,932

31. Fair value of assets and liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their respective fair values due to the relative short-term maturity of these financial instruments.

The Group and the Company does not hold financial assets nor derivative asset or liability at fair value or at valuation. Accordingly, the disclosure requirement of the fair value hierarchy (Levels 1, 2 & 3) under SFRS (I) 7 *Financial Instruments:* Disclosures does not apply.

32. Capital management

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 stakeholders through the optimisation of the debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the loans and borrowings disclosed in Note 26 and equity attributable to owners of the Company, comprising issued capital and reserves as disclosed above.

The Group's management reviews the capital structure on a regularly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged from 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. Capital management (cont'd)

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

	Group	
	2023	2022
	$	$
Total debt	**6,955,669**	7,566,738
Less: cash and cash equivalents (Note 23)	**(3,941,126)**	(11,841,308)
Net debt	**3,014,543**	(4,274,570)
Equity attributable to the owners of the Company	**11,260,403**	16,185,125
Total capital	**11,260,403**	16,185,125
Capital and net debt	**14,274,946**	11,910,555
Gearing ratio	**27%**	26%

The Group is in compliance with the externally imposed capital requirements for the financial years ended 31 December 2023 and 2022.

33. Significant related party transactions

A related party is defined as follows:

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

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

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

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. Significant related party transactions (cont'd)

A related party is defined as follows (cont'd):

(b) An entity is related to the Group and the Company if any of the following conditions applies (cont'd):

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions with related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Income				
Interest income from subsidiaries	**–**	–	**137,272**	–
Expenses				
Management fee charged to subsidiaries	**–**	–	**(19,080)**	–
Interest charged to a subsidiary	**–**	–	**(611)**	–

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Loans from shareholders	**–**	172,347	**–**	172,347

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. Significant related party transactions (cont'd)

Key management personnel

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

The remuneration of key management personnel during the financial year was as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Short-term employee benefits	**275,042**	236,900	**143,246**	130,000
Employers' contribution to defined contribution plans	**15,570**	22,483	**–**	9,660
Total compensation paid to key management personnel	**290,612**	259,383	**143,246**	139,660
Comprise amounts paid to:				
– Directors of the Company	**183,176**	88,621	**143,246**	50,000
– Other key management personnel	**107,436**	170,762	**–**	89,660
	290,612	259,383	**143,246**	139,660

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

34. Events subsequent to reporting date

On 6 February 2024 ("acquisition date"), the Group through its subsidiary 9R Leisure Sdn. Bhd. ("9RL"), completed the acquisition of all issued share capital in seven entities for an aggregate consideration of RM20 million (approximately $5,738,700), comprising of RM3 million (approximately $873,300) in cash and RM17 million (approximately $4,865,400) in shares of the Company.

The principal activities of the acquired entities are operating a karaoke business.

Cash consideration was paid on 15 September 2023.

A sum of RM14.5 million (approximately $4,149,900) of consideration in shares was satisfied by the allotment and issuance of 69,165,000 new shares in the capital of the Company at $0.06 for each share on the acquisition date.

A sum of RM2.5 million (approximately $715,500) of consideration in shares will be satisfied by the allotment and issuance of 11,925,000 new shares in the capital of the Company upon satisfaction of the Conditions Precedent.

Besides, pursuant to the sale and purchase agreement ("SPA"), in the event certain conditions are fulfilled, the Vendor shall also be entitled to an earn-out amount of RM4 million (approximately $1,144,800), to be satisfied by the allotment and issuance of earn-out shares by the Company.

34. **Events subsequent to reporting date (cont'd)**

The entities acquired, along with their corresponding book values of their net assets as of the acquisition date, are outlined below:

	Lavish Pearl Sdn. Bhd. $	Booming Gain Sdn. Bhd. $	Redbox (1st Avenue) Sdn. Bhd. $	Sunlight Ventures Sdn. Bhd. $	Lovely Pyramid Sdn. Bhd. $	Majestic Glory Sdn. Bhd. $	Cheer Bonanza Sdn. Bhd. $
Assets							
Property, plant and equipment	2,919,325	969,515	448,941	110,336	143,556	794,965	104,262
Inventories	93,943	46,374	7,097	9,836	8,584	10,124	7,986
Trade and other receivables	480,894	473,229	553,758	289,381	181,600	174,000	283,664
Income tax receivables	21,140	17,031	6,785	17,603	1,673	8,502	4,628
Cash and bank balances	22,481	12,776	6,391	6,875	3,563	22,926	15,544
	3,537,783	1,518,925	1,022,972	434,031	338,976	1,010,517	416,084
Liabilities							
Trade and other payables	(1,488,916)	(888,892)	(486,819)	(718,475)	(318,245)	(1,261,062)	(348,597)
Contract liabilities	(32,795)	(5,426)	(2,648)	(1,509)	(3,435)	(1,324)	(1,338)
Lease liabilities	(990,504)	(26,020)	(451,973)	(94,513)	(63,809)	–	(96,592)
	(2,512,215)	(920,338)	(941,440)	(814,497)	(385,489)	(1,262,386)	(446,527)
Book value of net assets	1,025,568	598,587	81,532	(380,466)	(46,513)	(251,869)	(30,443)

At the date of authorisation of these financial statements, a detailed assessment of the fair value of the identifiable net assets has not been completed. The acquired entities will be consolidated with effect from 6 February 2024.

SHAREHOLDING STATISTICS

AS AT 13 MARCH 2024

Number of issued shares	:	1,079,895,765 (excluding treasury shares and subsidiary holdings)
Class of shares	:	Ordinary shares
Voting rights	:	On a poll, one vote for each ordinary share / No vote for Treasury Shares
Number of Treasury Shares	:	159,230 (0.01% of the total number of shares outstanding (excluding treasury shares)
Number of subsidiary holdings	:	Nil

Analysis of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	225	12.26	6,395	0.00
100 – 1,000	726	39.56	382,731	0.04
1,001 – 10,000	664	36.19	2,230,941	0.21
10,001 – 1,000,000	204	11.12	21,952,483	2.03
1,000,001 and above	16	0.87	1,055,482,445	97.72
	1,835	**100.00**	**1,080,054,995**	**100.00**

Based on information available to the Company as at 13 March 2024, approximately 37.29% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

Top 20 Shareholders

S/No.	Name of Shareholders	No. of Shares Held	%*
1	UOB Kay Hian Pte. Ltd.	806,179,907	74.65
2	Phillip Securities Pte. Ltd.	124,276,712	11.51
3	OCBC Securities Private Ltd	70,086,278	6.49
4	Luminor Pacific Fund 2 Ltd (In Members' Voluntary Liquidation)	11,517,296	1.07
5	Kenneth Ryan Wan Cheng Kai	10,000,000	0.93
6	Blue Ocean Capital Partners Pte. Ltd.	9,903,188	0.92
7	CGS-CIMB Securities (Singapore) Pte. Ltd.	5,249,390	0.49
8	Maybank Securities Pte. Ltd.	4,142,980	0.38
9	Tiger Brokers (Singapore) Pte. Ltd.	3,415,800	0.32
10	Liu Hong	2,871,669	0.26
11	DBS Nominees Pte. Ltd.	1,844,720	0.17
12	Peter Tan Swee Peng	1,400,000	0.13
13	Tan Suan Gek	1,220,000	0.11
14	Moomoo Financial Singapore Pte. Ltd.	1,196,900	0.11
15	Yeo Seng Buck	1,154,327	0.11
16	Raffles Nominees (Pte) Limited	1,023,278	0.09
17	Tehg Sai Lin	956,000	0.09
18	Merrill Lynch (Singapore) Pte. Ltd.	879,100	0.08
19	Lim Andy	815,300	0.07
20	Luminor Pacific Fund 1 Ltd (In Members' Voluntary Liquidation)	720,379	0.07
		1,058,853,224	**98.05**

* The percentage of shareholdings was computed based on the issued share capital of the Company as at 13 March 2024 of 1,079,895,765 shares (which excludes 159,230 shares which are held as treasury shares).

SHAREHOLDING STATISTICS

AS AT 13 MARCH 2024

Substantial Shareholders as at 13 March 2024

Name of Substantial Shareholder	Direct Interest Number of Shares	%*	Deemed Interest Number of Shares	%*	Total	%*
Subtleway Management Sdn. Bhd.(1)	130,701,548	12.10	–	–	130,701,548	12.10
Lim Jun Hao(2)	35,847,155	3.32	130,701,548	12.10	166,548,703	15.42
Tristan Management Sdn. Bhd.(3)	130,710,068	12.10	–	–	130,710,068	12.10
Irelia Management Sdn. Bhd.(4)	90,145,736	8.35	–	–	90,145,736	8.35
NTG Holding Ltd(5)	–	–	220,855,804	20.45	220,855,804	20.45
Ng Boon Chee(6)	31,207,940	2.89	220,855,804	20.45	252,063,744	23.34
Tan Chiau Wei(7)	26,176,604	2.42	220,855,804	20.45	247,032,408	22.87
Toh Kok Soon(8)	97,881,692	9.06	–	–	97,881,692	9.06
Body Power Sdn. Bhd.(9)	112,665,044	10.43	1,484,500	0.14	114,149,544	10.57
Khoo Kai Yang(10)	–	–	114,149,544	10.57	114,149,544	10.57

* The percentage of shareholdings was computed based on the issued share capital of the Company as at 13 March 2024 of 1,079,895,765 shares (which excludes 159,230 shares which are held as treasury shares).

Notes:

(1) Subtleway Management Sdn. Bhd. has a direct interest in the 130,701,548 Shares which are registered and held through UOB Kay Hian Private Limited.

(2) Mr Lim Jun Hao has a direct interest in the 35,847,155 Shares which are registered and held through UOB Kay Hian Private Limited. He holds the entire issued share capital of Subtleway Management Sdn. Bhd. and is therefore deemed interested in the 130,701,548 Shares held by Subtleway Management Sdn. Bhd..

(3) Tristan Management Sdn. Bhd. has a direct interest in the 130,710,068 Shares which are registered and held through UOB Kay Hian Private Limited.

(4) Irelia Management Sdn. Bhd. has a direct interest in the 90,145,736 Shares which are registered and held through UOB Kay Hian Private Limited.

(5) NTG Holding Ltd holds 66.67% issued share capital of Irelia Management Sdn. Bhd. and Tristan Management Sdn. Bhd. and is therefore deemed interested in the 220,855,804 Shares held by Tristan Management Sdn. Bhd. and Irelia Management Sdn. Bhd..

(6) Mr Ng Boon Chee has a direct interest in the 31,207,940 Shares which are registered and held through UOB Kay Hian Private Limited. He holds 59.64% issued share capital of NTG Holding Ltd, and is therefore deemed interested in the 220,855,804 Shares held by NTG Holding Ltd.

(7) Mr Tan Chiau Wei has a direct interest in the 26,176,604 Shares which are registered and held through UOB Kay Hian Private Limited. He holds 40.36% issued share capital of NTG Holding Ltd and is therefore deemed interested in the 220,855,804 Shares held by NTG Holding Ltd.

(8) Mr Toh Kok Soon has a direct interest in 97,881,692 Shares which are registered and held through UOB Kay Hian Private Limited.

(9) Body Power Sdn. Bhd. holds the entire issued share capital of Grand Surf Sdn. Bhd. and is therefore deemed interested in the 1,484,500 Shares held by Grand Surf Sdn. Bhd.

(10) Mr Khoo Kai Yang holds the entire issued share capital of Body Power Sdn. Bhd. and is therefore deemed interested in the 114,149,544 Shares held by Body Power Sdn. Bhd.

WARRANTHOLDING STATISTICS

AS AT 13 MARCH 2024

Warrants – 9RW270628

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 – 99	37	11.97	2,046	0.00
100 – 1,000	23	7.44	12,110	0.00
1,001 – 10,000	112	36.25	329,022	0.13
10,001 – 1,000,000	130	42.07	12,603,744	4.78
1,000,001 and above	7	2.27	250,819,986	95.09
	309	**100.00**	**263,766,908**	**100.00**

Top 20 Warrantholders

S/No.	Name of Warrantholders	No. of Warrants Held	%
1	UOB Kay Hian Pte. Ltd.	155,607,406	58.99
2	OCBC Securities Private Ltd	78,913,614	29.92
3	Blue Ocean Capital Partners Pte. Ltd.	9,013,674	3.42
4	Lim Andy	2,541,926	0.96
5	Phillip Securities Pte. Ltd.	2,343,152	0.89
6	CGS-CIMB Securities (Singapore) Pte. Ltd.	1,400,194	0.53
7	Tan Weiren Vincent (Chen Weiren Vincent)	1,000,020	0.38
8	Tay Hui Chay	1,000,000	0.38
9	Maybank Securities Pte. Ltd.	881,628	0.34
10	OCBC Nominees Singapore Pte. Ltd.	728,320	0.28
11	Tan Gek Poey	715,000	0.27
12	Wong Twee Leom	491,900	0.19
13	Kam Teow Chong	400,600	0.15
14	Ong Swee Whatt	365,900	0.14
15	Yeo Seng Buck	341,730	0.13
16	Tan Gek Poh	317,000	0.12
17	Tan Jui Yak or Oon Kooi Moi	315,592	0.12
18	Tan Ban Say	300,000	0.11
19	Soh Kay Meng	300,000	0.11
20	Lee Bee Kim	300,000	0.11
		257,277,656	**97.54**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of 9R Limited (the "**Company**") will be held at RNN Conference Center, 137 Cecil Street, Cecil Building #04-01, Singapore 069537 on **Friday, 26 April 2024 at 2.00 p.m.** to transact the following business:

ORDINARY BUSINESS

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

2. To re-elect Mr Mark Leong Kei Wei, who is retiring pursuant to Regulation 96 of the Company's Constitution, and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 2)**
   (See Explanatory Note 1)

3. To note the retirement of Mr Wee Hock Kee, who is retiring pursuant to Regulation 96 of the Company's Constitution, and will not be seeking re-election as a Director of the Company.
   (See Explanatory Note 2)

4. To approve the payment of Directors' fees of S$159,600 for the financial year ending 31 December 2024. (FY2023: S$166,800) **(Resolution 3)**
   (See Explanatory Note 3)

5. To re-appoint Messrs Mazars LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

SPECIAL BUSINESS

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

6. Authority to allot and issue shares **(Resolution 5)**

   That pursuant to Section 161 of the Companies Act 1967 ("**Companies Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of the Catalist ("**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

NOTICE OF
ANNUAL GENERAL MEETING

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and/or

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of a rights issue, bonus issue or subdivision or consolidation of shares; and

(b) notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) 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 the Instruments or any convertible securities which are issued and outstanding or subsisting at the time of the passing of this Resolution;

(b) new Shares arising from exercising share options or vesting of share awards which are issued and outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of Catalist Rules; and

NOTICE OF
ANNUAL GENERAL MEETING

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by SGX-ST) and the Company's Constitution; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Company or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note 4)

7. The Proposed Renewal of the Share Buyback Mandate **(Resolution 6)**

That:

(a) for the purposes of the Catalist Rules and the Companies Act, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or acquire its issued and fully paid-up shares representing not more than ten per cent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at such price(s) as may be determined by the Directors of the Company or a committee of Directors of the Company that may be constituted for the purposes of effecting purchases or acquisitions of shares by the Company from time to time up to the Maximum Price (as defined below), whether by way of:

(i) an on-market purchase ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or

(ii) an off-market purchase ("**Off-Market Purchase**"), effected otherwise than on the SGX-ST pursuant to an equal access scheme in accordance with Section 76C of the Companies Act, and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Buyback Mandate**");

NOTICE OF
ANNUAL GENERAL MEETING

(b) unless varied or revoked by Shareholders of the Company in a general meeting, purchases or acquisitions of shares pursuant to the proposed Share Buyback Mandate may be made, at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders of the Company in a general meeting,

whichever is the earliest;

(c) in this resolution:

"**Maximum Price**", in relation to a share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price (as defined below); and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of the shares over the last five (5) market days, on which transactions in the shares were recorded, before the day on which the purchase or acquisition of shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) market days period and the day on which the purchases or acquisitions of shares are made;

NOTICE OF
ANNUAL GENERAL MEETING

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

(See Explanatory Note 5)

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

BY ORDER OF THE BOARD

Lai Kuan Loong, Victor
Company Secretary

11 April 2024
Singapore

Explanatory Notes:

1. Mr Mark Leong Kei Wei will, upon re-election as a Director of the Company, remain as an Independent Non-executive Director, Chairman of the Audit and Risk Committee, and a member of the Remuneration Committee and Nominating Committee of the Company. Mr Leong is considered independent for the purposes of Rule 704(7) of the Catalist Rules.

   Key information on Mr Leong as required pursuant to Rule 720(5) of the Catalist Rules can be found under "Board of Directors and Key Management", "Corporate Governance Report" and "Appendix 1: Disclosure of Information on Director Seeking Re-Election" of the Company's Annual Report 2023.

2. Mr Wee Hock Kee will retire as a Director of the Company at the conclusion of the Annual General Meeting ("**AGM**"). Consequent thereto, Mr Wee will also cease to act as Chairman of the Nominating Committee and a member of the Audit and Risk Committee and Remuneration Committee of the Company.

3. Ordinary Resolution 3, if passed, will authorise the Company to effect payment of Directors' fees to the Non-executive Directors (including fees payable to members of the various Board Committees) for the financial year ending 31 December 2024. This Resolution will facilitate the payment by the Company of the Directors' fees during the financial year in which they are incurred.

4. Ordinary Resolution 5, if passed, will empower the Directors of the Company, from the date of this AGM until the date of the next AGM, or the date by which the next AGM is required by law to be held or the date such authority is revoked by the Company in a general meeting, whichever is the earliest, to allot and issue Shares and convertible securities in the Company. The aggregate number of Shares (including any Shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed one hundred per cent (100%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company may be issued other than on a *pro-rata* basis to existing shareholders.

NOTICE OF
ANNUAL GENERAL MEETING

5. Ordinary Resolution 6, if passed, will authorise the Directors of the Company from the date of this AGM of the Company until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or the date on which the purchases or acquisitions of shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated or the date on which such authority is revoked or varied by shareholders of the Company in a general meeting, whichever is the earliest, to purchase or acquire by way of Market Purchases or Off-Market Purchases not more than ten per cent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at such price(s) up to the Maximum Price. Information relating to this Ordinary Resolution 6 is set out in "Appendix 2: Share Buyback Mandate" of this Notice of AGM in relation to the proposed renewal of the Share Buyback Mandate.

Notes:

1. The Company's AGM will be held, in a wholly physical format, at RNN Conference Center, 137 Cecil Street, Cecil Building #04-01, Singapore 069537 on 26 April 2024 at 2.00 p.m.. There will be no option for members to participate virtually.

2. Printed copies of this Notice of AGM and the accompanying Proxy Form will be sent to members by post. Copies of this Notice of AGM, the accompanying Proxy Form and the Annual Report 2023 are published on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.9rlimited.com/agm2024/.

   Printed copies of the Annual Report 2023 will not be sent to members. A member may request for a printed copy of the Annual Report 2023 by (a) email to main@zicoholdings.com (please provide the member's full name and mailing address); or (b) in person at the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 during office hours.

3. A member (whether individual or corporate) may vote at the AGM or may appoint a proxy, including the Chairman of the AGM, to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Only members of the Company or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.

   Appointment of proxies

4. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no such proportion or number is specified, the first named proxy shall be deemed to represent 100% of his/her/their shareholding and the second named proxy shall be deemed to be an alternate to the first named.

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

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

7. A proxy, including the Chairman of the AGM, need not be a member of the Company.

8. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) If submitted electronically, be submitted via email to main@zicoholdings.com; or

   (b) If submitted by post, to be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896,

   in each case, no later than 2.00 p.m. on 23 April 2024 (being not less than seventy-two (72) hours before the time fixed for the AGM). Members are strongly encouraged to submit completed Proxy Forms electronically via email.

9. The instrument appointing a proxy or proxies must be signed under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing proxy(ies) 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), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.

NOTICE OF
ANNUAL GENERAL MEETING

10. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of the resolutions, failing which, the appointment of proxy for the resolutions will be treated as invalid. In addition, if no specific direction as to voting is given, the proxy(ies) will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM or at any adjournment thereof.

11. The Company shall be entitled to reject an instrument appointing a proxy(ies) 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(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Voting by investors holding shares through relevant intermediaries (including CPF/SRS investors)

12. Investors holding shares through relevant intermediaries (including CPF/SRS investors) should not make use of the Proxy Form. CPF/SRS investors who wish to attend the AGM or exercise their votes should approach their CPF Agent Banks or SRS Operators (as the case may be) to submit their votes at least seven (7) working days before the AGM.

Submission of questions

13. Members or their appointed proxy(ies) (including CPF and SRS investors) may pre-submit questions relating to the resolutions to be tabled for approval at the AGM by (a) email to main@zicoholdings.com; or (b) submitting by post to the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, by 2.00 p.m. on 19 April 2024.

14. Members who pre-submit questions via email or by post to the Company must provide (a) full name; (b) identification number (i.e. NRIC/Passport/Company Registration Number); (c) contact number and email address; and (d) the number and manner in which the member holds shares in the Company (e.g. via CDP, CPF or SRS). Questions submitted by members whose identification details are lacking will not be entertained.

15. For questions submitted in advance of the AGM, the Company will provide responses to all substantial and relevant questions by publication on the SGXNET and the Company's website by 2.00 p.m. on 21 April 2024, to facilitate members' votes and to allow members to make an informed decision on the resolutions to be tabled at the AGM. Questions received after 2.00 p.m. on 19 April 2024 will be addressed at the AGM.

Personal data privacy:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (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), 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) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company and/or his proxy(ies) and/or representative(s) (such as his/her name and his/her presence at the AGM) may be recorded by the Company for such purpose.

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

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr Mark Leong Kei Wei is the Director of the Company seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 26 April 2024 ("**AGM**").

Pursuant to Rule 720(5) of the SGX-ST Catalist Rules, the information as set out in Appendix 7F relating to the Retiring Director to be put forward for re-election at the forthcoming AGM is disclosed below:

	MR MARK LEONG KEI WEI
Date of appointment	9 February 2022
Date of last re-appointment	29 April 2022
Age	48
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity consideration and the search and nomination process)	The Board of Directors of the Company ("**Board**") has considered, among others, the recommendation of the Nominating Committee of the Company ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Mark Leong Kei Wei for reappointment as Independent Non-Executive Director of the Company. Mr Mark Leong Kei Wei has demonstrated strong independent character and judgement during his tenure in discharging his duty and responsibilities as Independent Non-Executive Director of the Company. He has expressed individual viewpoints, debated issues, objectively scrutinised management of the Company and has sought clarification and amplification as he deemed necessary. The Board has reviewed and concluded that Mr Mark Leong Kei Wei possesses the experience, expertise, knowledge, skills and independence to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director Chairman of the Audit and Risk Committee, as well as a member of the Remuneration Committee and the Nominating Committee.

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR MARK LEONG KEI WEI
Professional qualifications	Chartered Accountant of the Institute of Singapore Chartered Accountants Fellow of the Association of Chartered Certified Accountants Member of the Singapore Institute of Directors
Working experience and occupation(s) during the past 10 years	Osteopore Ltd (From August 2021 to present) – Executive Director LifeBrandz Ltd (From April 2023 to December 2023) – Executive Director Auspac Financial Advisory Pty Ltd (From 2021 to March 2023) – Director SBI Offshore Limited (From November 2017 to August 2020) – Chief Operating Officer CNMC Pulai Mining Sdn. Bhd. (From March 2017 to February 2018) – Corporate Advisor Pulai Mining Sdn. Bhd. (From January 2016 to February 2017) – Executive Director/Chief Executive Officer/Chief Financial Officer Avalon Capital Pte. Ltd. (From April 2013 to December 2015) – Founder
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR MARK LEONG KEI WEI
Other Principal Commitments Including Directorships	
Past (for the last 5 years)	Directorships: 1. LCT Holdings Limited 2. Catalano Seafood Ltd 3. Lifebrandz Ltd Principal commitments: 1. Top Mining Ltd 2. Auspac Financial Advisory Pty Ltd 3. Cytomed Therapeutics (Malaysia) Sdn. Bhd.
Present	Directorships: 1. HS Optimus Holdings Limited 2. LMIRT Management Ltd (as Manager of Lippo Malls Indonesia Retail Trust) 3. MDR Limited 4. Cytomed Therapeutics Ltd 5. Osteopore Ltd Principal commitments: 1. Avalon Partners Pte. Ltd. 2. Apeiron Agrocommodities Pte. Ltd.
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him 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
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

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

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR MARK LEONG KEI WEI
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	SBI Offshore Limited ("SBI") I was the Chief Operating Officer of SBI when it engaged Kordamentha for an independent review as well as when it received a Notice of Compliance from SGX Regco which resulted in a Special Audit. In both instances, I facilitated the process as part of the existing management team during the review and special audit. The salient matters covered in both cases did not contain my direct involvement or were matters pertaining to a period before I joined the company. I was not a subject matter of those cases. mDR Limited ("mDR") I am an independent director of mDR since May 2017. In December 2021, mDR lodged a police report on suspected misappropriation of the group's inventories of approximately S$2 million by 2 senior executives. I understand that CAD is still conducting its investigation at this point of time. I am not a subject matter of the case, and together with other board members of mDR, are overseeing the development of the matter.
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR MARK LEONG KEI WEI
Disclosure applicable to the appointment of Director only	
Any prior experience as a Director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable as this is a re-election of a Director of the Company.

APPENDIX 2:
SHARE BUYBACK MANDATE

Definitions

In this Appendix, the following definitions apply throughout unless otherwise stated:

"AGM"	:	Annual general meeting of the Company. Unless the context otherwise requires, "AGM" shall refer to the annual general meeting of the Company to be held on 26 April 2024
"Annual Report 2023"	:	The Company's annual report for the financial year ended 31 December 2023
"Appendix"	:	This appendix to Shareholders in relation to the proposed renewal of the Share Buyback Mandate
"associate"	:	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"associated company"	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
"Average Closing Price"	:	Has the meaning ascribed to it in Section 2.2(d) of this Appendix
"Board"	:	The board of Directors of the Company for the time being
"Catalist"	:	The Catalist board of the SGX-ST
"Catalist Rules"	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended or modified from time to time

APPENDIX 2:
SHARE BUYBACK MANDATE

"CDP"	:	The Central Depository (Pte) Limited
"Companies Act"	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"Company"	:	9R Limited
"Constitution"	:	The constitution of the Company, as amended or modified from time to time
"Controlling Shareholder"	:	A person who holds directly or indirectly 15% or more of the issued Shares (excluding treasury shares) (subject to the SGX-ST determining that such a person is not a Controlling Shareholder) or a person who in fact exercises control over the Company
"Director(s)"	:	The director(s) of the Company
"EGM"	:	Extraordinary general meeting of the Company
"EPS"	:	Earnings per Share
"FY"	:	Financial year ended or ending 31 December
"Group"	:	The Company and its subsidiaries
"Independent Director"	:	An independent director of the Company
"Latest Practicable Date"	:	13 March 2024 being the latest practicable date prior to the issue of this Appendix
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Market Purchase"	:	Has the meaning ascribed to it in Section 2.2(c) of this Appendix
"Maximum Price"	:	Has the meaning ascribed to it in Section 2.2(d) of this Appendix
"NTA"	:	Net tangible assets
"Off-Market Purchase"	:	Has the meaning ascribed to it in Section 2.2(c) of this Appendix
"Securities Account"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"SGX-ST"	:	Singapore Exchange Securities Trading Limited

APPENDIX 2:
SHARE BUYBACK MANDATE

"Share Buyback Mandate"	:	A general mandate given by Shareholders to authorise the Directors to purchase or acquire, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set out in the Companies Act and the Catalist Rules
"Shareholders"	:	Registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the Depositors whose Securities Accounts maintained are credited with Shares
"Shares"	:	Ordinary shares in the capital of the Company
"Sponsor"	:	UOB Kay Hian Private Limited
"Substantial Shareholder"	:	A Shareholder who has an interest in not less than 5% of the issued Shares
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
"$" and "cents"	:	Dollars and cents respectively of the currency of Singapore
"%" or "per cent"	:	Per centum or percentage

The terms "Depositors", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act 2001 of Singapore.

The term "subsidiary" shall has the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Appendix shall be a reference to Singapore time of day unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

APPENDIX 2: SHARE BUYBACK MANDATE

1. INTRODUCTION

The purpose of this Appendix is to provide the Shareholders with information relating to, and to seek Shareholders' approval for the proposal renewal of the Share Buyback Mandate as further described in Section 2 of this Appendix, at the forthcoming AGM.

If a Shareholder is in doubt about the contents herein or the action he or she should take, he or she should consult his or her bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

This Appendix has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1. Rationale

At the EGM held on 15 December 2011, the Company obtained the approval of the Shareholders for the Share Buyback Mandate. The Share Buyback Mandate was last renewed at the AGM held on 28 April 2023.

As the Share Buyback Mandate renewed at the last AGM held on 28 April 2023 will be expiring on 26 April 2024, being the date of the forthcoming AGM, the Company intends to seek the approval of the Shareholders for the renewal of the Share Buyback Mandate at such AGM.

The renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share purchases or acquisitions up to the 10% limit described in Section 2.2(a) of this Appendix at any time during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

(a) in managing the business of the Group, the management team strives to increase Shareholders' value by improving, inter alia, the return on equity of the Group. In addition to growth and expansion of the business, share buybacks may be considered as one of the ways through which the return on equity of the Group may be enhanced;

(b) share buybacks by the Company will also enable the Directors to utilise the Shares which are purchased or acquired and held as treasury shares to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, which may be less dilutive than if new Shares were issued for this purpose; and

(c) the Share Buyback Mandate would provide the Company with the flexibility to purchase or acquire the Shares if and when circumstances permit, during the period when the proposed Share Buyback Mandate is in force. It is an expedient, effective and cost-efficient way for the Company to return surplus cash and/or funds over and above its ordinary capital requirements, if any, which are in excess of its financial requirements, taking into account its growth and expansion plans, to its Shareholders. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, inter alia, the Company's share capital structure.

APPENDIX 2:
SHARE BUYBACK MANDATE

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in Section 2.2(a) of this Appendix, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Group, or result in the Company being delisted from Catalist. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on Catalist.

2.2. Authority and limits

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

(a) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the forthcoming AGM at which the Share Buyback Mandate is renewed. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, on the basis of 1,079,895,765 Shares in issue (excluding 159,230 treasury shares) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, and that the Company does not reduce its share capital, not more than 107,989,576 Shares (representing not more than 10% of the issued Shares as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate during the duration referred to in Section 2.2(b) of this Appendix.

(b) Duration of authority

Purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the forthcoming AGM, at which the Share Buyback Mandate is renewed, up to:

(i) the date on which the next AGM of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

APPENDIX 2:
SHARE BUYBACK MANDATE

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed at the next AGM or any other general meeting of the Company. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose certain information, including details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, the total consideration paid for the purchases or acquisitions.

(c) Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

(i) an on-market purchase ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or

(ii) an off-market purchase ("**Off-Market Purchase**"), effected otherwise than on the SGX-ST pursuant to an equal access scheme in accordance with Section 76C of the Companies Act, and otherwise in accordance with all others laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for time being be applicable.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Companies Act and the Catalist Rules, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

(i). offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii). all of the above-mentioned persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii). the terms of the offers are the same, except that there shall be disregarded:

(1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(2) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and

(3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

APPENDIX 2:
SHARE BUYBACK MANDATE

Pursuant to the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

(i) the terms and conditions of the offer;

(ii) the period and procedures for acceptances;

(iii) the reasons for the proposed purchase or acquisition of Shares;

(iv) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(v) whether the purchases or acquisitions of shares, if made, would have any effect on the listing of the Shares on Catalist;

(vi) details of any purchases or acquisitions of shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and

(vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Buyback Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition, where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days period and the day on which the purchase or acquisitions of Shares are made; and

APPENDIX 2:
SHARE BUYBACK MANDATE

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.3. Status of purchased or acquired Shares

All Shares purchased or acquired by the Company (other than Shares held in treasury by the Company to the extent permitted under the Companies Act and the Constitution) will be automatically delisted from Catalist, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition pursuant to the Share Buyback Mandate. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

The Company intends to hold all Shares purchased or acquired pursuant to the Share Buyback Mandate as treasury shares.

2.4. Treasury Shares

Under the Companies Act, where ordinary shares of the Company are purchased or acquired by the Company in accordance with Sections 76B to 76G of the Companies Act, the Company may hold or deal with such shares as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum holdings

The number of shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

APPENDIX 2:
SHARE BUYBACK MANDATE

(c) Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

(i) sell the treasury shares for cash;

(ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;

(iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares; or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

2.5. Reporting requirements

Pursuant to Rule 871 of the Catalist Rules, a listed company shall announce all purchases or acquisitions of its Shares not later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

The announcement of such purchases or acquisitions of Shares shall be in such form and shall include such details as may be prescribed under the Catalist Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company, in a timely fashion, the necessary information which will enable the Company to make the relevant announcement.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(31) of the Catalist Rules, which provides that an issuer must make an immediate announcement thereof, stating the following:

(i) date of the sale, transfer, cancellation and/or use;

(ii) purpose of such sale, transfer, cancellation and/or use;

(iii) number of treasury shares sold, transferred, cancelled and/or used;

(iv) number of Shares before and after such sale, transfer, cancellation and/or use;

APPENDIX 2:
SHARE BUYBACK MANDATE

(v) percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6. Sources of funds

The Company may only apply funds legally available for the purchase or acquisition of its Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Under the Companies Act, the Company is permitted to purchase or acquire its Shares out of capital, as well as from its distributable profits, so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act).

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of the Shares pursuant to the Share Buyback Mandate. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the Directors will principally consider the availability of internal resources. In addition, the Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

2.7. Financial effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NTA and EPS of the Group and the Company as the resultant effect would depend on, inter alia, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The Company's total issued share capital will be diminished by the total number of Shares purchased by the Company and which are cancelled. The NTA of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

APPENDIX 2:
SHARE BUYBACK MANDATE

The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions.

For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Group and the Company, are based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2023, and are based on the assumptions set out below:

(a) based on 1,079,895,765 Shares in issue (excluding 159,230 treasury shares) as at the Latest Practicable Date, and assuming no further Shares are issued on or prior to the AGM and that the Company does not reduce its share capital, not more than 107,989,576 Shares (representing not more than 10% of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate;

(b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires the 107,989,576 Shares at the Maximum Price of S$0.0449 for one (1) Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase or acquisition of the 107,989,576 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S$4,848,732; and

(c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the Shares at the Maximum Price of S$0.0513 for one (1) Share (being the price equivalent to 20% above the Average Closing Price of the Shares on the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase or acquisition of the 107,989,576 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S$5,539,865.

For illustrative purposes only and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that (i) the purchase or acquisition of Shares is financed by internal sources of funds and/or external borrowings, (ii) the Share Buyback Mandate had been effective on 1 January 2023, and (iii) the Company had purchased or acquired the 107,989,576 Shares (representing not more than 10% of its issued ordinary share capital (excluding treasury shares and subsidiary holdings) at the Latest Practicable Date), the financial effects of the purchase or acquisition of the 107,989,576 Shares by the Company pursuant to the Share Buyback Mandate:

(1) by way of purchases made entirely out of profits and held as treasury shares;

(2) by way of purchases made entirely out of capital and held as treasury shares;

(3) by way of purchases made entirely out of profits and cancelled; and

(4) by way of purchases made entirely out of capital and cancelled,

APPENDIX 2:
SHARE BUYBACK MANDATE

on the audited financial statements of the Group and the Company for the financial year ended 31 December 2023 pursuant to the Share Buyback Mandate are as follows:

(1) Purchases made entirely out of profits and held as treasury shares

	Group			Company		
	Before Share Purchase S$'000	**After Share Purchase assuming on market purchase S$'000**	**After Share Purchase assuming off market purchase S$'000**	**Before Share Purchase S$'000**	**After Share Purchase assuming on market purchase S$'000**	**After Share Purchase assuming off market purchase S$'000**
Share capital	124,095	124,095	124,095	124,095	124,095	124,095
Other reserves	1,105	1,105	1,105	20,595	20,595	20,595
Accumulated losses	(113,412)	(113,412)	(113,412)	(132,896)	(132,896)	(132,896)
	11,788	11,788	11,788	11,794	11,794	11,794
Treasury shares	(528)	(5,377)	(6,068)	(528)	(5,377)	(6,068)
Shareholders' funds	11,260	6,411	5,720	11,266	6,417	5,726
Net tangible assets	8,674	3,825	3,134	11,266	6,417	5,726
Current assets	7,120	2,271	1,580	3,623	(1,226)	(1,917)
Current liabilities	2,609	2,609	2,609	315	315	315
Working capital	4,511	(338)	(1,029)	3,308	(1,541)	(2,232)
Number of issued Shares ('000)	1,010,890	1,010,890	1,010,890	1,010,890	1,010,890	1,010,890
Treasury shares ('000)	(159)	(108,149)	(108,149)	(159)	(108,149)	(108,149)
Number of issue Shares (excluding of treasury shares) ('000)	1,010,731	902,741	902,741	1,010,731	902,741	902,741
Financial ratios						
Net tangible assets/ Share (cents)[(1)]	0.86	0.42	0.35	1.11	0.71	0.63
Current ratio (times)[(2)]	2.73	0.87	0.61	11.50	(3.89)	(6.09)
Loss for the year	(5,257)	(5,257)	(5,257)	(5,727)	(5,727)	(5,727)
Weighted average number of ordinary shares ('000)	1,008,548	900,558	900,558	1,008,548	900,558	900,558
Basic loss per Share (cents)[(3)]	(0.52)	(0.58)	(0.58)	(0.57)	(0.64)	(0.64)
Diluted loss per Share (cents)[(4)]	(0.52)	(0.58)	(0.58)	(0.57)	(0.64)	(0.64)

APPENDIX 2:
SHARE BUYBACK MANDATE

(2) Purchases made entirely out of capital and held as treasury shares

	Group Before Share Purchase S$'000	Group After Share Purchase assuming on market purchase S$'000	Group After Share Purchase assuming off market purchase S$'000	Company Before Share Purchase S$'000	Company After Share Purchase assuming on market purchase S$'000	Company After Share Purchase assuming off market purchase S$'000
Share capital	124,095	124,095	124,095	124,095	124,095	124,095
Other reserves	1,105	1,105	1,105	20,595	20,595	20,595
Accumulated losses	(113,412)	(113,412)	(113,412)	(132,896)	(132,896)	(132,896)
	11,788	11,788	11,788	11,794	11,794	11,794
Treasury shares	(528)	(5,377)	(6,068)	(528)	(5,377)	(6,068)
Shareholders' funds	11,260	6,411	5,720	11,266	6,417	5,726
Net tangible assets	8,674	3,825	3,134	11,266	6,417	5,726
Current assets	7,120	2,271	1,580	3,623	(1,226)	(1,917)
Current liabilities	2,609	2,609	2,609	315	315	315
Working capital	4,511	(338)	(1,029)	3,308	(1,541)	(2,232)
Number of issued Shares ('000)	1,010,890	1,010,890	1,010,890	1,010,890	1,010,890	1,010,890
Treasury shares ('000)	(159)	(108,149)	(108,149)	(159)	(108,149)	(108,149)
Number of issue Shares (excluding of treasury shares) ('000)	1,010,731	902,741	902,741	1,010,731	902,741	902,741
Financial ratios						
Net tangible assets/ Share (cents)[1]	0.86	0.42	0.35	1.11	0.71	0.63
Current ratio (times)[2]	2.73	0.87	0.61	11.50	(3.89)	(6.09)
Loss for the year	(5,257)	(5,257)	(5,257)	(5,727)	(5,727)	(5,727)
Weighted average number of ordinary shares ('000)	1,008,548	900,558	900,558	1,008,548	900,558	900,558
Basic loss per Share (cents)[3]	(0.52)	(0.58)	(0.58)	(0.57)	(0.64)	(0.64)
Diluted loss per Share (cents)[4]	(0.52)	(0.58)	(0.58)	(0.57)	(0.64)	(0.64)

APPENDIX 2:
SHARE BUYBACK MANDATE

(3) Purchases made entirely out of profits and cancelled

	Group			Company		
	Before Share Purchase S$'000	After Share Purchase assuming on market purchase S$'000	After Share Purchase assuming off market purchase S$'000	Before Share Purchase S$'000	After Share Purchase assuming on market purchase S$'000	After Share Purchase assuming off market purchase S$'000
Share capital	124,095	124,095	124,095	124,095	124,095	124,095
Other reserves	1,105	1,105	1,105	20,595	20,595	20,595
Accumulated losses	(113,412)	(118,261)	(118,952)	(132,896)	(137,745)	(138,436)
	11,788	6,939	6,248	11,794	6,945	6,254
Treasury shares	(528)	(528)	(528)	(528)	(528)	(528)
Shareholders' funds	11,260	6,411	5,720	11,266	6,417	5,726
Net tangible assets	8,674	3,825	3,134	11,266	6,417	5,726
Current assets	7,120	2,271	1,580	3,623	(1,226)	(1,917)
Current liabilities	2,609	2,609	2,609	315	315	315
Working capital	4,511	(338)	(1,029)	3,308	(1,541)	(2,232)
Number of issued Shares ('000)	1,010,890	902,900	902,900	1,010,890	902,900	902,900
Treasury shares ('000)	(159)	(159)	(159)	(159)	(159)	(159)
Number of issue Shares (excluding of treasury shares) ('000)	1,010,731	902,741	902,741	1,010,731	902,741	902,741
Financial ratios						
Net tangible assets/ Share (cents)[1]	0.86	0.42	0.35	1.11	0.71	0.63
Current ratio (times)[2]	2.73	0.87	0.61	11.50	(3.89)	(6.09)
Loss for the year	(5,257)	(5,257)	(5,257)	(5,727)	(5,727)	(5,727)
Weighted average number of ordinary shares ('000)	1,008,548	900,558	900,558	1,008,548	900,558	900,558
Basic loss per Share (cents)[3]	(0.52)	(0.58)	(0.58)	(0.57)	(0.64)	(0.64)
Diluted loss per Share (cents)[4]	(0.52)	(0.58)	(0.58)	(0.57)	(0.64)	(0.64)

APPENDIX 2:
SHARE BUYBACK MANDATE

(4) Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Purchase S$'000	After Share Purchase assuming on market purchase S$'000	After Share Purchase assuming off market purchase S$'000	Before Share Purchase S$'000	After Share Purchase assuming on market purchase S$'000	After Share Purchase assuming off market purchase S$'000
Share capital	124,095	119,246	118,555	124,095	119,246	118,555
Other reserves	1,105	1,105	1,105	20,595	20,595	20,595
Accumulated losses	(113,412)	(113,412)	(113,412)	(132,896)	(132,896)	(132,896)
	11,788	6,939	6,248	11,794	6,945	6,254
Treasury shares	(528)	(528)	(528)	(528)	(528)	(528)
Shareholders' funds	11,260	6,411	5,720	11,266	6,417	5,726
Net tangible assets	8,674	3,825	3,134	11,266	6,417	5,726
Current assets	7,120	2,271	1,580	3,623	(1,226)	(1,917)
Current liabilities	2,609	2,609	2,609	315	315	315
Working capital	4,511	(338)	(1,029)	3,308	(1,541)	(2,232)
Number of issued Shares ('000)	1,010,890	902,900	902,900	1,010,890	902,900	902,900
Treasury shares ('000)	(159)	(159)	(159)	(159)	(159)	(159)
Number of issue Shares (excluding of treasury shares) ('000)	1,010,731	902,741	902,741	1,010,731	902,741	902,741
Financial ratios						
Net tangible assets/ Share (cents)(1)	0.86	0.42	0.35	1.11	0.71	0.63
Current ratio (times)(2)	2.73	0.87	0.61	11.50	(3.89)	(6.09)
Loss for the year	(5,257)	(5,257)	(5,257)	(5,727)	(5,727)	(5,727)
Weighted average number of ordinary shares ('000)	1,008,548	900,558	900,558	1,008,548	900,558	900,558
Basic loss per Share (cents)(3)	(0.52)	(0.58)	(0.58)	(0.57)	(0.64)	(0.64)
Diluted loss per Share (cents)(4)	(0.52)	(0.58)	(0.58)	(0.57)	(0.64)	(0.64)

Notes:

(1) Calculated based on net tangible asset divided by the number of issued Shares (excluding Treasury Shares).

(2) Current ratio equal to current assets divided by current liabilities.

(3) Basic loss per Share equals to profit attributable to owners of the Company divided by the weighted average number of Shares, assuming the Share Buyback took place on 1 January 2023.

(4) The diluted loss per share for the financial year ended 31 December 2023 was the same as the basic loss per share as the outstanding dilutive potential ordinary shares are antidilutive.

APPENDIX 2:
SHARE BUYBACK MANDATE

Shareholders should note that the financial effects set out above are purely for illustrative purposes and based only on the above-mentioned assumptions. In particular, it is important to note that the above financial analysis is based on the Group's and the Company's historical numbers for the financial year ended 31 December 2023, and is not necessarily representative of the future financial performance of the Group and the Company. The Company will take into account both financial and non-financial factors (for example, equity market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution. Although the proposed Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

2.8. Catalist Rules

While the Catalist Rules do not expressly prohibit purchases of shares by a Catalist company during any particular time or times, a Catalist company would be considered an "insider" in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to the Share Buyback Mandate after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as such price-sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealing issued by the SGX-ST, the Company will not purchase or acquire any Shares through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's half-year and full-year results.

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its Shares (excluding preference shares, convertible equity securities and treasury shares) are in the hands of the public. The "public", as defined under the Catalist Rules, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Group, as well as the associates of such persons.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, 402,655,520 Shares, representing approximately 37.29% of the issued Shares (excluding treasury shares and subsidiary holdings), are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate, and there is no other change to the capital structure of the Company and no change to the Shares held by the Directors and the Substantial Shareholders, the number of Shares in the hands of the public would be reduced to 294,665,944 Shares, representing approximately 30.32% of the reduced issued share capital of the Company. If the Shares in the hands of the public falls below 10% of the reduced issued share capital of the Company, the SGX-ST may suspend trading of the Shares.

APPENDIX 2:
SHARE BUYBACK MANDATE

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on Catalist, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity. In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on Catalist, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.9. Take-over Code implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

(a) Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting rights of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

(b) Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

Unless the contrary is established, the Take-over Code presumes, inter alia, the following individuals and companies to be persons acting in concert:

(i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;

(ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

(iii) a company with any of its pension funds and employee share schemes;

APPENDIX 2:
SHARE BUYBACK MANDATE

(iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent (10%) or more of the client's equity share capital;

(vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(vii) partners; and

(viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 to the Take-over Code.

(c) Effect of Rule 14 and Appendix 2 to the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 to the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring Shares:

(i) the voting rights of such Directors and persons acting in concert with them would increase to 30% or more; or

(ii) in the event that such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and persons acting in concert with them would increase by more than 1% in any period of six (6) months (commonly referred to as the "1% creeper rule").

APPENDIX 2:
SHARE BUYBACK MANDATE

In calculating the percentages of voting rights of such Directors and persons acting in concert with them, treasury shares shall be excluded.

Under Appendix 2 to the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares:

(i). the voting rights of such Shareholder would increase to 30% or more; or

(ii). if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months.

Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Based on the information in the Company's Register of members as at the Latest Practicable Date, none of the Directors or Substantial Shareholders are obliged to make a general offer to other Shareholders under Rule 14 and Appendix 2 to the Take-over Code as a result of a purchase or acquisition of Shares by the Company pursuant to the proposed Share Buyback Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

2.10. Taxation

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buyback Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.11. Previous Share buybacks

The Company did not purchase or acquire any Shares during the 12-month period immediately preceding the Latest Practicable Date.

2.12. Limits on Shareholdings

The Company does not have any individual or foreign limit on the shareholding of any Shareholder.

APPENDIX 2:
SHARE BUYBACK MANDATE

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, based on the Registers of Directors' interests in Shares and Substantial Shareholders' interests in Shares, respectively, are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	**%[1]**	**No. of Shares**	**%[1]**
Directors				
Ong Swee Sin[2]	–	–	20,419,958	1.89
Low Kim Leng	–	–	–	–
Wee Hock Kee	–	–	–	–
Mark Leong Kei Wei	–	–	–	–
Substantial Shareholders (other than Directors)				
Subtleway Management Sdn. Bhd.[3]	130,701,548	12.10	–	–
Lim Jun Hao[4]	35,847,155	3.32	130,701,548	12.10
Tristan Management Sdn. Bhd.[5]	130,710,068	12.10	–	–
Irelia Management Sdn. Bhd.[6]	90,145,736	8.35	–	–
NTG Holding Ltd[7]	–	–	220,855,804	20.45
Ng Boon Chee[8]	31,207,940	2.89	220,855,804	20.45
Tan Chiau Wei[9]	26,176,604	2.42	220,855,804	20.45
Toh Kok Soon[10]	97,881,692	9.06	–	–
Body Power Sdn. Bhd.[11]	112,665,044	10.43	1,484,500	0.14
Khoo Kai Yang[12]	–	–	114,149,544	10.57

Notes:

(1) Based on the issued share capital of the Company comprising 1,079,895,765 Shares (excluding treasury shares), as at the Latest Practicable Date.

(2) Mr Ong Swee Sin holds the entire issued share capital of SSCM Sdn. Bhd., which has a direct interest in 20,419,958 Shares. Accordingly, Mr Ong Swee Sin has a deemed interest in the 20,419,958 Shares held by SSCM Sdn. Bhd.

(3) Subtleway Management Sdn. Bhd. has a direct interest in the 130,701,548 Shares which are registered and held through UOB Kay Hian Private Limited.

(4) Mr Lim Jun Hao has a direct interest in the 35,847,155 Shares which are registered and held through UOB Kay Hian Private Limited. He holds the entire issued share capital of Subtleway Management Sdn. Bhd. and is therefore deemed interested in the 130,701,548 Shares held by Subtleway Management Sdn. Bhd.

(5) Tristan Management Sdn. Bhd. has a direct interest in the 130,710,068 Shares which are registered and held through UOB Kay Hian Private Limited.

(6) Irelia Management Sdn. Bhd. has a direct interest in the 90,145,736 Shares which are registered and held through UOB Kay Hian Private Limited.

(7) NTG Holding Ltd holds 66.67% issued share capital of Irelia Management Sdn. Bhd. and Tristan Management Sdn. Bhd. and is therefore deemed interested in the 220,855,804 Shares held by Tristan Management Sdn. Bhd. and Irelia Management Sdn. Bhd.

(8) Mr Ng Boon Chee has a direct interest in the 31,207,940 Shares which are registered and held through UOB Kay Hian Private Limited. He holds 59.64% issued share capital of NTG Holding Ltd, and is therefore deemed interested in the 220,855,804 Shares held by NTG Holding Ltd.

(9) Mr Tan Chiau Wei has a direct interest in the 26,176,604 Shares which are registered and held through UOB Kay Hian Private Limited. He holds 40.36% issued share capital of NTG Holding Ltd and is therefore deemed interested in the 220,855,804 Shares held by NTG Holding Ltd.

(10) Mr Toh Kok Soon has a direct interest in 97,881,692 Shares which are registered and held through UOB Kay Hian Private Limited.

(11) Body Power Sdn. Bhd. holds the entire issued share capital of Grand Surf Sdn. Bhd. and is therefore deemed interested in the 1,484,500 Shares held by Grand Surf Sdn. Bhd.

(12) Mr Khoo Kai Yang holds the entire issued share capital of Body Power Sdn. Bhd. and is therefore deemed interested in the 114,149,544 Shares held by Body Power Sdn. Bhd.

Save as disclosed above, none of the Directors or Substantial Shareholders and their respective associates, has any interest, direct or indirect, in the Share Buyback Mandate.

APPENDIX 2:
SHARE BUYBACK MANDATE

4. DIRECTORS' RECOMMENDATIONS

The Directors, having considered, inter alia, the terms, rationale and benefits of the proposed renewal of the Share Buyback Mandate, are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate, at the forthcoming AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Constitution and the Annual Report 2023 may be inspected by Shareholders at the registered office of the Company at 20 Collyer Quay, #11-07, Singapore 049319 during normal business hours from the date of this Appendix up to and including the date of the AGM.

This page has been intentionally left blank.

9R LIMITED
(Company Registration No. 199307300M)
(Incorporated in the Republic of Singapore)

PROXY FORM
FOR ANNUAL GENERAL MEETING

IMPORTANT:
1. Electronic copies of the Annual Report 2023, the Notice of Annual General Meeting ("**AGM**") and this Proxy Form may be accessed on SGXNET at https://www.sgx.com/securities/company-announcements or at the Company's corporate website at https://www.9rlimited.com/agm2024/. Printed copies of the Notice of AGM and this Proxy Form will be sent to members via post.
2. **This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares through their CPF/SRS funds.** CPF/SRS investors who wish to vote should approach their respective CPF agent banks or SRS operators to submit their votes at least seven (7) working days before the date of the AGM.

* I/We ______________________ (Name) ______________________ (NRIC/Passport/Company Registration No.*)

of ____ (Address),

being a member/members of **9R LIMITED** hereby appoint:

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

*and/or (delete as appropriate)

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

or failing whom, the Chairman of the AGM as my/our proxy to vote for me/us on my/our behalf at the AGM of the Company, to be held at RNN Conference Center, 137 Cecil Street, Cecil Building #04-01, Singapore 069537 on **26 April 2024 at 2:00 p.m.** (Singapore time) and at any adjournment thereof in the following manner:

Ordinary Resolutions	**For****	**Against****	**Abstain****
Ordinary Business			
1. Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2023 together with the Auditors' Report thereon			
2. Re-election of Mr Mark Leong Kei Wei as a Director of the Company			
3. Payment of Directors' fees of S$159,600 for the financial year ending 31 December 2024			
4. Re-appointment of Messrs Mazars LLP as Auditors of the Company and to authorise the Directors to fix their remuneration			
Special Business			
5. Authority to allot and issue shares			
6. Approval of the proposed renewal of the Share Buyback Mandate			

* *Delete as appropriate.*

** *Voting will be conducted by poll. If you wish to exercise all your votes "**For**" or "**Against**", please tick (√) in the "**For**" or "**Against**" box. Alternatively, please indicate the number of votes "**For**" or "**Against**" in the appropriate box. If you wish to "**Abstain**" from voting on the resolution, please tick (√) in the "**Abstain**" box. Alternatively, please indicate the number of shares which you wish to abstain from voting.*

Dated this ______ day of ______________ 2024

Total Number of Shares Held

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

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

Notes:

1. The AGM of the Company will be held at RNN Conference Center, 137 Cecil Street, Cecil Building #04-01, Singapore 069537 on 26 April 2024 at 2.00 p.m.. There will be no option for members to participate virtually.

2. Printed copies of this Proxy Form and the accompanying Notice of AGM will be sent to members by post. Copies of this Proxy Form, the accompanying Notice of AGM and the Annual Report 2023 are published on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.9rlimited.com/agm2024/.

   Printed copies of the Annual Report 2023 will not be sent to members. A member may request for a printed copy of the Annual Report 2023 by (a) email to main@zicoholdings.com (please provide the member's full name and mailing address); or (b) in person at the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 during office hours.

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

4. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no such proportion or number is specified, the first named proxy shall be deemed to represent 100% of his/her/their shareholding and the second named proxy shall be deemed to be an alternate to the first named.

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

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

7. A proxy, including the Chairman of the AGM, need not be a member of the Company.

8. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) If submitted electronically, be submitted via email to main@zicoholdings.com; or

   (b) If submitted by post, to be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896,

   in each case, no later than 2.00 p.m. on 23 April 2024 (being not less than seventy-two (72) hours before the time fixed for the AGM). Members are strongly encouraged to submit completed Proxy Forms electronically via email.

9. The instrument appointing a proxy or proxies must be signed under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing proxy(ies) 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), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.

10. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of the resolutions, failing which, the appointment of proxy for the resolutions will be treated as invalid. In addition, if no specific direction as to voting is given, the proxy(ies) will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM or at any adjournment thereof.

11. The Company shall be entitled to reject an instrument appointing a proxy(ies) 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(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2024.

20 Collyer Quay
#11-07
Singapore 049319

Tel: +65 89288467
Website: www.9rlimited.com