AEDGE

WE PROVIDE SOLUTIONS NOT JUST SERVICES

ANNUAL REPORT 2023

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This annual report has been reviewed by UOB Kay Hian Private Limited (the "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 correctness of any of the 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.

GROUP **PROFILE**

We are a Singapore-based multi-services provider, focusing on three principal services, namely engineering services, security and manpower services and transport services. We serve a wide range of customers from various industries, including MNCs, government bodies, schools and local companies.

ENGINEERING SERVICES

Provide a suite of the following services to the oil & gas, petrochemical, marine and construction industries:

- Scaffolding services (including engineered shelters)
- Insulation & passive fire protection services
- Electrical engineering systems

TRANSPORT SERVICES

A leading bus transport service provider in Singapore for:

- Private bus charter services
- School bus services
- Ad-hoc bus services

SECURITY AND MANPOWER SERVICES

Provide the following manpower services:

- Security services (including security guarding services & security system integration)
- Cleaning services
- Manpower services (specialise in sourcing and supplying aerospace technicians to companies engaged in aerospace maintenance, repair and overhaul)

CHAIRMAN'S **STATEMENT**

While the Group's businesses are traditional, the services we provide are essential in supporting Singapore's infrastructure. We continue to explore strategic acquisitions and partnerships that would enhance our service offerings, as well as potentially diversify our revenue streams to meet evolving market demands.

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

FY2023 saw the gradual reopening of Singapore as we entered into post-pandemic times. While this initially meant the recovery of the Singapore economy, that recovery has been hindered by inflationary pressures and ongoing geopolitical instability. This in turn has impacted the Group's business performance.

RESILIENT FINANCIAL PERFORMANCE

During the year, the Group's FY2023 revenue grew 29.3% year-on-year to S$26.5 million attributable to a 59.1% year-on-year growth in Engineering Services and 31.9% growth in Security & Manpower Services as compared to FY2022. On the back of cost inflation, the Group saw cost increases on various fronts, including but not limited to fuel prices and dormitory costs for our Engineering Services workforce.

CHAIRMAN'S **STATEMENT**

In September 2022, Singapore's Progressive Wage Model came into effect for the cleaning and security industries, which has contributed to more resources allocated to map out a clear career pathway for lower-wage workers' wages to rise along with training and improvements in productivity and standards. We view this as an investment to improve productivity and the Group's services, which in the longer term should enhance profitability.

The Group capped off FY2023 with a net loss after tax of S$2.25 million mainly due to lower gross profit margins, lower government grants received and losses on disposal of transportation assets. The Group's balance sheet remains healthy with a cash position of S$3.48 million as at 30 June 2023. Equity attributable to owners of the Company stands at S$11.90 million and Net Asset Value per share stands at 11.2 cents.

ENHANCING OPERATIONAL PERFORMANCE

Cognisant of the need to be more cost effective, the Group has executed an option to acquire the balance of the lease for 9 Tuas South Street 11 for S$9 million to consolidate the storage of inventory and internalise dormitories for our Engineering Services workforce. Despite the need to invest in asset enhancement initiatives, the Group expects to incur lower costs in housing our workers in the future. This transaction is expected to complete in the first half of FY2024 and will support growing demand for Engineering Services.

While demand for Transport Services in Singapore remains robust, the Group faces shortage in qualified drivers, which is an issue plaguing the transport industry. As we continue to execute recruitment initiatives to onboard more drivers, the Group optimised its fleet to reduce depreciation costs in FY2023 while ensuring its ability to meet customers' demands.

In-line with manpower shortages in Singapore, the demand for Security & Manpower Services has been rising in the past year, especially in the aviation industry with post-pandemic travel resumption. The Group continues to tender for more contracts across a diverse client base and is focused on securing more projects.

STRATEGY FOR GROWTH

While the Group's businesses are traditional, the services we provide are essential in supporting Singapore's infrastructure. We continue to explore strategic acquisitions and partnerships that would enhance our service offerings, as well as potentially diversify our revenue streams to meet evolving market demands.

SUSTAINABILITY

Sustainability is integral in the Group's operations and we are dedicated to incorporating more sustainable practices in our business. In our second Sustainability Report for FY2023, we outline key initiatives to reduce the Group's environmental impact and enhance corporate governance as well as social impact. We will continue to work with our customers and suppliers to grow sustainably.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express our heartfelt thanks and best wishes to Mr. Hoon Tai Meng, who will be retiring as a Director of the Company after the Annual General Meeting for his invaluable advice and contributions to the Board and the Group.

Further, I would like to thank the management team and employees who have weathered through the pandemic with us and remain committed to the Group's business strategy amidst the various macroeconomic challenges. I am grateful for our customers and business partners for their support over the years as we strive to continue supporting them in their business operations. To our shareholders – thank you for supporting us in our journey as we endeavour to deliver sustainable value.

POH SOON KENG
Chairman

BOARD OF **DIRECTORS**

MR POH SOON KENG
Executive Chairman and CEO

Date of first appointment as a Director: 3 October 2019
Date of last re-election as a Director: 16 October 2020
Present Directorships in listed companies: Nil
Past Directorships in listed companies over preceding 3 years: Nil

Mr Poh Soon Keng is the founder of our Group and is currently our Executive Chairman and CEO, and was appointed to our Board on 3 October 2019.

He has over 20 years of experience leading and expanding our Group's business. Mr Poh is primarily responsible for the overall management, operations and strategic direction of our Group.

Mr Poh holds an honours degree in Public Administration conferred by Nanyang University in 1976.

MR DANIEL NG CHOON BENG
Executive Director

Date of first appointment as a Director: 20 May 2022
Date of last re-election as a Director: 27 October 2022
Present Directorships in listed companies: Nil
Past Directorships in listed companies over preceding 3 years: Nil

Mr Daniel Ng is our Executive Director and was appointed to our Board on 20 May 2022. He is also our Chief Operating Officer (Engineering). He is responsible for overseeing the management and operations of our Group's engineering services business segment.

Between 1990 to 2015, Mr Ng served as the regional business development director of SGB Aluma Singapore Pte Ltd and assisted in the business development and management aspects of the business.

Mr Ng holds an honours degree in Bachelor of Civil Engineering and a Master's degree in Business Administration from the University of Newcastle upon Tyne in 1989 and 1990 respectively.

MR HOON TAI MENG
Lead Independent Director

Date of first appointment as a Director: 24 March 2020
Date of last re-election as a Director: 27 October 2022
Present Directorships in listed companies:
COSCO Shipping International (Singapore) Co Ltd
Federal International (2000) Ltd
Hock Lian Seng Holdings Ltd
Spindex Industries Ltd
Past Directorships in listed companies over preceding 3 years:
Pavillon Holdings Ltd
Sin Ghee Huat Corporation Ltd
Koufu Group Ltd

Mr Hoon Tai Meng is our Lead Independent Director and was appointed to our Board on 24 March 2020.

Mr Hoon is presently a senior consultant at RHTLaw Asia LLP ("RHT"). Prior to joining RHT, he was an executive director of Chip Eng Seng Corporation Ltd for 7 years and was a director of Chip Eng Seng Corporation Ltd for a total of 19 years. He practised law in T M Hoon & Co. Advocates & Solicitors and Khattar Wong Advocates & Solicitors for 14 years covering the areas of civil litigation, real estate, construction law, insolvency, corporate and capital markets.

Mr Hoon, a lawyer and accountant by profession, besides having more than 18 years of experience in law practice, also has around 27 years of experience in business operations, financial and general management, as well as audit, tax and corporate secretarial functions. He was also a registered professional with the SGX-ST rendering continuing sponsorship services to companies listed on the Catalist.

Mr Hoon obtained a Bachelor of Commerce (Accountancy) from Nanyang University in 1976 and a Bachelor of Laws (Hons) from the University of London in 1993. He is a Fellow Chartered Accountant (Singapore), Fellow of the Chartered Institute of Management Accountants FCMA (UK), Fellow of the Association of Chartered Certified Accountants FCCA (UK), Chartered Global Management Accountant CGMA and Barrister-at-law (Middle Temple).

MR GOH JOON LIAN
Independent Director

Date of first appointment as a Director: 24 March 2020
Date of last re-election as a Director: 28 October 2021
Present Directorships in listed companies: Nil
Past Directorships in listed companies over preceding 3 years: Nil

Mr Goh Joon Lian is our Independent Director and was appointed to our Board on 24 March 2020.

He had worked in Shell Singapore since 1999 and was the regional chairman of Shell South China when he left the company in 2012. He worked at Esso Singapore from 1979 to 1999 and at Sembawang Shipyard from 1976 to 1979.

Mr Goh obtained a Bachelor of Science with First Class Honours (Mechanical Engineering) from the University of Surrey, United Kingdom in 1976.

MR GUOK CHIN HAUT SAMUEL
Independent Director

Date of first appointment as a Director: 20 May 2022
Date of last re-election as a Director: 27 October 2022
Present Directorships in listed companies: Nil
Past Directorships in listed companies over preceding 3 years:
Asiatravel.Com Holdings Ltd
Global Palm Resources Holdings Ltd
International Cement Group Ltd
RE&S Holdings Limited

Mr Samuel Guok is our Independent Director and was appointed to our Board on 20 May 2022.

Mr Guok has many years of working experience, especially in the financial and property sector. From 1990 to 1993, he was a housing developer in a project at Holland Road. From 1993 to 2003, he was a director at Seed Ventures. He was the Chief Executive Officer of Wee Poh Ltd from 1998 to 2001. From 2001 to 2004, he acted as an advisor to JP Nelson Ltd. Mr Guok was a director of Bukit Sembawang Estates Limited from March 2008 to July 2017, and also the chairman of their board from July 2011 to July 2017. Currently he is a director of StarHealth Pte Ltd.

Mr Guok graduated from Boston University, Bachelor of Science, with Majors in Finance and International Economics, and Minor in Chemistry, in 1984. He was also awarded the Dean List.

MANAGEMENT

MS TAN SIEW LAN
Human Resources and Administration Director

Ms Tan Siew Lan is our Human Resources and Administration Director. She is responsible for the human resources and administration functions of the Group.

Ms Tan obtained a Bachelor of Arts from Nanyang University in 1976.

MR EDWIN NEO WENG MENG
Director (Investors Relations, M&A)

Mr Neo joined the Group in 2021. He is in charge of merger and acquisition projects of the group, as well as handling of investor relations.

MS TAN AH HWA
Senior Manager (Manpower Outsourcing)

Ms Tan Ah Hwa joined the Group in October 2007. She is responsible for the management and operations of the Group's manpower outsourcing services.

MANAGEMENT

MR ONG BLAISE JUDE
Director (Security Services)

Mr Ong joined the Group in 2012, and is our director of security services. He is responsible for the sales and operations of our security services.

Mr Ong has over 10 years of experience in security services, and has full WSQ (Workforce Skills Qualifications) accreditations in security management and operations, and is an accredited security consultant.

MR FRANCIS TAY CHOON WAH
Director (Engineering Services)

Mr Tay joined our Group in 2019, and handles the business development and marketing for scaffolding, insulation, painting, fireproofing services and he is also involved in cross selling of the Group's multi-services.

He has over 25 years of experiences in the Process Industry.

Mr Tay has a Master in Business Administration from University of Surrey and a Bachelor of Science (Hons) in Business & Management Studies from University of Bradford. In addition, he also holds a Diploma in Marketing from the Chartered Institute of Marketing (UK), Diploma in Sales & Marketing (MDIS) and also a Diploma in Management Studies from Singapore Institute of Management.

MR POH TZE REN
Group Operations Manager

Mr Poh joined the Group in 2021. He is in charge of various operations of the group with main focus on transport services.

Mr. Poh graduated with a Bachelor of Engineering (Electrical & Electronics) from Nanyang Technological University in 2001.

MR DANNY LEE KWEE PEEN
Senior Business Development Manager (Engineering Services)

Mr Danny Lee joined our Group in 2020 and handles business development in engineering services that provide a suite of complementary services and products such as scaffolding, engineered shelters, shoring systems, gratings, communications and security systems to the construction, oil and gas, petrochemical and marine industries.

Mr Lee obtained a Bachelor of Science (Economics) in Management Studies (Honours) from University of London in 1995.

MS FAM YIEN FENG
Finance Manager

Ms Fam joined our Group in 2013 and handles the Group's finance matters.

Ms Fam holds a professional accountancy qualification from ACCA, The Association Of Chartered Certified Accountants.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS
Poh Soon Keng *(Chairman, Executive)*
Ng Choon Beng *(Executive)*
Hoon Tai Meng *(Non-Executive, Independent)*
Goh Joon Lian *(Non-Executive, Independent)*
Guok Chin Huat Samuel *(Non-Executive, Independent)*

AUDIT AND RISK COMMITTEE
Hoon Tai Meng *(Chairman)*
Goh Joon Lian
Guok Chin Huat Samuel

NOMINATING COMMITTEE
Goh Joon Lian *(Chairman)*
Hoon Tai Meng
Poh Soon Keng

REMUNERATION COMMITTEE
Guok Chin Huat Samuel *(Chairman)*
Hoon Tai Meng
Goh Joon Lian

COMPANY SECRETARY
Pan Mi Keay

REGISTERED OFFICE
4009 Ang Mo Kio Avenue 10
#04-33 Techplace 1
Singapore 569738
Telephone : +65 6458 7645
Website : https://www.aedge.com.sg/

COMPANY REGISTRATION NUMBER
201933214E

AUDITORS
Moore Stephens LLP
10 Anson Road, #29-15
International Plaza
Singapore 079903

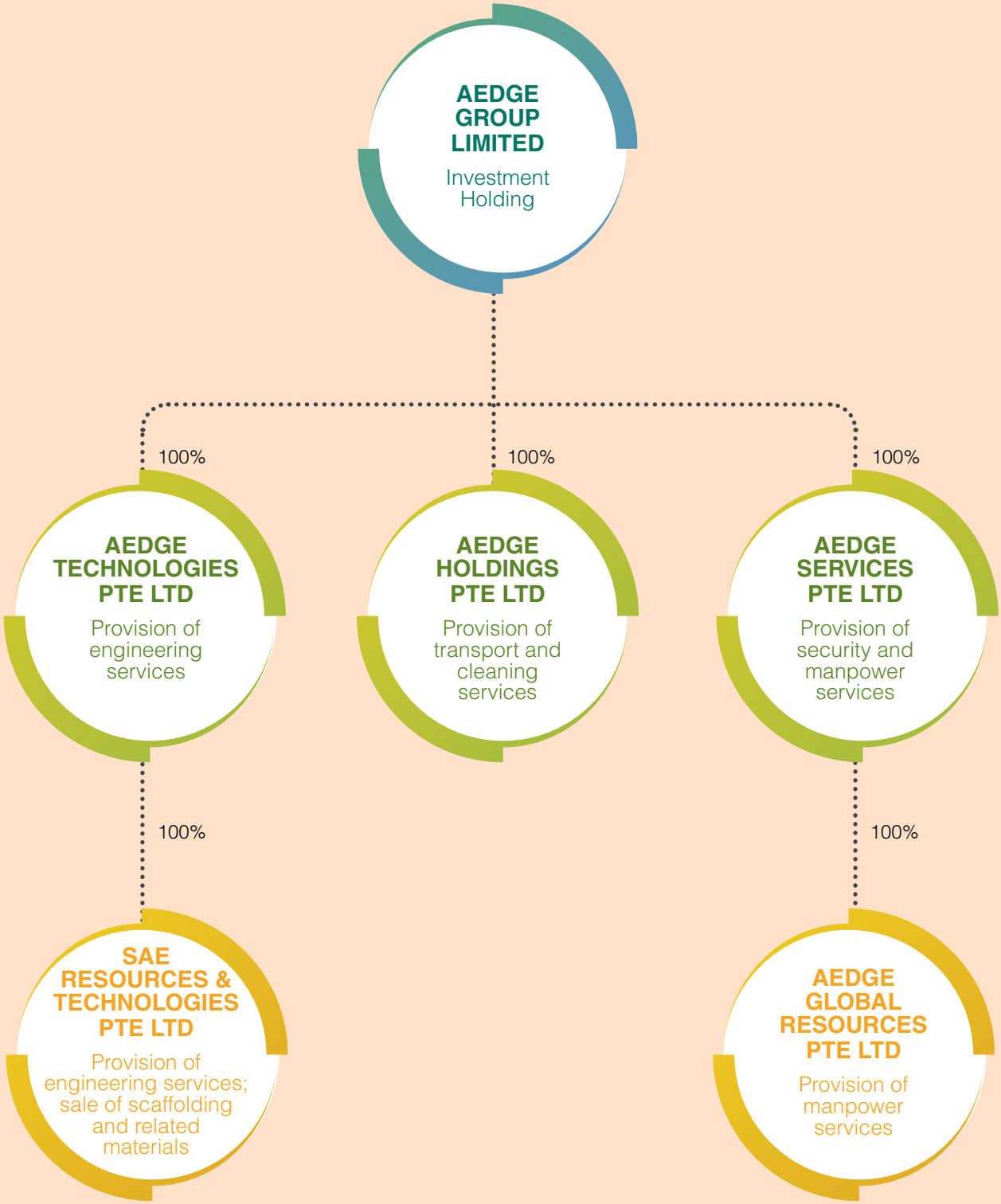
Partner in charge:
Neo Keng Jin
(with effect from financial year ended 2022)

SHARE REGISTRAR
Tricor Barbinder Share Registration Services (A division of
Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898
Telephone : +65 6236 3333

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

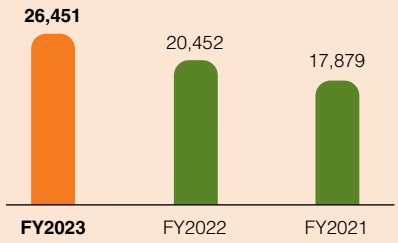
BANKERS
DBS Bank Ltd
Maybank Singapore Limited
Standard Chartered Bank (Singapore) Limited United
United Overseas Bank Ltd

GROUP **STRUCTURE**

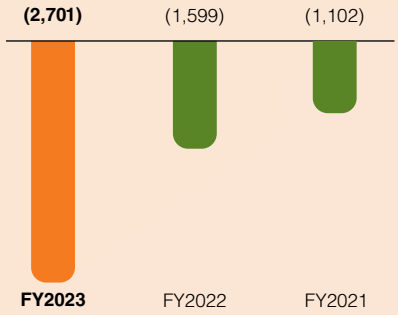


GROUP FINANCIAL **HIGHLIGHTS**

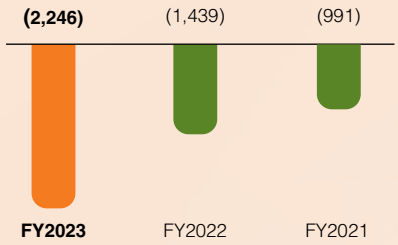
REVENUE (S$'000)



PROFIT/(LOSS) BEFORE TAX (S$'000)



PROFIT/(LOSS) AFTER TAX (S$'000)



	2023 S$'000	2022 S$'000	2021 S$'000
Income			
Revenue	**26,451**	20,452	17,879
Profit/(loss) before tax	**(2,701)**	(1,599)	(1,101)
Profit/(loss) after tax	**(2,246)**	(1,439)	(991)
Financial Position			
Total Assets	**19,129**	22,275	26,004
Total Liabilities	**7,230**	8,130	9,360
Total Equity	**11,899**	14,145	16,644
Selected ratios	**Cents**	**Cents**	**Cents**
Net Assets per Ordinary share	**11.23**	13.34	15.70
Basic and Diluted earning/(loss) per share[1]	**(2.12)**	(1.36)	(1.00)
Dividends Per Ordinary share	**–**	–	1.00

Note

(1) The calculation of basic earnings per share has been based on the profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding.

REPORT OF
CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") of Aedge Group Limited (the "**Company**" together with its subsidiaries, the "**Group**") continues to be committed to ensuring and maintaining high standards of corporate governance and places importance on its corporate governance processes and systems which are essential to the stability and sustainability of the performance of the Group, promotion of corporate transparency, accountability and integrity of the Group, protection of interests of shareholders and maximisation of long-term shareholders' value.

This report describes the corporate governance framework, practices, process and activities of the Company with specific reference to the underlying principles of the Code of Corporate Governance 2018 (the "**Code**") that were in place throughout the financial year ended 30 June 2023 ("**FY2023**"). The Board believes that the Group has complied with the principles as set out in the Code. The Company is also guided by the voluntary Practice Guidance which was issued to complement the Code and which sets out best practice standards for companies. Where there are deviations from the provisions of the Code, appropriate explanations and reasons for deviation are provided in the relevant sections below.

BOARD MATTERS

The Board's Conduct of Affairs

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

Besides carrying out its statutory responsibilities, the Board meets regularly to oversee the business affairs, corporate affairs and the overall performance of the Group and works with the management ("**Management**") to take objective decisions in the best interest of the Group and shareholders. Board members are expected to act in good faith and exercise independent judgment in the best interests of the Group.

Any Director facing conflict of interest has recused himself from discussions and decisions involving the issues of conflict. The Management also plays a pivotal role in providing Board members with complete, adequate and timely information to assist the Board in the fulfilment of its responsibilities.

The Board recognises the key responsibilities include, but are not limited to, the following:

Corporate Governance

a) Set the 'tone at the top' and instil an ethical corporate culture, including establishing a Code of Conduct.
b) Review and ensure that the appropriate policies and practices on corporate governance are in place.
c) Perform such duties and responsibilities as may be required by laws, regulations and Constitution of the Company.
d) Review and monitor Group's policies and practices on compliance with legal and regulatory requirements.
e) Ensure that the required disclosures on corporate governance and related matters required by laws and regulations are made in the annual report and accounts, and to the regulatory authorities.
f) Ensure prudent policies for carrying on business while promoting fair practices and high standards of business conduct.
g) Assess annually the effectiveness of the Board and the Board committees, and contributions of each Director.
h) Monitor and ensure the training and continuous professional development of Directors and senior management.
i) Establish an Investor Relations Policy to promote regular, effective and fair communication with the Shareholders.

Strategy

a) Set long term strategic goals, review and assess the strategies from time to time, and monitor the progress towards achieving these goals.
b) Consider sustainability issues, including issues relating to the environment and social factors, when formulating its strategies.

Finance

a) Review and approve the annual business plan and budget.
b) Monitor the financial performance of the Group.
c) Determine an appropriate capital and debt structure for the Group to meet its long-term business objectives.
d) Set the Dividend Policy and declare dividends. Where it is decided not to declare dividends, the Board shall announce such together with the reason(s) for the decision.
e) Review and approve significant acquisitions and divestments. As a general guide, a significant acquisition or divestment is one that exceeds three per cent of the shareholders' funds.

Risk Management and Internal Controls

a) Oversee the establishment and operation of an enterprise risk management framework to identify, assess, manage, monitor and report the Group's risks.
b) Determine and review the Company's risk profile, risk tolerance level and risk strategy.
c) Conduct an annual, rigorous assessment of the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, the effectiveness of its internal audit, risk management and compliance functions, and the adequacy of resources allocated to these functions.

Human Resource

a) Approve the organisational structure of the Group and its key management positions.
b) Determine the compensation packages and incentive payment structure for key management positions.
c) Oversee the design and operation of the remuneration policy and compensation framework.
d) Develop the succession planning for Directors including the Chief Executive Officer ("**CEO**"), and oversee, through the Nominating Committee the succession plans for senior management.

The Group has adopted internal guidelines setting forth matters that require Board's approval. Matters specifically reserved for the approval by the Board are those relating to the long term strategies and business plans, annual budget of the Group, material capital expenditure exceeding a threshold limit, significant mergers and acquisitions, corporate or financial restructuring, share issuances, interim dividend and other returns to shareholders and interested person transactions.

The Management is responsible for day-to-day operations/administration of the Group and they are accountable to the Board. Clear directions have been given out to the Management that such reserved matters must be approved by the Board.

The Board exercises due diligence and independent judgment in dealing with business affairs of the Group and works with Management to take objective decisions in the interest of the Group.

REPORT OF
CORPORATE GOVERNANCE

The Board has established and delegated specific authority to the committees of the Board, namely the Audit and Risk Committee ("**ARC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**") with clear written terms of reference to assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively, and reporting back to the Board. The ARC and RC are made up of Independent Directors, and the NC is made up of majority Non-Executive Directors ("**NED**"), and each is chaired by an Independent Director. Each Board Committee has its own specific Terms of Reference setting out the scope of its duties and responsibilities, rules and regulations, and procedures governing the manner in which it is to operate and how decisions are to be taken.

All the Board Committees are actively engaged and plays an important role in ensuring good corporate governance in the Company and within the Group.

The Board meets regularly on a quarterly basis with four (4) scheduled meetings held within each financial year to approve, among others, announcements of the Group's half-year and full year financial results. Additional meetings are also convened to discuss and deliberate on urgent substantive matters or issues. The Board may also have informal discussions on matters requiring urgent attention which would then be formally approved by circular resolutions in writing. The Company's Constitution provides for the Board to convene meetings via telephone conferencing and electronic means in the event when Directors were unable to attend meetings in person.

While the Board considers Directors' attendance at Board meetings as important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms, including periodical reviews and the provision of guidance and advice on various matters relating to the Group.

The number of Board and Board Committees meetings held in respect of FY2023 and the attendance of Directors during these meetings are as follows:

	Board of Directors	**Audit and Risk Committee**	**Nominating Committee**	**Remuneration Committee**
Number of Meetings Held	4	4	1	1
Name of Directors	**Attended**	**Attended**	**Attended**	**Attended**
Mr Poh Soon Keng	4	4*	1	1*
Mr Ng Choon Beng	4	4*	1*	1*
Mr Hoon Tai Meng	4	4	1	1
Mr Goh Joon Lian	4	4	1	1
Mr Guok Chin Huat Samuel	4	4	1*	1

* Attendance by invitation

The Board ensures that incoming new Directors are given comprehensive and tailored induction on joining the Board including onsite visits, if necessary, to get familiarised with the business of the Group and corporate governance practices upon their appointment and to facilitate the effectiveness in discharging their duties. Newly appointed Directors will be provided a formal letter setting out their duties and obligations. They will be given briefings by the Management on the business activities of the Group and its strategic directions as well as its corporate governance practices. A newly appointed Director who has no prior experience as a director of a listed company in Singapore must undergo mandatory training organised by Singapore Institute of Directors in relation to the roles and responsibilities of a director of a listed company.

Below are some of the trainings attended by our Directors in FY2023:–

Name of Director	Training Attended
Ng Choon Beng	Environmental, social and governance essentials conducted by SID, LED 1, LED2, LED 3 and LED 4
Hoon Tai Meng	Environmental, social and governance essentials conducted by SID
Guok Chin Huat Samuel	Environmental, social and governance essentials conducted by SID
Poh Soon Keng Hoon Tai Meng Guok Chin Huat Samuel Ng Choon Beng	In-house course and updates on Personal Data Protection Act, anti-corruption, whistle blowing and how the Group's policies on these matters served to enhance the Group's compliance on corporate governance.

LED: Listed Entity Director Essentials conducted by Singapore Institute of Directors (SID)

All Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities for participation in the relevant training courses, seminars and workshops as relevant and/or applicable at the Group's expenses. The Directors are also provided with updates on the relevant new laws and regulations relevant to the Group's operating environment through emails and regular meetings. They also have the opportunity to visit the Group's operational facilities and meet with management to obtain a better understanding of the business operations.

To enable the Board to fulfill its responsibilities, it obtains information it deems adequate, complete and in a timely manner from the Management so as to make informed decisions. A system of communication between the Management, the Board and its Committees has been established and improved over time.

The Board, its Committees and every Director have separate and independent access to the Management and are free to request additional information as needed to make informed decisions.

In addition to the annual budget and business plans submitted to the Board for approval, the Board was provided with quarterly financial management report which contains key performance indicators informing the Directors of the Group's performance, position and prospects. The Management also kept the Board apprised of material variances between the actual results, corresponding period of last year and the budget, with appropriate explanation on such variances. Further, additional information is circulated to the Board on a regular basis as and when there is material development in the Group's business operations.

Board members have separate and independent access to Management and the Company Secretary. The Company Secretary and/or his/her representative(s) attend all Board and Board Committees' meetings and provide secretarial support to the Board, ensuring that Board procedures and all other rules and regulations applicable to the Company are adhered to.

The role of the Company Secretary is, inter alia, advising the Board on all governance matters and ensuring that all Board procedures are followed. Under the direction of the Chairman, the Company Secretary ensures good information flow to and within the Board and its Committees and between the Management and NED. Directors have separate and independent access to the Company Secretary through e-mail, telephone and face-to-face meetings. During FY2023, the Company Secretary attended all meetings of the Board and its Board Committees and the minutes of such meetings were promptly circulated to all Board and Board Committees as appropriate.

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

In the furtherance of their duties, the Independent Directors may seek independent professional advice, where appropriate, with such expense borne by the Company.

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.

As at the date of this report, the Board comprises five (5) Directors, out of whom three (3) are Independent Non-Executive Directors and two (2) Executive Directors ("**ED**"). The Board, together with the ARC, RC and NC are constituted in compliance with the Code. The Board composition has a strong and independent element with three (3) Independent Directors that make up a majority of the Board.

The current composition of the Directors in the Board and its Board Committees is as follows:

Name of Directors	ARC	NC	RC
Mr Poh Soon Keng *(Executive Chairman and CEO)*	–	M	–
Mr Ng Choon Beng *(Executive Director)*	–	–	–
Mr Hoon Tai Meng *(Lead Independent Director)*	C	M	M
Mr Goh Joon Lian *(Independent Director)*	M	C	M
Mr Guok Chin Huat Samuel *(Independent Director)*	M	–	C

C – Chairman
M – Member

The Directors bring with them a broad range of business and financial experience, skills and expertise in finance, industry, business, management and general corporate matters. The profiles of the Directors are set out on pages 4 to 5 of this Annual Report.

The Company currently have a fixed Board diversity policy and the objective is to enhance the decision-making of the Board by utilising the variety in skills, industry and business experiences, gender, age, tenure of service, and other distinguishing qualities of the members of the Board. Currently the Board has members with experience from different industries. There are currently no targets set for the board diversity policy.

The Board's size and composition will be reviewed annually by the NC to ensure that the Board and its Board Committees have the appropriate mix of skills, expertise, experience and knowledge of the Group as well as appropriate balance of Independent Directors. The NC is of the view that the current Board comprises persons whose diverse skills, expertise, experience, knowledge of the Group and attributes provide for an effective Board. The Board members also collectively possess the necessary core competencies for the effective functioning of the Board and an informed decision making process.

To assist the NC in its annual review of the Directors' mix of skills, and experiences that the Board requires to function competently and efficiently, the Directors have completed their assessment forms and provide additional information (if any) in their respective areas of specialization and expertise.

Details of the Directors' qualifications, background and working experience, principal commitments and shareholdings in related corporations are set out on pages 4 to 5 and 37.

As the Group's activities continue to grow, the NC will continuously review the composition of the Board so that it will have the necessary competency to be effective, including the board diversity policy.

As set out under Provision 2.1 of the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company.

The independence of each Independent Director is assessed at least annually by the NC. The NC conducted its annual review of the Directors' independence and confirmed their independence in accordance with the guidelines as set out in the Code and Rule 406(3)(d) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). There were no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

Each of the Independent Directors has also provided his independence declaration confirming that he does not have any relationship with the Company or its related corporations, its substantial shareholders or its officers including confirming not having any relationships and circumstances provided in Provision 2.1 of the Code and Rule 406(3)(d) of the Catalist Rules.

The NC has affirmed that Mr Hoon Tai Meng, Mr Goh Joon Lian and Mr Guok Chin Huat Samuel are independent and there are no relationships which would deem any of them not to be independent. Each of the Independent Directors has also confirmed his independence.

As the Chairman of the Board is not an Independent Director, the NC has reviewed the composition of the Board and was satisfied that the Independent Directors make up a majority of the Board and provides the Board with independent and objective judgment on the corporate affairs of the Group. No individual or groups of individuals are able to dominate the Board's decision-making process. The Independent Non-Executive Directors have the necessary skills and experience to assist the Board in decision making and to provide a check and balance to the Board as they are not involved in the day-to-day operations of the Company.

REPORT OF
CORPORATE GOVERNANCE

The Company is in compliance with the relevant provisions requiring majority of the Board to be made up of Non-Executive and Independent Directors as set out below:–

Provision 2.2 Independent directors make up a majority of the Board where the Chairman is not independent; and

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

The Board believes that the Executive Chairman has always acted and will continue to act at all times in the best interest of shareholders as a whole and will strive to protect and enhance the long-term shareholder values and the financial performance of the Group.

When it is necessary, led by the Lead Independent Director, the Independent Directors will meet periodically without the presence of the EDs and CEO/Head of Finance and the Management. The Lead Independent Director will provide feedback to the Chairman after such meetings as appropriate.

The Company also benefited from the Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board Committees' meetings.

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.

The Code advocates that there should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business and no one individual should represent a considerable concentration of power.

Mr Poh Soon Keng ("**Mr Poh**") is the Executive Chairman of the Board and Chief Executive Officer ("**CEO**") of the Company. He assumes responsibility for the smooth functioning of the Board and ensures timely flow of information between Management and the Board; sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues; promotes a culture of openness and debate at the Board; and promotes high standards of corporate governance. In addition, he also assumes responsibility for running the day-to-day business of the Group; ensures implementation of policies and strategy across the Group as set by the Board; manages the management team; and leads the development of the Group's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses. Mr Poh communicates with the Board regularly to update the corporate issues and developments. He plays a pivotal role in fostering constructive dialogue among stakeholders, the Board and the Management at various meetings.

Taking into account the current corporate structure, size, nature and scope of the Group's operation, the Board is of the view that it is presently not necessary to separate the roles of the Chairman and CEO. With the ARC and RC consisting of all Non-Executive and Independent Directors, and the NC consisting majority of Non-Executive and Independent Directors, the Board believes that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence.

Given that the Chairman is not an Independent Director, Mr Hoon Tai Meng ("**Mr Hoon**") has been appointed as the Lead Independent Director of the Company to provide leadership in situations where the Chairman is conflicted and he will be available to shareholders in situations where there are concerns or issues which communication with the Executive Chairman and CEO and/or Head of Finance has failed to resolve or where such communication is inappropriate or inadequate. Mr Hoon will also take the lead in ensuring compliance with the Code.

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.

The NC, which the majority of whom, including the NC Chairman, are independent, comprises the following Directors:

Mr Goh Joon Lian, Chairman	(Independent Director)
Mr Hoon Tai Meng	(Lead Independent Director)
Mr Poh Soon Keng	(Executive Chairman & CEO)

The Lead Independent Director is also a member of the NC.

The NC, which meets at least once a year, carries out its duties in accordance with a set of written Terms of Reference which includes, mainly, the following:–

a) The review of structure, size and composition of the Board and the Board Committees.
b) The review of succession plans for the Board Chairman, Directors, CEO and members of senior management.
c) The development of a transparent process for evaluating the performance of the Board, its Board Committees and Directors, including assessing whether directors are able to commit enough time to discharge their responsibilities and the maximum number of listed company Board representations which a director may hold.
d) The review of training and professional development programmes for the Board.
e) The appointment and reappointment of all Directors (including any Alternate Directors).

The Board, through the NC has reviewed annually the effectiveness of the Board as a whole and its required mix of skills and experience and other qualities, including core competencies, which Directors should bring to the Board.

The key responsibilities of the NC include making recommendations to the Board on relevant matters such as the process for evaluating the performance of the Board and each Director as well as succession planning. It seeks to refresh the board membership as it thinks fit in an orderly and progressive manner so as to keep institutional memory intact. It also ensures compliance with the requirements of the Company's Constitution which provides that at each AGM, one-third of the Board is required to retire and provided always that every Director shall retire from office at least once every 3 years.

In this respect, the NC has recommended and the Board has agreed for the following Directors to retire and seek re-election at the forthcoming AGM:

Pursuant to Regulation 98 of the Company's Constitution:

Mr Poh Soon Keng; and
Mr Goh Joon Lian.

In making the recommendations, the NC considers the overall contribution and performance of the Directors as well as the internal guideline set for rotation of Directors.

Each member of the NC shall abstain from deliberations and voting on any resolutions in respect of the assessment of his performance, or re-election as a Director of the Company.

In addition, the Directors, by the recommendation of NC, shall have the power to appoint any person to be the Director either to fill a casual vacancy or as an additional Director. All new Directors who are appointed by the Board are subject to re-election at the next AGM but shall not be taken into account in determining the numbers of Directors who are retire by rotation at such meeting.

The NC leads the process and makes recommendations to the Board for the selection and approval of appointment of new Directors as follows:–

i. Consider candidates from a wide range of backgrounds.
ii. Consider candidates on their own merits and evaluate against objective criteria such as their experience, knowledge and skills in relation to the Directors of the Board; and whether the candidates will add diversity to the Board and whether they are likely to have adequate time to discharge their duties.
iii. Consider the composition and progressive renewal of the Board or Board Committees.
iv. Appoint an independent third party to source and screen candidates, if necessary.
v. Before recommending an appointee to the Board, the NC shall ask him to disclose any existing or expected future business interest that may lead to conflict of interest. This disclosure is to be included in any recommendations to the Board.
vi. Following the Board's confirmation, the NC will send the newly appointed Director a formal appointment letter which clearly sets out his roles and responsibilities, authority, and the Board's expectations in respect of his time commitment as a director of the Company.
vii. The NC recommends the membership of the Board Committees to the Board.

The Board is also advised by the Sponsor on the appointment of Directors as required under Catalist Rule 226(2)(d).

The NC will evaluate the suitability of the nominee or candidate based on his qualifications, business and related experience, commitment, ability to contribute to the Board process and such other qualities and attributes that may be required by the Board, before making its recommendation to the Board. In recommending a candidate for re-appointment to the Board, the NC considers, amongst other things, his contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Company's or Group's business and affairs) and his independence. The Board is to ensure that the selected candidate is aware of the expectations and the level of commitment required. Directors are encouraged to attend relevant training programmes conducted by the Singapore Institute of Directors, SGX-ST, and other business and financial institutions and consultants.

All Directors are required to undergo training on sustainability matters. In this connection, all the Board members have completed the mandated sustainability training.

The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his duties as a Director of the Company. In assisting the NC to determine whether Directors who are on multiple boards have committed adequate time to diligently discharge their duties and responsibilities towards the Company's affairs, internal guidelines have been established to address the competing time commitments faced by Directors serving on multiple boards. To address the competing time commitments that are faced when Directors serve on multiple boards, the NC is of the view to not set a maximum number of listed company Board representations and other principal commitments. The reason for not doing so is that the number of directorships and principal commitments each Director may hold should be considered on a case-by-case basis, as an individual's available time and attention may be affected by many different factors, such as the nature of appointment and the responsibilities. The Board believes that each Director is best placed to determine and ensure that he/she is able to devote sufficient time and attention to discharge his/her duties and responsibilities to the Group, bearing in mind his other commitments.

The NC has reviewed each of the Director's directorships in other companies and principal commitments as well as each Director's attendance, overall performance and contribution to the Board. During the year, the NC has considered each Director's other listed company board representations and principal commitments and is satisfied that each Director is able to carry out and has been adequately carrying out their duties as a Director of the Company and that each Director has given sufficient time and attention to the affairs of the Company.

All Independent Non-Executive Directors are required to declare their Board representations at the Board meeting whenever there is a change.

Presently, the Company does not have any alternate Director as the Board does not encourage the appointment of alternate Director unless it is in exceptional case.

Key information of each member of the Board is set out in the profile of Board of Directors in this Annual Report on pages 4-5 and also under the section on "Disclosure of information on directors seeking re-election pursuant to Rule 720(5) of the Catalist Rules" in this Annual Report on pages 99-105.

Board Performance

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

The NC has in place a framework for annual performance evaluation to assess the effectiveness of the Board as a whole and its ability to discharge its responsibilities in providing stewardship, corporate governance and oversight of Management's performance duties more effectively, to assess its Board Committees, as well as the contribution of each individual Director to the effectiveness of the Board. In this respect, the NC has adopted guidelines for a formal annual assessment process and developed performance criteria set out in assessment checklists, performance evaluation questionnaires, which were approved by the Board.

The evaluation exercise is carried out annually by way of completion of the performance evaluation questionnaires, which are circulated to the Board members for completion and thereafter for the NC to review and determine the actions required to ensure continuous improvement of the corporate governance of the Company and effectiveness of the Board as a whole and of each Board Committee separately as well as the contribution by the Chairman and each Individual Director.

For the year under review, all Directors participated in the evaluation by completing the performance evaluation questionnaires.

For the assessment of the effectiveness of the Board as a whole; it includes criteria such as the size and composition of the Board, processes and information flow, meeting attendance, participation, Board procedures and accountability, matters concerning CEO/key management personnel ("**KMP**"), standards of conduct of Board members; the assessment was completed by each individual Director.

For the assessment of the Board Committees, it was completed by the Chairman of the respective Committee, in consultation with his Committee members.

For the assessment of the contribution each Director to the effectiveness of the Board, this was done jointly by the Chairman of the Board and Chairman of the NC.

The updated evaluation returns by Directors and Members of Board Committees were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review and discussion. The NC has reported to the Board on its review of the Board's and its Board Committees' performances for the year.

Based on the completed review, the NC is satisfied that the Board, as a whole, and its Board Committees, has been effective, and that each Director has contributed sufficiently to the effective functioning of the Board.

The Board has not engaged any external consultant to conduct an assessment of the effectiveness of the Board and the contribution by each individual Director to the effectiveness of the Board. However, the NC will consider such an engagement as and when necessary.

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.

Matters concerning remuneration of the Board, KMP and other employees who are immediate family members of the Directors, the CEO or Substantial Shareholder of the Company (if any) are handled by the RC whose primary function is to develop formal and transparent policies on remuneration matters and fixing the remuneration packages of the Directors of the Company and KMP. The RC also reviews and ensures that the Company's remuneration system is appropriate to attract, retain and motivate the required talents to run the Company successfully.

Matters which are required to be disclosed in the annual remuneration report have been sufficiently disclosed in this Report under Principles 6, 7 and 8; and in the Financial Statements of the Company and of the Group.

The RC comprises the following three (3) Directors, all of whom including the RC Chairman are Independent Non-Executive Directors:

Mr Guok Chin Huat Samuel, Chairman	(Independent Director)
Mr Hoon Tai Meng	(Independent Director)
Mr Goh Joon Lian	(Independent Director)

The RC, which meets at least once a year, carries out its duties in accordance with a set of written Terms of Reference which includes, mainly, the following:

1. Take into account all relevant legal and regulatory requirements, including the principles and provisions of the Code, when determining the company's remuneration policies. In doing so, it should also consider the Company's risk appetite and ensure that the policies are aligned to long-term goals.
2. Set the remuneration policy for Directors (both EDs and NEDs), CEO and KMPs. The Board should recommend proposed NED fees for shareholders' approval.
3. Monitor the level and structure of remuneration for senior management relative to the internal and external peers and competitors.
4. Review the ongoing appropriateness and relevance of the company's remuneration policy.
5. Obtain reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants. Such information can also be obtained by commissioning or purchasing any appropriate reports, surveys or information. These will be at the expense of the company, subject to budgetary constraints imposed by the Board.
6. Oversee any major changes in employee benefits or remuneration structures.
7. Review the design of all long-term and short-term incentive plans for approval by the Board and shareholders.
8. Ensure that the contractual terms and any termination payments are fair to the individual and the company. Poor performance should not be rewarded.
9. Set performance measures and determine targets for any performance-related pay schemes operated by the company.
10. Oversee the talent management and succession planning matters for executives. EDs should collaborate on this with the NC.
11. Work and liaise, as necessary, with all other Board Committees on any other matters connected with remuneration.

The RC is responsible for ensuring a formal and transparent procedure is in place for fixing the remuneration packages of individual Directors, KMPs and related employees. All aspects of remuneration, including but not limited to, Directors' fees, salaries, allowances, bonuses, awards to be granted under the performance share plan as well as other benefits-in-kind are reviewed by the RC. The recommendations of the RC are submitted for endorsement by the Board. Such frameworks are reviewed periodically to ensure that the Directors and KMPs are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. The RC also considers and recommends the CEO's remuneration package including fixed salary, guaranteed bonus plus an annual incentive bonus calculated based on the consolidated net profit before tax and extraordinary items.

The RC also ensures that the Independent Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised. Each member of the RC abstains from voting on any resolutions in respect of his own remuneration package. Directors' fees are further subject to the approval of shareholders at the AGM.

The remuneration of related employees is reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, he will abstain from participating in the review. The RC also takes into account the current market circumstances and the need to attract and retain experienced/outstanding Directors and KMPs.

Where necessary, the RC will consult external professionals on remuneration matters of Directors and KMPs. For FY2023, the Company did not engage any external remuneration consultants to advise on remuneration matters as the Group deemed not necessary given that the relevant information can be searched through the internet.

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.

Remuneration Policy of Executive Director and Other Key Management Personnel

The Company's remuneration structure for its EDs and KMPs comprises mixture of three key components (fixed and variable):

(a) annual fixed salary;
(b) annual incentive bonus; and
(c) other incentive.

The annual fixed cash component comprises the annual fixed salary as per the Service Agreements. The annual incentive bonus is calculated based on the Group's audited consolidated profit before taxation subject to the terms and conditions in the Service Agreements.

Under the Service Agreements entered with the Company, the Executive Chairman and CEO, Mr Poh Soon Keng and the Executive Director and Chief Operating Officer (Engineering Services), Mr Ng Choon Beng, are provided the sole use of one (1) motor car each. Such motor car shall be of such make and model to be approved by the Board and the Company shall also bear the premium for insurance and road tax thereof and shall reimburse the executives for all its running expenses (including car parking expenses, toll charges, petrol, lubrication, maintenance and repairs).

To remain competitive and relevant, the Company aims to benchmark its annual fixed salary at market median with variables being strictly performance driven.

There were no onerous removal clauses contained in the Service Agreements and will be reviewed to reflect the strategic importance to the Group. The review of the service contract of the CEO come under the purview of the RC to ensure fairness and reasonable terms of service is tied with his performance.

Having reviewed and considered the salary components of the EDs and the KMPs which is considered reasonable and commensurate with their respective job scope and level of responsibilities, the RC is of the view that there is no requirement to use contractual provisions to allow the Company to reclaim incentive components of the remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The EDs owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the EDs in the event of such breach of fiduciary duties.

The remunerations of the Non-Executive and Independent Directors are set out in accordance with a framework comprising a basic Directors' fee, in addition to Board Committees' fees. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities of Directors are taken into account. The Company believes that the current remuneration of the Independent Directors is at a level that will not compromise the independence of the Directors. Directors' fees are paid subject to approval of shareholders at each Annual General Meeting.

Long-term Incentive Scheme

The Company has adopted a performance share plan known as the "Aedge Performance Share Plan" ("**PSP**") and a share option scheme known as the "Aedge Employee Share Option Scheme" ("**ESOS**"). Both the PSP and ESOS provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. Both the PSP and ESOS form an integral and important component of the compensation plan and are designed primarily to reward and retain employees whose services are vital to the growth and performance of the Company and the Group. As the date of this report, no awards have been granted under the PSP and ESOS.

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.

Details on the remuneration of Directors and KMPs for the year under review are presented below. During FY2023, there was no termination, retirement and post-employment benefits granted to any Director and KMP. A summary of each NEDs' and ED's remuneration paid or payable by the Company for FY2023 is set out below:

	Breakdown of Remuneration in Percentage (%)				
Name of Directors	**Fees[1] (%)**	**Salary[2] (%)**	**Performance bonus (%)**	**Other benefits (%)**	**Total (%)**
Below S$250,000					
Mr Poh Soon Keng	–	95.1	–	4.9	100
Mr Ng Choon Beng	–	92.8	–	7.2	100
Mr Hoon Tai Meng	100	–	–	–	100
Mr Goh Joon Lian	100	–	–	–	100
Mr Guok Chin Huat Samuel	100	–	–	–	100

Notes:

1. The Directors' Fees are subject to the approval of the shareholders at the AGM.
2. The salary amount shown is inclusive of allowances and CPF.

Remuneration of Key Management Personnel (Other than the Company's Executive Director)

The table below sets out the remuneration received by key management personnel that the Company considers senior enough and appropriate for disclosure purpose. The ranges of gross remuneration received by the four (4) key management in the Company and its subsidiaries, are presented as follows:

Name of 4 Key Management Personnel	Position	Breakdown of Remuneration in Percentage (%)			
		Salary[1] (%)	Variable Bonus (%)	Other benefits (%)	Total (%)
Between S$100,001 to S$200,000					
Mr Loh Siew Keen[2]	Chief Financial Officer & Company Secretary	100	–	–	100
Ms Tan Siew Lan[3]	Human Resource and Administration Director	100	–	–	100
Ms Tan Ah Hwa[4]	Senior Manager (Manpower Outsourcing)	94.3	–	5.7	100
Mr Poh Tze Ren[5]	Group Operation Manager	98.1	1.9	–	100

Notes:

1. The salary amount shown is inclusive of CPF.
2. Mr Loh Siew Keen resigned on 23 November 2022.
3. Ms Tan Siew Lan is the spouse of Mr Poh Soon Keng, Executive Director and CEO.
4. Ms Tan Ah Hwa is the sister of Ms Tan Siew Lan, sister-in-law of Mr Poh Soon Keng.
5. Mr Poh Tze Ren is the nephew of Mr Poh Soon Keng.

For FY2023, there are only four (4) key management personnel of the Group, excluding the Executive Directors. In aggregate, the total remuneration (including CPF contribution thereon and bonus) paid to the four (4) key management personnel in financial year ended 30 June 2023 is approximately S$410,000.

Taking into consideration the highly competitive business environment and nature of the industry and in order to maintain confidentiality on the remuneration policies of the Company and sensitivity reasons, the Board is of the view that it is in the best interests of the Company to keep the disclosure of remuneration of each individual Director and key management personnel in salary bands instead of providing full disclosure which may adversely affect talent attraction and retention.

Save as disclosed in the table above, there are no other immediate family members of a director or the CEO or Substantial Shareholder, and whose remuneration exceeded S$100,000 during the year pursuant to Provision 8.2 of the Code.

The RC is of the view that both remuneration is in line with Company's staff remuneration guidelines and commensurate with their job scopes and level of responsibilities.

In determining the remuneration of the ED and the KMP, the RC reviewed their respective key performance indicators achievements and assessed their performance for the financial year under review.

REPORT OF
CORPORATE GOVERNANCE

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.

The Board recognises the importance of providing accurate and relevant information on a timely basis. In this respect, the ARC reviews all financial statements and recommends them to the Board for approval. In addition, the ARC ensures that the Company maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets as well as to manage potential risks.

In discharging its responsibility of providing accurate relevant information on a timely basis to shareholders in compliance with statutory and regulatory requirements, the Board strives to ensure the timely release of the Group's financial results and that the results provide a balanced and understandable assessment of the Group's performance, position and prospects.

The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules, where appropriate. The Independent Directors in consultation with Management will request for Management's consideration for the establishment of written policies for any particular matter that is deemed to be essential to form part of management control.

On a quarterly basis, the Management will furnish an overall presentation to the ARC and the Board confirming, *inter alia*, that the financial processes and controls as well as the integrity of the Group's financial statements are in place, highlighting material financial risks and impacts and providing updates on status of significant financial issues of the Group, if any. During the year, all the unaudited half-yearly and full year results of the Group have been announced within the respective deadlines.

The Management updates the Board on the Group's business activities and financial performance by providing updates on any business, operations and financial related matters on a quarterly basis as well as upon advance request. Such reports compared the Group's actual performance against the approved budget and result of the previous year. They also highlighted key business indicators and major issues that are relevant to the Group's performance from time to time in order for the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Prior to the release of financial result to the public, the Management will present the Group's financial performance together with notes explaining in detail the operations and trends to the ARC, which will review and recommend the same to the Board for approval and adopt for the release of the results.

In accordance with the Catalist Rules, the Board has issued negative assurance statements in its half-yearly financial results announcement, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

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

REPORT OF
CORPORATE GOVERNANCE

The Management is responsible to the Board for the design, implementation and monitoring of the Group's risk management and internal control systems and to provide the Board with a basis to determine the Group's level of risk tolerance and risk policies. The Board acknowledges that it is responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems including financial, operational, compliance and information technology controls. The Board also recognises its responsibilities in ensuring a sound system of internal controls to safeguard shareholders' investments and the Group's assets.

In FY2023, the Company engaged Baker Tilly LLP ("**BT**") as its internal auditor to the Board and the ARC in their review of the Group's risk management and internal control systems focusing on financial, operational, compliance and information technology controls. The Board believes that adequate internal controls within the Group are crucial to ensure that the Group continues to meet or exceed its standards in all key aspects along with safeguarding the shareholder's interests and the Group's assets through effective risk management.

On an annual basis, the ARC reviews and reports to the Board the Group's risk profile, evaluates results and counter-measures to mitigate or transfer identified potential risks so as to assure itself and the Board that the process is operating effectively as planned. The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units, followed by the operating segments and ultimately the management and the Board, working as a team. The process identifies relevant potential risks across the Group's operations with the aim to bring them to within acceptable cost and tolerance parameters.

The Management regularly reviews and updates the Board on the Group's business and operational activities in respect of the key risk control areas including financial, operational, compliance and information technology controls and continues to apply appropriate measures to control and mitigate these risks. All significant matters are highlighted to the Board and the ARC for further discussion. The Board and the ARC also work with the internal auditors, external auditors and Management on their recommendations to institute and execute relevant controls with a view to manage such risks.

The Board notes that no cost effective system of internal controls could provide absolute assurance against the occurrence of material errors, losses, fraud or other irregularities. No significant risk on the internal control system was brought to the attention of ARC during FY2023. In view of the above and based on the internal controls established and maintained by the Group, work performed by the internal auditors, statutory audits conducted by the external auditors, and reviews performed by the Management, various board committees and the Board so far, the Board, with the concurrence of the ARC, is of the opinion that the Group's risk management and internal control systems, addressing the financial, operational, compliance and information technology risks, put in place during the financial year were adequate and effective. This is in turn supported by the assurance from the CEO and the Head of Finance (including back-to-back assurance from other key management personnel who are responsible) that *(a)* the financial records of the Company have been properly maintained and the financial statements prepared in accordance with the relevant accounting standards give a true and fair view of the Company's operations and finances; and *(b)* an effective and adequate risk management and internal control systems have been put in place.

The Board, with the concurrence of the ARC, is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2023.

Furthermore, the Board believes its responsibility of overseeing the Group's risk management framework and policies are well supported. The Board will look into the need for establishment of a separate board risk committee at the relevant time.

Audit and Risk Committee

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

The Board recognises the importance of providing accurate and relevant information on a timely basis. To ensure that the corporate governance is effectively practiced, the Board has established self-regulatory and monitoring mechanisms, including the establishment of the ARC to ensure that the Company maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets as well as to manage potential risks. The ARC consists of three (3) Independent Non-Executive Directors as follows:

Mr Hoon Tai Meng, Chairman	(Lead Independent Director)
Mr Goh Joon Lian	(Independent Director)
Mr Guok Chin Huat Samuel	(Independent Director)

Mr Hoon Tai Meng, Mr Goh Joon Lian and Mr Guok Chin Huat Samuel, do not have any existing business or professional relationship with the Group, Directors or substantial shareholders of the Company. None of the ARC members are related to other Directors or substantial shareholders of the Company.

The Board is satisfied that the ARC members, collectively, have relevant accounting and related financial management expertise or experience and are appropriately qualified to discharge their responsibilities.

The ARC meets on a quarterly basis and plays a key role in assisting the Board to review significant financial reporting issues and judgments to ensure the quality and integrity of the accounting reports, the audit procedures, internal controls, financial statements and any announcements relating to the Group's financial performance. In FY2023, the ARC held four meetings with full attendance.

The members of the ARC carry out their duties in accordance with a set of written Terms of Reference which includes, mainly, the following:

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

Apart from the duties listed above, the ARC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the ARC shall abstain from voting on any resolutions in respect of matters in which he is interested.

The ARC has oversight of the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the external auditors. The ARC has explicit authority to investigate any matters relating to the Group's accounting, auditing, internal controls and/or financial practices brought to its attention, full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The ARC had reviewed transactions falling within the scope of the terms of reference of ARC in respect of the interested person transaction and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The ARC had reviewed and discussed with the Management for both the half-year and full year financial statements before submission to the Board for its approval. In the process, the ARC reviewed the key areas of management judgement applied for adequate provisioning and disclosure, accounting policies, key audit matters and any significant changes made which have a material impact on the financials. The external auditors also presented their salient features memorandum to the ARC, covering the audit focus areas, key audit matters findings, quality and independence.

The external auditors have unrestricted access to the ARC. The ARC met with the external auditors, without the presence of the Management, and reviewed the overall scope of the external audit and the assistance given by the Management to the auditors.

The ARC had reviewed for any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response.

The ARC also reviewed the independence and objectivity of the external auditors and has reviewed the scope and value of non-audit services provided to the Group by the external auditors, Moore Stephens LLP. The aggregate amount of audit fees paid or payable to the external auditors for FY2023 is S$96,000. No non-audit fee was paid to the external auditors during FY2023.

The Group has also complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditors in respect of FY2023.

The ARC has explicit authority to investigate any matter within its terms of reference. It has full access to, and has had the full co-operation of the Management. It also has full discretion to invite any Director or any member of the Management to attend its meetings or be provided with reasonable resources to enable it to discharge its functions properly.

In addition to the activities undertaken to fulfill its responsibilities, the ARC will seek advice from the Management, Company Secretary and external auditors in order to keep abreast of the changes in accounting standards and issues, SGX-ST listing rules and other codes and regulations which could have an impact on the Group's business and financial statements.

In addition, there was no former partner or Director of the Company's existing auditing firm or auditing corporation is a member of the ARC of the Company: *(a)* within a period of 2 years commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case *(b)* for so long as he has any financial interest in the auditing firm or auditing corporation.

Whistle Blowing Policy

To encourage proper work ethics and eradicate any internal improprieties, unethical acts, malpractices, fraudulent acts, corruption and/or criminal activities in the Group, the Company has implemented a Whistle Blowing Policy. The Whistle Blowing Policy stipulates the mechanism by which concerns about plausible improprieties in matters of financial reporting, etc., may be raised. A dedicated secured e-mail address (whistleblowing@aedge.com.sg) allows whistle blowers to contact the ARC directly. The Whistle Blowing Policy, its procedures and contact details of the ARC have been made available to all employees, and is also posted on the Company's website.

The Company's Whistle Blowing Policy allows not just employees but also external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistle blowing in good faith. The policy states that the Company is committed to ensure protection of the identity of the whistleblower as well as protection from detrimental or unfair treatment. The identity of the whistleblower shall be kept in strict confidence, and only made available to the ARC chairman, or the Board Chairman, and those tasked with follow up investigations.

The ARC has the overall responsibility on the oversight and monitoring of whistleblowing matters. The ARC meets quarterly to report any whistleblowing reports to the Board. If necessary, the ARC shall form a committee comprising directors, and/or senior management staff, who are identified as having no conflict of interests with the contents of the whistle blowing reports, to investigate and recommend appropriate actions. For reports relating to serious offences, and/or criminal activities in the Group, the ARC shall seek independent external advice where necessary. Where appropriate or required, a report shall be made to the relevant governmental authorities for further investigation/action.

No whistle-blowing concerns were reported for FY2023.

Internal Audit

The ARC's responsibilities over the Group's internal controls include reviewing the scope and effectiveness of the overall internal audit system, programmes and various aspects of internal controls and risk management are complemented by the work of the internal auditors.

Baker Tilly LLP ("**BT**") is engaged as independent internal auditor to perform internal audit review on the various business processes of the Group. The Company's internal audit function is independent of the activities it audits. BT is a professional service firm that specializes in the provision of Internal Audit, Enterprise Risk Management and Reporting advisory services. The firm was set up in the year 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food & beverage, trading, retail and property development industries. BT is staffed with professionals with relevant qualifications such as the Certified Internal Auditor qualification with the Institute of Internal Auditors. BT is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors in carrying out its work.

The primary reporting line of the internal audit function is to the ARC. The ARC approves the hiring, removal, evaluation and compensation of the internal auditors. By engaging BT as its internal auditors, the ARC believes that BT is independent, effective and adequately resourced to perform internal audit review as BT has received full cooperation from Management.

The ARC ensures that Management provides good support to the internal auditors and provides them with access to documents, records, properties and personnel when requested in order for the internal auditors to carry out their work accordingly. The internal auditors also have unrestricted access to the ARC on internal audit matters. The ARC will review internal audit reports of the Group. Any material non-compliance or failures in internal control and recommendations for improvements will be reported to the ARC.

The ARC also met with the internal auditors without the presence of Management to discuss matters relating to the internal audits, at least on an annual basis.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholders 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.

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.

Shareholders Rights

The Company believes in regular, effective and fair communication with members of the investment community and investing public and has adopted a comprehensive policy to provide clear, timely and fair disclosure of information about the Company's business developments and financial performance that could have a material impact on the price or value of its shares.

Shareholders are informed of general meetings through notices published in the Company's announcements via SGXNET and published in local newspaper, as well as through the Company's official website and the reports/circulars. Resolutions tabled at general meetings are passed through a process of voting by poll which procedures are clearly explained by the scrutineers at such general meetings.

The Constitution of the Company allows an individual shareholder to appoint not more than two proxies to attend and vote on his or her behalf at the general meetings. Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the shareholders' meetings, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

Conduct of General Meetings

The Group supports and encourages active shareholders' participation at general meetings. The Board believes that general meetings serve as an opportune forum for shareholders to meet the Board and key management personnel, and to interact with them. Information on general meetings is disseminated through notices in the annual reports or circulars. The notices are also released via SGXNET and published in local newspapers, as well as posted on the Company's website.

The Company's Constitution allows all shareholders to appoint proxy(ies) to attend general meetings and vote on their behalf. Voting in absentia and by mail electronic mail or facsimile may be possible at the Directors' discretion to approve or implement, subject to the security measures as may be deemed necessary or expedient to ensure that the integrity of the information and authentication of the identity of shareholder(s) is not compromised. Separate resolutions are tabled on each substantially separate issue at general meetings unless the issues are interdependent and linked so as to form one significant proposal and if such, the explanatory notes are set out in the notices of general meetings to explain the reasons and its material implications. All Directors including Chairman of the Board and the respective Chairman of the Board Committees, senior management and the external auditors are invited to be in attendance at general meetings to address any queries of the shareholders. All the directors have attended the annual general meeting ("AGM") held in 2022. Shareholders are encouraged to meet and communicate with the Board and vote on all resolutions.

The Company Secretary prepares minutes of general meetings that include substantial and pertinent comments from shareholders relating to the agenda of the meetings and responses from Management and the Board, subsequently approved by the Board. Such minutes will be published on its corporate website as soon as practicable and the minutes will record substantial and relevant comments or queries from the shareholders relating to the agenda of the general meeting, and responses from the Board and Management going forward.

The Board acknowledges voting by poll is integral in the enhancement of corporate governance and lead to greater transparency of the level of support for each resolution where shareholders are accorded rights proportionate to the shareholding and all votes counted. To enhance shareholders' participation, the Group puts all resolutions at general meetings to vote either by manual or electronic polling, and announces the results by showing the number of votes cast for and against each resolution and the respective percentage at the general meetings. The results are also announced via SGXNET after the general meetings.

Engagement with Shareholders

The Group acknowledges the importance of regular communication with shareholders and investors through which shareholders can have an overview of the Group's performance and operation. In line with the continuous disclosure obligations under the Catalist Rules of the SGX-ST and the Singapore Companies Act, Chapter 50, the Board has established a policy to inform shareholders promptly of all major developments that may have material impact on the Group.

The Board embraces openness and transparency in the conduct of the Group's affairs, whilst safeguarding its commercial interests. Material information on the Group has been released to the public through the Company's announcements via the SGXNET.

The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected. Information is communicated to shareholders on a timely basis through the Company's annual report, circulars to shareholders (if any), half-year and full year financial results and the various announcements via SGXNET.

Financial results of the Company and the Group are required to be released within 45 days from the half year financial year ended and 60 days from the full year financial year ended.

In addition, the annual report is distributed to shareholders and/or published via SGXNET within the mandatory period before the AGM.

To further enhance its communication with investors, the Company has enhanced its website, www.aedge.com.sg where the public can assess information of the Group directly.

The Group strongly encourages shareholders' participation at the AGM which is held in Singapore. Shareholders are able to proactively engage the Board and Management on the Group's business activities, financial performance and other business related matters through dialogue sessions. The Group believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

The Company does not adopt a fixed dividend rate policy, but it is committed to achieving sustainable income and growth to enhance total shareholder return. The Group aims to balance cash return to shareholders and investment for sustaining growth, while aiming for an efficient capital structure. In considering the form, frequency and amount of dividends that the Board may recommend or declare in respect of any particular year or period, the Board takes into account various factors including:

- the results of operations and cash flow;
- the expected financial performance and working capital needs;
- future prospects; and
- capital expenditures and other investment plans;

as well as general economic and business operations in regional basis and other factors deemed relevant by the Board and statutory restrictions on the payment of dividends.

The Company is committed to achieving sustainable income and growth to enhance total shareholder return although it does not have a fixed dividend policy.

The Company has an investor relations policy which establishes the processes and practices of the Company to ensure timely, effective, unbiased and transparent communication with the investing community.

In the forthcoming AGM, the Company shall have a live question-and-answer session where shareholders can pose questions to the Board. In addition, the Company shall also provide an electronic channel through which shareholders may post their questions to the Company before the AGM. The details are specified in the notes to the Notice of Annual General Meeting. The Company shall post the responses on its website and SGXNET. At other times of the year, shareholders may also contact the Company through the enquiry form found on the Company's corporate website.

All disclosures and announcements submitted to the SGX via SGXNET will be made available on Aedge's corporate website. In the unlikely event that information previously undisclosed is made known to the public, the Company will promptly announce the relevant information to the public through SGXNET and the corporate website.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

The Board recognises the importance in maintaining positive stakeholder relationships, and adopts an inclusive approach in the management and engagement of the Group's stakeholders including customers, investors, regulators and employees.

The Group shall issue its sustainability report within 4 months from the end of FY2023, i.e., no later than 31 October 2023. The report shall set out the Groups' corporate social responsibility practices and strategy and key areas of focus in relation to the management of stakeholder relationships.

OTHER CORPORATE GOVERNANCE MATTERS

DEALING IN SECURITIES

(Rule 1204(19) of the Catalist Rules)

The Company has adopted an internal compliance code which prohibits dealings in the Securities of the Company by Directors and officers while in possession of price-sensitive information. The Company, its Directors and officers should not deal in the Company's securities on short-term considerations and are prohibited from dealing in the securities of the Company during the period beginning one month before the announcement of the half-year and full-year financial results respectively, and ending on the date of the announcement of the results.

The Company, Directors, and officers of the Group are also required to adhere to the provisions of the Securities and Futures Act, Companies Act, the Catalist Rules and any other relevant regulations with regard to their securities transactions.

Directors and officers of the Group are also expected to observe the insider-trading laws at all times even when dealing with securities within the permitted trading period.

INTERESTED PERSON TRANSACTIONS

(Rule 907 of the Catalist Rules)

As a listed company on the SGX-ST, the Company has taken the following steps to ensure compliance with the requirements of the Chapter 9 of the Listing Manual of SGX-ST in relation to the interested person transactions, including ensuring that interested person transactions are properly reviewed, approved, and conducted on an arm's length basis.

The ARC reviewed the interested persons transactions ("**IPTs**") reported by the Management on a quarterly basis. The IPTs are consistently reviewed by the Management and all findings were reported during the ARC meetings.

The ARC has established procedures to ensure that all the IPTs are reported to the ARC on timely basis and the transactions are carried out on normal commercial terms and will not be prejudicial to the interest of the Company and its minority shareholders as well as all the relevant rules under Chapter 9 of the Listing Manual of SGX-ST are complied with. When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

The Company did not obtain any general mandate from Shareholders for IPTs pursuant to Rule 920 of the SGX-ST Listing Manual of the SGX-ST. There were no disclosable IPTs during the financial year ended 30 June 2023.

MATERIAL CONTRACTS
(Rule 1204(8) of the Catalist Rules)

Save for service agreement between the Company and the Executive Directors as disclosed in this report, there were no other material contracts of the Company and its subsidiaries involving the interests of the Executive Chairman or any Director or controlling shareholder, either subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

NON-SPONSOR FEES
(Rule 1204(21) of the Catalist Rules)

There were no non-sponsor fees paid to the Company's continuing sponsor, UOB Kay Hian Private Limited in FY2023.

CORPORATE DISCLOSURE

The Company believes that a high level of disclosure is essential to enhance the standard of corporate governance. Hence, the Company is committed to provide a high level of disclosure in all public announcements, press releases and annual reports.

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DIRECTORS' **STATEMENT**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The directors present their statement to the members together with the audited consolidated financial statements of Aedge Group Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 30 June 2023 and the statement of financial position of the Company as at 30 June 2023.

In the opinion of the directors:

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year then ended; 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.

1 Directors

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

Poh Soon Keng	Executive Chairman and Chief Executive Officer
Hoon Tai Meng	Lead Independent Non-Executive Director
Goh Joon Lian	Independent Non-Executive Director
Ng Choon Beng	Executive Director
Guok Chin Huat Samuel	Independent Non-Executive Director

2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, 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 corporate body.

3 Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as follows:

	Direct interest		Deemed interest	
Name of directors	**At the beginning of year**	**At the end of year**	**At the end beginning of year**	**At the end of year**
The Company				
No. of ordinary shares				
Poh Soon Keng	6,681,820	6,681,820	67,500,000	67,500,000
Ng Choon Beng	3,409,090	3,409,090	–	–
PTCC Holdings Pte. Ltd.				
No. of ordinary shares				
Poh Soon Keng	26,700	26,700	26,700	26,700

3 Directors' Interests in Shares or Debentures (Cont'd)

The directors' interest in the ordinary shares of the Company as at 21 July 2023 were the same as those as at 30 June 2023.

By virtue of Section 7 of the Singapore Companies Act 1967, Poh Soon Keng is deemed to have an interest in the shares held by PTCC Holdings Pte. Ltd. in Aedge Group Limited and its subsidiaries.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares or debentures of the Company and its related corporations, either at the beginning of the financial year or at the end of the financial year.

4 Share Options

Options Granted

During the financial year, there were no share options granted to subscribe for unissued shares of the Company or any corporation in the Group.

Options Exercised

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

Options Outstanding

As at the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5 Audit and Risk Committee

The Audit and Risk Committee ("ARC") comprises the following directors at the date of this statement:

Hoon Tai Meng (Chairman)
Goh Joon Lian
Guok Chin Huat Samuel

The ARC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance and assists the Board of Directors in the execution of its corporate governance responsibilities within its established terms of reference.

The duties of the ARC, amongst other things, include:

(a) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Group's/Company's system of internal accounting controls and the assistance given by the Group's/Company's management to the external and internal auditors;

(b) review the half yearly announcement of financial statements and annual financial statements and the auditors' report on the annual consolidated financial statements of the Company and its subsidiaries before their submission to the Board of Directors;

(c) review the effectiveness of the Group's/Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;

5 Audit and Risk Committee (Cont'd)

(d) meet with the external and internal auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC;

(e) review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;

(f) review the cost effectiveness and the independence and objectivity of the external auditors;

(g) review the nature and extent of non-audit services provided by the external auditors;

(h) recommend to the Board of Directors the external auditors to be nominated, approve the compensation of the external auditors and review the scope and results of audit;

(i) report actions and minutes of the ARC to the Board of Directors with such recommendations as the ARC considers appropriate;

(j) review interested person transactions in accordance with the requirements of the Listing Manual Section B: Rules of Catalist of the SGX-ST; and

(k) undertake such other functions and duties as may be agreed to by the ARC and the Board of Directors.

The ARC has undertaken a review of the nature and extent of non-audit services provided by the external auditors, and is satisfied that there were no non-audit services rendered that would affect the independence and objectivity of the external auditors.

The ARC has recommended to the Board of Directors that the auditors, Moore Stephens LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Further details regarding the ARC are disclosed in the Report on Corporate Governance included in the Company's Annual Report.

6 Independent Auditors

The auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

.....	.....
Poh Soon Keng	**Ng Choon Beng**
Director	*Director*

Singapore

19 September 2023

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF AEDGE GROUP LIMITED (INCORPORATED IN SINGAPORE)

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matters (Cont'd)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of property, plant and equipment We refer to Notes 4.2(b) and 14 to the consolidated financial statements. As at 30 June 2023, the Group has property, plant and equipment ("PPE") amounting to S$6,658,000. The Group carried out a periodic review of the recoverable amounts of PPE. The Group performed impairment assessments for each of the Cash Generating Units ("CGUs") by estimating the recoverable amounts based on the value-in-use method. The estimation of the recoverable amount of the CGUs is a highly judgmental process which requires estimation of revenue growth rates, discount rates and other assumptions.	**Our response** We evaluated whether the CGUs were appropriately identified by management based on our understanding of the current business structure of the Group. We assessed the Group's process for identifying indicators of impairment for each of the CGUs. We assessed the reasonableness of the key assumptions used by management in developing the cash flow projections. This included a comparison of rate of revenue growth with historical results and expected market growth. We also performed our own assessment of the discount rate applied by management. **Our findings** We found the identification of the CGUs and each CGU's indicators of impairment to be reasonable and appropriate. The key assumptions used for the Group's cash flow projections appears to be within the range of historical results and are aligned with expected market growth rates. The discount rate applied is within the range of industry data.
Valuation of trade receivables and contract assets We refer to Notes 4.2(a), 19 and 5 to the consolidated financial statements. As at 30 June 2023, the carrying amount of the Group's trade receivables and contract assets amounted to S$5,306,000 and S$1,510,000 respectively. The collectability of trade receivables and contract assets is a key element of the Group's working capital management, and is managed on an ongoing basis by management. The Group determines the expected credit loss ("ECL") of trade receivables by making a debtor-specific assessment of expected impairment losses for overdue trade receivables and uses a provision matrix for the remaining trade receivables and contract assets that is based on the Group's historical observed default rates, customers' ability to pay and adjusted with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses requires management to exercise significant judgement. Accordingly, we determined this as a key audit matter.	**Our response** We obtained an understanding of the credit policy of the Group and evaluated the process for monitoring of trade receivables and contract assets. We reviewed the Group's control over the receivables collection processes, analysed the aging of trade receivables and reviewed the Group's loss allowance against trade receivables and contract assets and its disclosures about the degree of estimation involved in arriving at the expected credit loss. **Our findings** We found the estimates used by management in deriving the expected credit loss model and impairment provision adequate.

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

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

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

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

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

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

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

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

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF AEDGE GROUP LIMITED (INCORPORATED IN SINGAPORE)

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Neo Keng Jin.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
19 September 2023

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group 2023 S$'000	2022 S$'000
Revenue	5	**26,451**	20,452
Cost of sales	6	**(24,315)**	(18,581)
Gross profit		**2,136**	1,871
Other income	7	**491**	1,681
Administrative expenses	8	**(4,085)**	(4,513)
Other expenses	9	**(1,091)**	(510)
Results from operating activities		**(2,549)**	(1,471)
Finance income		**3**	11
Finance costs		**(155)**	(139)
Net finance costs	10	**(152)**	(128)
Loss before tax	11	**(2,701)**	(1,599)
Income tax credit	12	**455**	160
Loss for the year, representing total comprehensive loss for the year		**(2,246)**	(1,439)
Basic and diluted loss per share (cents)		**(2.12)**	(1.36)

The accompanying notes form an integral part of the financial statements

STATEMENTS OF **FINANCIAL POSITION**

AS AT 30 JUNE 2023

	Note	Group 2023 S$'000	Group 2022 S$'000	Company 2023 S$'000	Company 2022 S$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	**6,658**	9,402	**–**	–
Intangible assets	15	**8**	11	**–**	–
Investment in subsidiaries	16	**–**	–	**7,653**	10,680
		6,666	9,413	**7,653**	10,680
Current assets					
Inventories	18	**643**	472	**–**	–
Trade and other receivables	19	**6,831**	4,593	**2,289**	2,297
Contract assets	5	**1,510**	2,217	**–**	–
Cash and cash equivalents	17	**3,479**	5,580	**248**	513
		12,463	12,862	**2,537**	2,810
Total assets		**19,129**	22,275	**10,190**	13,490
LIABILITIES AND EQUITY					
Equity					
Share capital	20	**14,590**	14,590	**14,590**	14,590
Reserves	21	**(2,691)**	(445)	**(4,558)**	(1,233)
Total equity		**11,899**	14,145	**10,032**	13,357
Non-current liabilities					
Loans and borrowings	22	**806**	862	**–**	–
Lease liabilities	23	**249**	62	**–**	–
Deferred tax liabilities	24	**26**	504	**–**	–
Provision	25	**–**	–	**–**	–
		1,081	1,428	**–**	–
Current liabilities					
Loans and borrowings	22	**2,835**	3,654	**–**	–
Lease liabilities	23	**338**	500	**–**	–
Trade and other payables	26	**2,953**	2,548	**158**	133
Current tax liabilities		**23**	–	**–**	–
		6,149	6,702	**158**	133
Total liabilities		**7,230**	8,130	**158**	133
Total liabilities and equity		**19,129**	22,275	**10,190**	13,490

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Share capital S$'000	Capital reserve S$'000	Merger reserve S$'000	Retained earnings S$'000	Total S$'000
Group					
At 1 July 2021	14,590	200	(8,701)	10,555	16,644
Loss and total comprehensive loss for the year	–	–	–	(1,439)	(1,439)
Transactions with owners' recognised directly in equity					
Distributions to owners					
Dividends declared	–	–	–	(1,060)	(1,060)
At 30 June 2022	14,590	200	(8,701)	8,056	14,145
At 1 July 2022	14,590	200	(8,701)	8,056	14,145
Loss and total comprehensive loss for the year	–	–	–	(2,246)	(2,246)
At 30 June 2023	**14,590**	**200**	**(8,701)**	**5,810**	**11,899**

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group 2023 S$'000	2022 S$'000
Cash flows from operating activities			
Loss before tax		**(2,701)**	(1,599)
Adjustments for:			
Depreciation of property, plant and equipment	14	**2,103**	2,388
Amortisation of intangible assets	15	**3**	4
Reversal of provision of reinstatement cost		**–**	(29)
Impairment losses on trade receivables, net	19	**43**	23
Finance income		**(3)**	(11)
Finance cost		**155**	139
Loss on disposal/write-off of property, plant and equipment	14	**614**	99
Operating cash flows before working capital changes		**214**	1,014
Changes in working capital:			
Inventories		**(140)**	(211)
Contract assets		**707**	(1,925)
Trade and other receivables		**(2,312)**	497
Trade and other payables		**405**	(122)
Cash used in from operations		**(1,126)**	(747)
Net tax paid		**–**	(42)
Net cash used in operating activities		**(1,126)**	(789)
Cash flows from investing activities			
Acquisition of property, plant and equipment	B	**(1,176)**	(878)
Interest received		**3**	11
Proceeds from disposal of property, plant and equipment	14	**1,889**	64
Net cash generated from/(used in) investing activities		**716**	(803)
Cash flows from financing activities			
Decrease in deposits pledged to financial institution		**–**	146
Dividends paid	21	**–**	(1,060)
Payment of lease liabilities	A	**(681)**	(982)
Proceeds from loans and borrowings	A	**500**	1,000
Payment of loan and borrowings	A	**(1,375)**	(990)
Interest paid		**(135)**	(104)
Net cash used in financing activities		**(1,691)**	(1,990)
Net decrease in cash and cash equivalents		**(2,101)**	(3,582)
Cash and cash equivalents at the beginning of the year		**5,580**	9,162
Cash and cash equivalents at the end of the year	17	**3,479**	5,580

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

(Cont'd)

A The reconciliation of movements of the liabilities to cash flows arising from financing activities is presented below:

		← Cash flows →		← Non-cash changes →	
	Beginning balance S$'000	**Proceeds S$'000**	**(Repayments) S$'000**	**Other changes S$'000**	**Ending balance S$'000**
Group					
2023					
Loans and borrowings	4,516	500	(1,375)	–	3,641
Lease liabilities	562	–	(681)	706*	587
	5,078	500	(2,056)	706	4,228
2022					
Loans and borrowings	4,506	1,000	(990)	–	4,516
Lease liabilities	1,449	–	(982)	95*	562
	5,955	1,000	(1,972)	95	5,078

* Other changes include additional lease liabilities in relation to the additional office lease agreements amounting to S$686,000 (2022: S$60,000) and accretion of interest amounting to S$20,000 (2022: S$35,000).

B Significant non-cash transaction

During the year ended 30 June 2023, the Group purchased property, plant and equipment amounting to S$1,862,000 (2022: S$938,000) of which S$686,000 (2022: S$60,000) were acquired under lease arrangements.

The accompanying notes form an integral part of the financial statements

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

1 GENERAL INFORMATION

Aedge Group Limited (the "Company") is a company incorporated and domiciled in the Republic of Singapore on 3 October 2019 and is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of the Company's registered office and principal place of business is Block 4009 Ang Mo Kio Avenue 10, Tech Place 1, #04-33, Singapore 569738.

The immediate and ultimate holding company is PTCC Holdings Pte. Ltd., a company incorporated in the Republic of Singapore. The ultimate controlling parties of the Group are Mr. Poh Soon Keng and Ms. Tan Siew Lan.

The principal activities of the Company are those of investment holding. The principal activities of the subsidiaries are described in Note 16.

The consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 30 June 2023 were approved and authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

2 APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)S")

(a) Adoption of New and Revised Standards

On 1 July 2022, the Group has adopted the new or amended SFRS(I) and interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application in the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the Respective SFRS(I) and INT SFRS (I).

The adoption of these new or amended SFRS(I) and INT SFRS (I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2 APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)S") (Cont'd)

(b) New and Revised Standards Issued but Not Yet Effective

At the date of authorisation of these financial statements, the Group has not adopted the following new and revised standards that have been issued and are relevant to the Group but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: *Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements*	1 January 2023
Amendments to SFRS(I) 1-8: *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*	1 January 2023
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*	1 January 2024
Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024

The Directors do not expect that the adoption of these new and revised standards above will have a material impact on the financial statements in the period of initial application.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provisions of the Companies Act 1967 and SFRS(I)s. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated. The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

(b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of Consolidation (Cont'd)

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional 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. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3.

(c) Foreign Currency

i. Functional and presentation currency

The financial statements are presented in Singapore dollars ("S$"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

ii. Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(d) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the statement of financial position of the Company.

On disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service.

A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Engineering services, transport services and security and manpower services

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised goods or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocation of the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all of the POs if it relates to those POs.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for the time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards the satisfactory completion of that PO.

(f) Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately under other income in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Leases

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets in "Property, plant and equipment" and lease liabilities as separate line items in the consolidated statement of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead they are accounted for as one single lease component.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Leases (Cont'd)

When the Group is the lessee (Cont'd)

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets, except in the case of sub-lease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

(h) Borrowing Costs

All borrowing costs are recognised in profit or loss using the effective interest method in the period in which they are incurred.

(i) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

i. Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Employee Benefits (Cont'd)

ii. Employee leave entitlement and other short-term employee benefits

Employee leave entitlements and other short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under accrued salaries and wages if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(j) Income Tax

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

i. Current tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by reporting date. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax 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.

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

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Income Tax (Cont'd)

ii. Deferred tax (Cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount 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.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

iii. Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

(k) Property, Plant and Equipment

i. Measurement

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost 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 if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Property, Plant and Equipment (Cont'd)

ii. Depreciation

Depreciation is recognised so as to write off the cost less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

Office and storage space	2 – 3 years
Fixtures and fittings	5 years
Computers	1 – 3 years
Office equipment	5 years
Motor vehicles	5 – 10 years
Machinery and equipment	5 years
Scaffold equipment	10 years
Insulation equipment	10 years
Renovation	3 – 10 years or over leased period, whichever is shorter

The carrying amounts 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 residual value, useful life and depreciation method are reviewed at each financial year and adjusted as appropriate at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

iii. Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has been recognised 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 Group and the cost can be measured reliably. The carrying amount of the replaced component is derecognised. All other repairs and maintenance expenses are recognised in profit or loss when incurred.

iv. Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

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

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Impairment of Non-financial Assets

Finite intangible assets, property, plant and equipment and investments in subsidiaries

Non-financial assets other than inventories are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

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 ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Intangible Assets

i. Measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

ii. Depreciation

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least once at each financial year end.

The following useful lives are used in the calculation of amortisation:

Customer relationships	7 years

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iv. Disposal

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(n) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method. Cost comprises the purchase price, including transport and handling costs, and other directly attributable costs of acquisition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, fixed deposits and bank balances which are subject to an insignificant risk of change in value. For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above less pledged fixed deposits.

(p) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are charged to equity, net of any tax effects. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12 *Income taxes*.

(q) Financial Assets

i. Classification

Debt instruments

Financial assets that are debt instruments comprise mainly of cash and cash equivalents, trade and other receivables and contract assets. The Group classifies these assets into categories based on the Group's business model for managing them and their contractual cash flow characteristics.

- Financial Assets measured at Amortised Cost (AC) comprise of assets that are held within a business model whose objective is to hold those assets for collection of contractual cash flows, and those contractual cash flows represent solely payments of principal and interest.

- Financial Assets measured at Fair Value through Other Comprehensive Income (FVOCI) comprise of assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling those assets, and those contractual cash flows represent solely payments of principal and interest.

- Financial Assets measured at Fair Value through Profit and Loss (FVPL) comprise of assets that do not qualify for AC and FVOCI. Assets that would otherwise qualify for AC or FVOCI may also be designated as FVPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that arises from measuring assets and liabilities on an inconsistent basis.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Financial Assets (Cont'd)

i. Classification (Cont'd)

Equity instruments

Financial assets that are equity instruments comprise mainly of investments in equity securities. The Group classifies these assets as FVPL, except for those that the Group has designated as FVOCI. The FVOCI designation is irrevocable, and is not permitted for held-for-trading financial assets and financial assets that represent contingent consideration in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

ii. Initial measurement

Trade receivables that do not contain a significant financing component are initially recognised at their transaction price. Other financial assets are initially recognised at fair value, plus, for financial assets that are not at FVPL, transaction costs that are directly attributable to their acquisition.

Transaction costs of financial assets at FVPL are expensed in profit and loss.

iii. Subsequent measurement

Amortised Cost

These assets are subsequently measured at amortised cost using the effective interest method unless they are part of a designated hedging relationship. Impairment losses and reversals, interest income, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Interest income is based on the effective interest method which allocates interest income over the life of the financial asset based on an effective interest rate that discounts estimated future cash receipts to its gross carrying amount.

FVOCI

These assets are subsequently measured at fair value. Impairment losses and reversals, interest income based on the effective interest method, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Any remaining fair value movements are recorded in other comprehensive income.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Financial Assets (Cont'd)

iii. Subsequent measurement (Cont'd)

FVPL

These assets are subsequently measured at fair value. All fair value movements are recorded in profit and loss.

iv. Impairment

At each reporting date, the Group assesses expected credit losses (ECL) on the following financial instruments:

- Financial assets that are debt instruments measured at AC and FVOCI;
- Contract assets (as defined in SFRS(I) 15); and
- Financial guarantee contracts.

ECL is a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all shortfalls between the cash flows due to the Group in accordance with contractual terms, and the cash flows that the Group actually expects to receive. ECL is discounted at the effective interest rate of the financial asset. The Group records allowances on financial assets based on either the:

- 12-month ECL – representing the ECL that results from default events that are possible within the 12 months after the reporting date (or the expected life of the instrument if shorter); or
- Lifetime ECL – representing the ECL that results from all possible default events over the expected life of the contract.

Simplified approach – Trade receivables and contract assets

For all trade receivables and contract assets, the Group adopts a simplified approach whereby an allowance for lifetime ECL is assessed upon initial recognition. The Group estimates lifetime ECL using a provision matrix based on historical credit loss experience, adjusted for various factors including debtor-specific factors, forward-looking information such as industry and economic forecasts, and others as appropriate.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Financial Assets (Cont'd)

iv. Impairment (Cont'd)

General approach – All other financial instruments on which ECL assessment is required

For all other financial instruments on which ECL is assessed, an allowance for 12-month ECL is recorded upon initial recognition. The allowance is increased to lifetime ECL if the credit risk at each reporting date has increased significantly as compared to the credit risk at initial recognition. In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group considers all reasonable and supportable information that is relevant and available without undue cost or effort including both historical credit experience and forward-looking information.

The Group regards the following as events of default:

- Events that make it unlikely for the borrower to repay in full unless the Group undertakes actions to recover the asset (e.g. by exercising rights over collaterals or other credit enhancements); or
- The financial instrument has become overdue in excess of 1 year.

Credit-impaired financial instruments

At each reporting date, the Group assesses whether a financial instrument on which ECL assessment is required has become credit-impaired. This is the case when one or more events have occurred that are considered to be detrimental to the estimated future cash flows of the instrument. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- other lenders granting concessions (such as loan restructurings) to the borrower due to economic or contractual reasons, that would not have been considered in the absence of the borrower's financial difficulty;
- increasing likelihood that the borrower will enter bankruptcy or other financial re-organisation; and
- the disappearance of an active market for the borrower's securities due to financial difficulties.

For credit-impaired financial assets, interest income is determined by applying the effective interest rate to the net carrying amount of the financial asset (after deduction of the ECL allowance).

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Financial Assets (Cont'd)

iv. Impairment (Cont'd)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, such as when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit and loss.

v. Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes a party to its contractual provisions. All regular way purchases and sales of financial assets are recognised on trade-date, which is the date on which the Group commits to purchase or sell the financial asset.

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

On derecognition of a financial asset that is a debt instrument, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. In addition, for a financial asset that is a debt instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is reclassified to profit and loss.

On derecognition of an equity investment at FVPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. For equity investments at FVOCI, this difference is instead recognised directly in equity as part of retained earnings. Cumulative gains and losses previously accumulated in equity are also transferred directly to retained earnings upon derecognition of FVOCI equity investments.

(r) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the combined statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(s) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(t) Financial Liabilities

i. Recognition

The Group recognises financial liabilities on its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

Financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability. All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting period.

ii. Derecognition

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they have expired. The difference between the carrying amount of a financial liability that has been derecognised and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(u) Financial Guarantees

Financial guarantees in the separate financial statements

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of the bank borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantees are measured initially at their fair values plus transaction costs and subsequently measured at the higher of:

- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- the amount of loss allowance determined in accordance with expected credit loss model under SFRS(I) 9.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(v) Earnings Per Share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive management whose members are responsible for allocating resources and assessing performance of the operating segments.

(x) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the "reporting entity").

a. A person or a close member of that person's family is related to a reporting entity if that person:

   i. has control or joint control over the reporting entity;

   ii. has significant influence over the reporting entity; or

   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to a reporting entity if any of the following conditions applies:

   i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

   ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

   iii. both entities are joint ventures of the same third party;

   iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

   v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(x) Related Parties (Cont'd)

b. An entity is related to a reporting entity if any of the following conditions applies: (Cont'd)

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); or

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.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying the accounting policies

Management is of the opinion that in the preparation of the financial statements there are no critical judgements made in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Allowance for expected credit losses of trade receivables and contract assets

The Group determines ECLs and impairment of trade receivables by making debtor-specific assessments of expected impairment loss for long overdue trade receivables, and by using a provision matrix for the remaining trade receivables and contract assets.

The provision matrix is based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At each reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

4.2 Key sources of estimation uncertainty (Cont'd)

(a) Allowance for expected credit losses of trade receivables and contract assets (Cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 19 and Note 5 respectively to the financial statements.

(b) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets may be impaired. If any such indication exists, an impairment assessment will be performed accordingly. The recoverable amount of an asset or group of assets is assessed as the higher of its fair value less costs of disposal and its value in use.

Management has concluded that there was no impairment in respect of the property, plant and equipment at the reporting date. The carrying amount of the Group's property, plant and equipment is disclosed in Note 14.

(c) Impairment of investment in subsidiaries

Investment in subsidiaries is reviewed for impairment whenever there is any indication that the investments may be impaired. If any such indication exists, an impairment assessment will be performed accordingly. The recoverable amount of the investment is assessed as the higher of its fair value less costs of disposal and its value in use.

The carrying amounts of the investment in subsidiaries and its related allowances for impairment losses are disclosed in Note 16.

(d) Allowance for slow-moving and obsolete inventories

A review of the realisable value of the inventories is performed periodically for slow-moving, obsolete, and inventories which have declined in net realisable value below cost. An allowance is recorded against the inventory balance for any such declines. These reviews require management to estimate future market demand for the products, pricing competition, environmental regulation requirements and age of the inventories. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 18 to the financial statements.

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

The Group's revenue is disaggregated by major products and service lines and timing of revenue recognition as follows:

	Group	
	2023	**2022**
	S$'000	**S$'000**
Revenue from contracts with customers		
– Engineering services	**9,856**	6,194
– Transportation services	**3,699**	4,484
– Security and manpower services	**12,896**	9,774
	26,451	20,452
Major products or service lines		
– Rendering of services	**25,238**	20,191
– Sale of goods	**1,213**	261
	26,451	20,452
Timing of revenue recognition		
– Over time	**25,238**	20,191
– At a point in time	**1,213**	261
	26,451	20,452

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Engineering services

Nature of goods and services	Provision of workers on a contract or ad-hoc basis for engineering services. Sale and installation of scaffolding equipment, insulation and passive fire protection systems.
When revenue is recognised	Revenue from the rendering of services is recognised over time based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation. Revenue from the sales of goods is recognised at a point in time as the goods are delivered to the customer.
Significant payment terms	Invoices are payable within 30 days.

5 REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont'd)

(a) Disaggregation of revenue from contracts with customers (Cont'd)

Transport services

Nature of goods and services	Provision of bus services for public premium service routes, schools, corporates and ad hoc charters.
When revenue is recognised	For public bus transport, revenue is recognised at the end of the ride. For other transport services, revenue is recognised over the term of the contract.
Significant payment terms	For public bus transport, payment is at the start of each ride. For other transport services, invoices are payable within 30 days.

Security and manpower services

Nature of goods and services	Provision of security services, cleaning services and manpower staffing for aviation and other technicians.
When revenue is recognised	Revenue from the rendering of services is recognised over time based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation.
Significant payment terms	Invoices are payable within 30 days.

The Group does not disaggregate the revenue further as the above are generated in the Singapore market.

(b) Contract balances

	Group 30 June	
	2023	**2022**
	S$'000	**S$'000**
Contract assets	**1,510**	2,217

Contract assets represent the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when invoices are billed to the customer.

5 REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont'd)

(b) Contract balances (Cont'd)

Significant changes in contract assets balances during the financial year are disclosed as follows:

	Group	
	2023	**2022**
	S$'000	**S$'000**
Contract assets		
As at 1 July	**2,217**	292
Contract assets reclassified to trade receivables	**(2,217)**	(292)
Additional work completed but not billed	**1,510**	2,217
As at 30 June	**1,510**	2,217

Management estimates the loss allowance on contract assets at an amount equal to lifetime ECL. None of the contract assets at the end of the reporting period is past due. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the impairment loss on contract assets.

The Group's credit risk exposure in relation to contract assets are set out in the provision matrix as presented below. The Group's loss allowance is based on past due as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

	Group	
	2023	**2022**
	S$'000	**S$'000**
Expected credit loss rate	*	*
Contract assets – gross carrying amount (not past due)	**1,510**	2,217
Loss allowance – lifetime ECL	**–**	–
	1,510	2,217

* Insignificant expected credit loss rate

6 COST OF SALES

	Group	
	2023	**2022**
	S$'000	**S$'000**
Depreciation of property, plant and equipment	**1,681**	2,005
Direct costs for transportation services	**1,340**	1,277
Direct costs for security and manpower services	**202**	425
Direct costs for engineering services (including cost of inventories)	**2,899**	1,490
Employee benefits expense (see Note 11)	**16,502**	12,183
Repairs and maintenance	**398**	379
Subcontractor costs	**536**	432
Expenses relating to short-term leases (see Note 23)	**757**	390
	24,315	18,581

7 OTHER INCOME

	Group	
	2023	**2022**
	S$'000	**S$'000**
Government grants	**481**	1,672
Sundry income	**10**	9
	491	1,681

8 ADMINISTRATIVE EXPENSES

	Group	
	2023	**2022**
	S$'000	**S$'000**
Employee benefits expense (see Note 11)	**3,191**	3,629
Directors' fees	**117**	117
Expenses relating to short-term leases (see Note 23)	**92**	72
SGX listing expenses	**103**	125
Others	**582**	570
	4,085	4,513

9 OTHER EXPENSES

	Group	
	2023	**2022**
	S$'000	**S$'000**
Depreciation of property, plant and equipment	**421**	383
Amortisation of intangible assets	**3**	4
Loss on disposal/write off of property, plant and equipment	**614**	99
Impairment losses on trade receivables, net (see Note 19)	**43**	23
Others	**10**	1
	1,091	510

10 NET FINANCE COSTS

	Group	
	2023	**2022**
	S$'000	**S$'000**
Interest income from:		
– fixed deposits	**–**	4
– current account	**3**	7
Finance income	**3**	11
Interest expense on:		
– lease liabilities	**(20)**	(35)
– loan and borrowings	**(135)**	(104)
Finance costs	**(155)**	(139)
Net finance costs recognised in profit or loss	**(152)**	(128)

11 LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

	Group	
	2023	**2022**
	S$'000	**S$'000**
Audit fees paid/payable to:		
– Auditors of the Company	**96**	90
Non-audit fees (audit-related services) paid/payable to:		
– Auditors of the Company	**–**	–
– Other auditors (non-network firms)	**18**	11
Employee benefits expense		
Salaries, bonuses and other costs (including directors' remuneration)	**18,759**	14,802
Contributions to defined contribution plans	**934**	1,010
	19,693	15,812
Employee benefits expense recognised in cost of sales (see Note 6)	**16,502**	12,183
Employee benefits expense recognised in administrative expenses (see Note 8)	**3,191**	3,629
	19,693	15,812

Except as disclosed above, there is no other non-audit fees paid/payables to the auditors of the Company and other auditors.

12 INCOME TAX CREDIT

	Group	
	2023	**2022**
	S$'000	**S$'000**
Current income tax:		
– Current year	**23**	2
– Over provision in respect of prior years	**–**	(49)
	23	(47)
Deferred tax: (see Note 24)		
– Deferred tax relating to the reversal of temporary differences	**(294)**	(203)
– (Over)/Under provision in respect of prior years	**(184)**	90
	(478)	(113)
	(455)	(160)

The corporate income tax applicable to the Company and other Singapore incorporated entities of the Group is 17% (2022: 17%).

12 INCOME TAX CREDIT (Cont'd)

A reconciliation between income tax and the product of accounting loss multiplied by the Singapore statutory income tax rate of 17% (2022: 17%) for the financial year is as follows:

	Group	
	2023	**2022**
	S$'000	**S$'000**
Loss before tax	**(2,701)**	(1,599)
Tax at statutory tax rate	**(459)**	(272)
Non-deductible expenses	**61**	53
Non-taxable items	**(43)**	(57)
Deferred tax assets not recognised	**187**	26
Tax losses disregarded	**–**	49
Over provision of current income tax in prior years	**–**	(49)
Tax exemption	**(17)**	–
(Over)/Under provision of deferred tax in prior years	**(184)**	90
	(455)	(160)

13 LOSS PER SHARE, BASIC AND DILUTED

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The loss and weighted number of ordinary shares used in the calculation of basic loss per share are as follows:

	Group	
	2023	**2022**
	S$'000	**S$'000**
Loss for the year attributable to equity holders of the Company	**(2,246)**	(1,439)

	Number of shares '000	**Number of shares '000**
Weighted average number of ordinary shares used in the calculation of basic loss per share	**106,000**	106,000

There is no dilutive loss per share as there were no potential dilutive ordinary shares outstanding at the end of the financial years ended 30 June 2023 and 2022.

Dilutive loss per share is the same as basic loss per share for the financial years ended 30 June 2023 and 2022.

14 PROPERTY, PLANT AND EQUIPMENT

	Office and storage space S$'000	Fixtures and fittings S$'000	Computers S$'000	Office equipment S$'000	Motor vehicles S$'000	Machinery and equipment S$'000	Scaffold equipment S$'000	Insulation equipment S$'000	Renovation S$'000	Total S$'000
Cost										
At 1 July 2022	624	36	297	146	16,829	298	3,242	90	248	21,810
Additions	686	3	7	–	–	19	1,147	–	–	1,862
Disposals/write-off	(553)	(7)	(36)	(1)	(6,651)	(86)	(1,195)	–	(11)	(8,540)
At 30 June 2023	757	32	268	145	10,178	231	3,194	90	237	15,132
At 30 June 2021	841	35	227	141	16,828	288	2,693	91	271	21,415
Additions	60	7	72	21	39	14	722	–	3	938
Disposals/write-off	(277)	(6)	(2)	(16)	(38)	(4)	(173)	(1)	(26)	(543)
At 30 June 2022	624	36	297	146	16,829	298	3,242	90	248	21,810
Accumulated depreciation										
At 1 July 2022	404	25	154	95	10,781	186	572	28	163	12,408
Depreciation charge	302	4	74	21	1,320	31	325	9	17	2,103
Disposals/write-off	(503)	(2)	(24)	(1)	(5,203)	(44)	(252)	–	(8)	(6,037)
At 30 June 2023	203	27	204	115	6,898	173	645	37	172	8,474
At 30 June 2021	408	27	99	87	9,133	152	303	19	172	10,400
Depreciation charge	273	4	56	21	1,663	38	307	9	17	2,388
Disposals/write-off	(277)	(6)	(1)	(13)	(15)	(4)	(38)	–	(26)	(380)
At 30 June 2022	404	25	154	95	10,781	186	572	28	163	12,408
Carrying amounts										
At 1 July 2021	433	8	128	54	7,695	136	2,390	72	99	11,015
At 30 June 2022	220	11	143	51	6,048	112	2,670	62	85	9,402
At 30 June 2023	554	5	64	30	3,280	58	2,549	53	65	6,658

14 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Property, plant and equipment includes right-of-use assets of S$746,000 (2022: S$1,860,000) related to leased offices and storage space and motor vehicles as at 30 June 2023.

The Group leases motor vehicles under a number of leases. The leased motor vehicles secure the lease obligations. The net carrying amounts of leased motor vehicles amounted to S$192,000 (2022: S$1,640,000) for the year ended 30 June 2023. Details of such leased assets are disclosed in Note 23.

15 INTANGIBLE ASSETS

	Group S$'000
Cost	
At 1 July 2021, 30 June 2022 and 30 June 2023	27
Accumulated amortisation	
At 1 July 2021	12
Amortisation charge for the year	4
At 30 June 2022	16
Amortisation charge for the year	3
At 30 June 2023	19
Carrying amounts	
At 1 July 2021	15
At 30 June 2022	11
At 30 June 2023	8

16 INVESTMENT IN SUBSIDIARIES

	Company	
	2023 S$'000	2022 S$'000
Unquoted equity shares, at cost	**14,201**	14,201
Less: Allowance for impairment loss	**(6,548)**	(3,521)
	7,653	10,680

16 INVESTMENT IN SUBSIDIARIES (Cont'd)

(a) Composition of the Group

Name of Company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2023 %	2022 %
Held by the Company:			
• Aedge Holdings Pte. Ltd. Singapore	Provision of transport and cleaning services	**100**	100
• Aedge Technologies Pte Ltd Singapore	Provision of engineering services	**100**	100
• Aedge Services Pte. Ltd. Singapore	Provision of security and manpower services	**100**	100
Subsidiary of Aedge Technologies Pte Ltd			
• SAE Resources and Technologies Pte. Ltd. Singapore	Provision of engineering services; sales of scaffolding and insulation equipment	**100**	100
Subsidiary of Aedge Services Pte. Ltd.			
• Aedge Global Resources Pte. Ltd. Singapore	Provision of manpower services	**100**	100

* Audited by Moore Stephens LLP, Singapore.

(b) Impairment of subsidiaries

The Company assessed the carrying amount of its investment in subsidiaries for indications of impairment. The recoverable amount of the relevant investment in subsidiaries was estimated using the fair value less cost to sell at the reporting date. The fair value measurement was estimated based on the net asset value as the assets and liabilities held by the subsidiaries approximate their carrying amounts due to the short period to maturity.

At the reporting date, the Company carried out a review of the recoverable amount of its net investment in subsidiaries that are making losses and are in a net liabilities' position. An additional impairment loss of S$3,027,000 (2022: S$3,521,000) was recognised as at 30 June 2023 to write down these subsidiaries to their recoverable amount. The fair value measurement of the recoverable amount excluding cost of disposal has been categorised as Level 3 on the fair value hierarchy and based on the inputs of the valuation technique used under Note 3(l).

16 INVESTMENT IN SUBSIDIARIES (Cont'd)

(b) Impairment of subsidiaries (Cont'd)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the recoverable amount as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Asset-based value approach	Net asset value of subsidiary	The estimated fair value would increase (decrease) if net asset value is lower (higher).

17 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Cash on hand	**30**	35	*****	*
Cash at bank	**3,449**	5,545	**248**	513
Cash and cash equivalents	3,479	5,580	**248**	513

* Less than S$1,000

18 INVENTORIES

	Group	
	2023 S$'000	2022 S$'000
Scaffolding materials	**643**	367
Insulation materials	**–**	105
	643	472

During the year ended 30 June 2023, inventories of S$729,000 (2022: S$223,000) were recognised as an expense during the year and included in 'cost of sales' (see Note 6).

19 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Trade receivables:				
– third parties	**5,355**	3,696	**–**	–
Less: impairment losses	**(49)**	(14)	**–**	–
	5,306	3,682	**–**	–
Other receivables (non-trade):				
– dividend receivables from subsidiaries	**–**	–	**2,250**	2,250
– grant receivables	**–**	364	**–**	–
Deposits	**1,152**	207	**–**	–
	6,458	4,253	**2,250**	2,250
Prepayments	**373**	340	**39**	47
	6,831	4,593	**2,289**	2,297

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

The credit period for trade receivables ranges from 30 to 90 days (2022: 30 to 90 days). No interest is charged on the outstanding balances of trade receivables.

For the year ended 30 June 2023, the deposits relate to a tenancy agreement signed by a subsidiary for the leased office space for its business purposes and the deposit paid for the new property in relation to the capital commitment (Note 30).

For the year ended 30 June 2022, the grant receivables relate to cash grants in relation to the gross monthly wages of eligible workers under various temporary wage support schemes as introduced by the Singapore government aimed to help companies retain and pay their workers as businesses take a hit from the COVID-19 pandemic.

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses (ECL). The Group has recognised a loss allowance of 100% against trade receivables over 9 months and above past due (credit-impaired) because historical experience has indicated that these trade receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period. None of the trade receivables that have been written off is subject to enforcement activities.

For the purpose of impairment assessment for other receivables, the loss allowance is measured at an amount equal to 12-month ECL which reflects the low credit risk of the exposures. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables and the ECL is not significant.

The Group's and the Company's credit risk exposure in relation to trade receivables are set out in the provision matrix as presented below. The Group's and the Company's loss allowance is based on past due as the Group's and the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments.

19 TRADE AND OTHER RECEIVABLES (Cont'd)

		⟵ Trade receivables past due (days) ⟶			
	Current S$'000	**1 to 30 days S$'000**	**31 to 90 days S$'000**	**More than 90 days past due S$'000**	**Total S$'000**
2023					
Group					
Expected credit loss rate	*	*	*	*	*
Trade receivables – gross carrying amount at default	3,185	972	1,016	182	5,355
Loss allowance – credit impaired	–	–	–	(49)	(49)
Loss allowance – lifetime ECL	*	*	*	*	*
					5,306
2022					
Group					
Expected credit loss rate	*	*	*	*	*
Trade receivables – gross carrying amount at default	2,153	679	583	281	3,696
Loss allowance – credit impaired	–	–	–	(14)	(14)
Loss allowance – lifetime ECL	*	*	*	*	*
					3,682

* not considered material.

The movements in allowance for expected credit losses of trade receivables during the financial year are as follows:

	Group	
	2023 S$'000	**2022 S$'000**
At 1 July	**14**	282
Reversal of unutilised amount	**(6)***	(8)*
Provision for impairment losses	**49***	31*
Receivables written off as uncollectible	**(8)**	(291)
At 30 June	**49**	14

* Net impairment losses on trade receivables of S$43,000 (2022: S$23,000) was recognised during the financial year.

20 SHARE CAPITAL

	Group and Company	
	S$'000	No of shares '000
Issued and fully paid, with no par value:		
At 1 July 2021 and 30 June 2022 and 1 July 2022 and 30 June 2023	**14,590**	106,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and rank equally with regards to the Company's residual assets.

21 RESERVES

The reserves of the Group comprise the following balances:

	Group		Company	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Capital reserve[(a)]	**200**	200	**–**	–
Merger reserve[(b)]	**(8,701)**	(8,701)	**–**	–
Retained earnings[(c)]	**5,810**	8,056	**(4,558)**	(1,233)
	(2,691)	(445)	**(4,558)**	(1,233)

(a) Capital reserve

The capital reserve relates to the deemed contribution from the shareholders of the ultimate holding company for the acquisition of a subsidiary.

(b) Merger reserve

The merger reserve relates to the difference between the consideration paid and the paid-in capital of entities under common control which were acquired by the Group.

(c) Retained earnings

Dividends

The following exempt (one-tier) dividends were declared by the Group:

	Group and Company	
	2023 S$'000	2022 S$'000
Paid to the owners		
Final dividend paid in respect of the previous financial year of Nil (2022: 1 cent) per share	**–**	1,060

22 LOANS AND BORROWINGS

	Group	
	2023	**2022**
	S$'000	**S$'000**
Non-current liabilities		
Term loans (secured)	**806**	862
Current liabilities		
Term loans (secured)	**2,835**	3,654
	3,641	4,516

As at 30 June 2023 and 30 June 2022, the Group's term loans are secured by corporate guarantees from the Company.

One of the Group's term loans is repayable in monthly instalments between 1 July 2021 to 30 June 2025. Nonetheless, the loan contains a callable clause stating that the bank may at their absolute discretion cancel or withdraw the term loan facility. Accordingly, the Group's term loan with a carrying amount of S$1,541,000 (2022: S$2,283,000) has been classified as a current liability.

As at 30 June 2023, an outstanding loan amount of S$817,547 (2022: S$818,000) has been classified as a current liability, as one of the continuing loan conditions has not been met.

Term and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follow:

	Nominal interest rate per annum %	**Year of maturity**	**Carrying amount S$'000**
Group			
2023			
Term loans	2.5% – 4.5%	2022 – 2027	3,641
2022			
Term loans	2.5% – 4.5%	2022 – 2027	4,516

Intra-group financial guarantee

Intra-group financial guarantees comprise guarantees given by the Company to banks in respect of banking facilities granted to four subsidiaries (2022: three subsidiaries) amounting to S$6,000,000 (2022: S$5,500,000) which will expire in 2027. At the reporting date, the Company has not recognised an ECL provision as the ECL amount was lower than the amortised liability for intra-group financial guarantee contracts.

23 LEASE LIABILITIES

	Group	
	2023	**2022**
	S$'000	**S$'000**
Current liabilities	**338**	500
Non-current liabilities	**249**	62
	587	562

When the Group is the lessee

(a) Nature of the Group's leasing activities

The Group has entered into leases of buildings in respect of its office and storage space and motor vehicles. The leases typically run for a period of 3 years. The Group is prohibited from selling, pledging or sub-leasing the underlying leased assets, and is required to maintain the assets in good condition.

The Group leases certain motor vehicles under a number of hire purchase arrangements, which are typically runs for a period of 5 years. At the end of the lease term, the Group will acquire the motor vehicles from the lessors. The Group's obligations are secured by the lessors' title to the leased assets for such hire purchases.

The Group leases accommodations with contract terms of one year or less. These leases are short-term leases and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases. Some of these accommodation leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The extension options held are exercisable only by the Group and not by the lessors. The Group assessed at lease commencement date and determined that it was not reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

(b) Details of right-of-use assets classified within Property, Plant and Equipment in Note 14 are as follows:

	2023	**2022**
	S$'000	**S$'000**
Motor vehicles	**192**	1,640
Office and store space	**554**	220
	746	1,860

23 LEASE LIABILITIES (Cont'd)

When the Group is the lessee (Cont'd)

(c) Amounts recognised in profit or loss

	2023 S$'000	2022 S$'000
Depreciation for the year		
– Cost of sales	**29**	258
– Administrative expenses	**312**	305
	341	563
Expenses relating to short term leases		
– Cost of sales (Note 6)	**757**	390
– Administrative expenses (Note 8)	**92**	72
	849	462
Interest expense on lease liabilities	**20**	35

(d) Amounts recognised in statement of cash flows

	2023 S$'000	2022 S$'000
Total cash outflow for leases (excluding short term leases)	**681**	982

24 DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities are as follows:

	At 1 July 2021 S$'000	Recognised in profit or loss (Note 12) S$'000	At 30 June 2022 S$'000	Recognised in profit or loss (Note 12) S$'000	At 30 June 2023 S$'000
Property, plant and equipment	1,123	(9)	1,114	(1,090)	**24**
Intangible assets	3	(1)	2	–	**2**
Lease liabilities	(75)	149	74	(74)	**–**
Tax loss carry forwards	(434)	(252)	(686)	686	**–**
	617	(113)	504	(478)	**26**

Unrecognised tax losses, donations and capital allowances

As at 30 June 2023, the Group has deductible temporary differences of approximately S$14,000 (2022: S$3,000), unutilised tax losses of approximately S$985,000 (2022: S$977,000) and capital allowances of approximately S$1,300,000 (2022: S$220,000) for which the deferred tax benefit has not been recognised. These unutilised losses and capital allowances can be carried forward and used to offset against future taxable income, subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which they operate. The unutilised tax losses have no expiry date.

25 PROVISION

	Group	
	2023	**2022**
	S$'000	**S$'000**
At 1 July	**–**	29
Reversal of provision charged to profit or loss	**–**	(29)
At 30 June	**–**	–

The Group's liability to reinstate office premises upon their respective lease expiries is assessed to be not material and reversed.

26 TRADE AND OTHER PAYABLES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Trade payables:				
– third parties[(a)]	**683**	521	**–**	–
– GST payable	**427**	223	**–**	–
Customer deposits	**45**	82	**–**	–
	1,155	826	**–**	–
Other payables (non-trade):				
– others	**61**	61	**1**	1
Deferred income	**–**	17	**–**	–
Accrued operating expenses	**599**	469	**157**	132
Accrued salaries and wages	**1,138**	1,175	**–**	–
	2,953	2,548	**158**	133

(a) The credit period for trade payables ranges from 30 to 90 days (2022: 30 to 90 days). No interest is charged on the outstanding balances of trade payables.

27 RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into transactions with related parties during the financial year, on terms agreed between the parties, as shown below:

	Group	
	2023	**2022**
	S$'000	**S$'000**
Key management personnel compensation:		
The remuneration of executive directors and key management is as follows:		
Directors' fees	**117**	117
Short-term benefits	**799**	859
Post-employment benefits (including contribution to defined contribution plan)	**74**	64
	990	1,040
Comprised amounts paid/payable to:		
Directors of the Company	**504**	600
Key management personnel	**486**	440
	990	1,040

28 SEGMENT INFORMATION

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different services, and are managed separately. The Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports of each division at least quarterly. The following summary describes the operations in each of the Group's reportable segments:

(a) Engineering services

Sale and installation of scaffolding equipment, insulation and passive fire protection systems. Provision of workers on contract or ad-hoc basis for engineering services.

(b) Transportation services

Provision of bus services for public premium service routes, schools, corporates and ad hoc charters.

(c) Security and manpower services

Provision of security services, cleaning services and manpower staffing for aviation technicians.

(d) Others

Others relate to unallocated amounts that includes provision of management, treasury and administrative services.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (loss) before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit (loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

28 SEGMENT INFORMATION (Cont'd)

(a) Segment revenues and results

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

	Engineering services S$'000	Transportation services S$'000	Security and manpower services S$'000	Total for reportable segments S$'000	Others S$'000	Inter-segment eliminations S$'000	Total S$'000
Period ending 30 June 2023							
External revenues	9,856	3,699	12,896	26,451	–	–	26,451
Inter-segment revenue	867	18	–	885	–	(885)	–
External cost of sales	(7,880)	(4,716)	(11,719)	(24,315)	–	–	(24,315)
Inter-segment cost of sales	(1,068)	–	–	(1,068)	–	1,068	–
Finance income	–	–	3	3	–	–	3
Finance costs	(78)	(30)	(47)	(155)	–	–	(155)
Depreciation of property, plant and equipment and amortisation of intangible assets	(830)	(1,238)	(35)	(2,103)	(3)	–	(2,106)
Reportable segment profit/(loss) before tax	177	(2,015)	816	(1,022)	(4,642)	2,963	(2,701)
Other material non-cash items:							
– Gain/(Loss) on disposal of property, plant and equipment	53	(648)	(19)	(614)	–	–	(614)
– Impairment loss on trade receivables	(42)	–	–	(42)	–	–	(42)
Capital expenditure	(1,862)	–	–	(1,862)	–	–	(1,862)
Period ending 30 June 2023							
As at 30 June 2023							
Reportable segment assets	11,001	6,710	6,109	23,820	10,358	(15,049)	19,129
Reportable segment liabilities	7,486	1,886	4,776	14,148	316	(7,234)	7,230

28 SEGMENT INFORMATION (Cont'd)

(a) Segment revenues and results (Cont'd)

The following is an analysis of the Group's revenue and results by reportable operating segments: (cont'd)

	Engineering services S$'000	Transportation services S$'000	Security and manpower services S$'000	Total for reportable segments S$'000	Others S$'000	Inter-segment eliminations S$'000	Total S$'000
Period ending 30 June 2022							
External revenues	6,194	4,484	9,774	20,452	–	–	20,452
Inter-segment revenue	202	21	–	223	–	(223)	–
External cost of sales	(4,523)	(5,101)	(8,957)	(18,581)	–	–	(18,581)
Inter-segment cost of sales	(145)	–	(7)	(152)	–	152	–
Finance income	–	4	7	11	–	–	11
Finance costs	(21)	(52)	(66)	(139)	–	–	(139)
Depreciation of property, plant and equipment and amortization of intangible assets	(763)	(1,590)	(39)	(2,392)	–	–	(2,392)
Reportable segment profit/(loss) before tax	117	(809)	932	240	(1,767)	(72)	(1,599)
Other material non-cash items:							
– Loss on disposal of property, plant and equipment	(86)	–	(13)	(99)	–	–	(99)
– Impairment loss on trade receivables	(18)	(5)	–	(23)	–	–	(23)
Capital expenditure	845	21	72	938	–	–	938
Period ending 30 June 2022							
As at 30 June 2022							
Reportable segment assets	7,437	10,491	6,540	24,468	13,658	(15,851)	22,275
Reportable segment liabilities	4,919	2,122	5,781	12,822	321	(5,013)	8,130

28 SEGMENT INFORMATION (Cont'd)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items to SFRS(I) measures

	2023 S$'000	2022 S$'000
Revenues		
Total revenue for reportable segments	**27,336**	20,675
Elimination of inter-segment revenue	**(885)**	(223)
Consolidated revenue	**26,451**	20,452
Cost of sales		
Total cost of sales for reportable segments	**25,383**	18,733
Elimination of inter-segment cost of sales	**(1,068)**	(152)
Consolidated cost of sales	**24,315**	18,581
Profit or loss before tax		
Total loss before tax for reportable segments	**(1,022)**	240
Elimination of inter-segment profits	**2,963**	(72)
Unallocated amounts	**(4,642)**	(1,767)
Consolidated loss before tax from continuing operations	**(2,701)**	(1,599)
Assets		
Total assets for reportable segments	**23,820**	24,468
Elimination of inter-segment assets	**(15,049)**	(15,851)
Other unallocated amounts	**10,358**	13,658
Consolidated total assets	**19,129**	22,275
Liabilities		
Total liabilities for reportable segments	**14,148**	12,822
Elimination of inter-segment liabilities	**(7,234)**	(5,013)
Other unallocated amounts	**316**	321
Consolidated total liabilities	**7,230**	8,130

(c) Geographical information

The engineering business, transportation business and security and manpower business are managed in Singapore.

(d) Major customers

Revenues from one (2022: two) customer of the Group's security and manpower business segment represents approximately S$7,455,000 (2022: S$2,466,000) of the Group's total revenues.

29 FINANCIAL INSTRUMENTS

i. Capital risk management

The primary objective of the Group's capital management is to ensure it maintains healthy capital ratios in order to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from last year.

The Group is not subject to any significant externally imposed capital requirements.

Management reviews the capital structure of the Group and makes adjustment to it, in light of changes in economic conditions. Management considers the cost of capital and the risks associated with each class of capital. The Group monitors capital using the net debt-to-equity ratio. The Group's debt includes all liabilities (excluding current tax liabilities and deferred tax liabilities) less cash and bank balances. Equity includes all capital and reserves of the Group that are managed as capital.

	Group	
	2023	**2022**
	S$'000	**S$'000**
Net debt	**3,702**	2,046
Equity	**11,899**	14,145
Net debt-to-equity ratio	**0.31**	0.14

ii. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. These risks include credit risk, interest rate risk and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

29 FINANCIAL INSTRUMENTS (Cont'd)

iii. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group generally does not require collateral. The Group reviews the recoverable amount of each trade receivable on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

At the reporting date, the Group does not have significant credit risk exposure to any individual customer's balance of trade receivables. The Group's maximum exposure to credit risk arises from the carrying amount of the respective recognised financial assets as present on the consolidated statement of financial position. The carrying amounts of financial assets and contract assets represent the Group's maximum exposures to credit risk. In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company is liable to pay if the guarantees are called on as disclosed in Note 22.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group also performs credit evaluation of the existing customers by taking into account past experience with the customers.

As disclosed in Note 3(q), the Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on their shared credit risk characteristics and numbers of days past due. The contract assets have substantially the same risk characteristics as the trade receivables from the same type of customers. Therefore, the Group has concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Loss rates are estimated based on actual credit loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The amount of ECLs on non-credit impaired trade receivables was negligible, and ECLs was recognised for credit impaired trade receivables

Further details on the loss allowance of the Group's credit risk exposure in relation to contract assets and trade receivables is disclosed in Notes 5 and 19 respectively.

Cash and cash equivalents and other financial assets

The cash and cash equivalents are held with bank and financial institution counterparties, with sound credit ratings. Other financial assets are inclusive of non-trade receivables, accrued receivables and deposits.

Impairment on cash and cash equivalents and other financial assets has been measured on the 12-month expected loss basis. The Group considers its cash and cash equivalents and other financial assets have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents and other financial assets was negligible.

29 FINANCIAL INSTRUMENTS (Cont'd)

iii. Credit risk (Cont'd)

Guarantees

The Group's policy is to provide financial guarantees only for wholly-owned subsidiaries' liabilities. The Company issued guarantee to certain banks in respect of credit facilities granted to two subsidiaries (see Note 22). These guarantees are subject to the impairment assessment under SFRS(I) 9. The Company has assessed that the subsidiaries have strong financial capacity to meet the contractual cashflow obligations in the near future and hence, does not expect significant credit losses from the guarantees. The Company's assessment is based on qualitative and quantitative factors that are indicative of the risk of default (including but not limited management accounts and cash flow projections, and applying experienced credit judgement).

Credit risk grading guideline

The Group's dedicated risk management team management assesses and reports to the key management personnel the default risk of debtors using the following internal credit risk grading system:

Internal rating grades	Definition	Basis of recognition of expected credit loss (ECL)
i. Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
ii. Under-performing	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired.	Lifetime ECL (credit impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

29 FINANCIAL INSTRUMENTS (Cont'd)

iii. Credit risk (Cont'd)

Credit risk exposure

The credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

	ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
Group				
2023				
Trade receivables	Lifetime ECL (simplified)	5,306	–	5,306
Trade receivables	Lifetime ECL (credit impaired)	49	(49)	–
Contract assets	Lifetime ECL (simplified)	1,510	–	1,510
2022				
Trade receivables	Lifetime ECL (simplified)	3,682	–	3,682
Trade receivables	Lifetime ECL (credit impaired)	14	(14)	–
Contract assets	Lifetime ECL (simplified)	2,217	–	2,217

The Group has applied the simplified approach to measure the loss allowance of trade receivables and contract assets based on lifetime ECL. The details of the loss allowance for these financial assets are disclosed in Notes 19 and 5 respectively.

iv. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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.

In addition, the Group maintains the following lines of credit:

- S$200,000 overdraft facility that is secured by a guarantee from the Company. Interest would be payable at the bank's prime rate per annum.

- Term loan facilities amounting to S$6,000,000 with a tenor of five years that is secured by guarantees from the Company, which has been drawn down to meet working capital requirements. Interest would be payable at the rate of 2.5% and 4.5% per annum.

29 FINANCIAL INSTRUMENTS (Cont'd)

iv. Liquidity risk (Cont'd)

The table below summarises the Group's and Company's remaining contractual maturities of financial liabilities, including interest payments.

	Carrying amount S$'000	Contractual cash flows S$'000	Within 1 year S$'000	Within 2-5 years S$'000
Group				
30 June 2023				
Trade and other payables*	1,388	1,388	1,388	–
Loans and borrowings	3,641	3,817	2,979	838
Lease liabilities	587	613	356	257
	5,616	5,818	4,723	1,095
30 June 2022				
Trade and other payables*	1,133	1,133	1,133	–
Loans and borrowings	4,516	4,701	3,814	887
Lease liabilities	562	572	509	63
	6,211	6,406	5,456	950

	Carrying amount S$'000	Contractual cash flows S$'000	Within 1 year S$'000	Within 2-5 years S$'000
Company				
30 June 2023				
Trade and other payables*	158	158	158	–
Recognised financial liabilities	158	158	158	–
Intra-group financial guarantee	–	6,000	6,000	–
	158	6,158	6,158	–
30 June 2022				
Trade and other payables*	133	133	133	–
Recognised financial liabilities	133	133	133	–
Intra-group financial guarantee	–	5,500	5,500	–
	133	5,633	5,633	–

* *Excludes GST payable, accrued salaries and wages, deferred income and deferred grant income*

29 FINANCIAL INSTRUMENTS (Cont'd)

v. Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

Exposure to interest rate risk

The Group is exposed to interest rate risk because they obtain credit facilities from banks and financial institutions. The Group's policy is to obtain the most favourable interest rates available. Surplus funds are placed with reputable banks.

The Company is not exposed to interest rate fluctuation risks as the Company does not hold any variable interest-bearing financial instruments.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	Nominal amount	
	Group	
	2023	**2022**
	S$'000	**S$'000**
Group		
Fixed rate instruments		
Loans and borrowings	**(3,641)**	(4,516)
Lease liabilities	**(587)**	(562)
	(4,228)	(5,078)

30 CAPITAL COMMITMENT

As at 30 June 2023, the Group has capital commitments of S$9,000,000 relating to the purchase of a leasehold building.

STATISTICS OF **SHAREHOLDINGS**

AS AT 18 SEPTEMBER 2023

Total Number of Issued Shares	:	106,000,000 shares
Total Number of Issued Shares (excluding Treasury Shares)	:	106,000,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote Per Share
Number and percentage of treasury shares and subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 18 SEPTEMBER 2023

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0
100 – 1,000	33	34.74	30,700	0.03
1,001 – 10,000	18	18.95	83,100	0.08
10,001 – 1,000,000	34	35.79	6,582,800	6.21
1,000,001 AND ABOVE	10	10.52	99,303,400	93.68
TOTAL	**95**	**100.00**	**106,000,000**	**100.00**

TWENTY-ONE LARGEST SHAREHOLDERS AS AT 18 SEPTEMBER 2023

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	PTCC HOLDINGS PTE. LTD.	67,500,000	63.68
2	TAN AH HWA	9,000,000	8.49
3	POH SOON KENG	6,681,820	6.30
4	NG CHOON BENG	3,409,090	3.22
5	TAY CHOON WAH	3,409,090	3.22
6	KOH MOI	2,600,600	2.45
7	NG CHOR WEE	2,273,000	2.14
8	POH TZE REN	1,745,400	1.65
9	ONG DAVID	1,500,000	1.42
10	TAN KOCK SING	1,184,400	1.12
11	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	877,000	0.83
12	CHNG BENG GUAN	500,000	0.47
13	NEO JOHNNY	500,000	0.47
14	TAN KEAN FATT	494,000	0.47
15	LUI SOOK FUN	350,000	0.33
16	TAY PENG TONG	285,100	0.27
17	LIM LEONG FATT	250,000	0.24
18	TAN KEE YONG (CHEN QIYONG)	250,000	0.24
19	TAN KEE YUEN (CHEN QIYUN)	250,000	0.24
20	LIM SZE LIEH LIONEL (LIN SILIE LIONEL)	248,000	0.23
21	TEO HUI LENG (ZHANG HUILING)	248,000	0.23
	TOTAL	**103,555,500**	**97.71**

STATISTICS OF **SHAREHOLDINGS**

AS AT 18 SEPTEMBER 2023

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 18 September 2023.

	Direct Interest		Deemed Interest	
Name	**Number of Shares**	**%***	**Number of Shares**	**%***
PTCC Holdings Pte. Ltd.[(1)]	67,500,000	63.7	–	–
Poh Soon Keng[(1)]	6,681,820	6.3	67,500,000	63.7
Tan Ah Hwa	9,000,000	8.5	–	–
Tan Siew Lan[(1)]	–	–	67,500,000	63.7
Poh Pei Chi[(1)]	–	–	67,500,000	63.7

Notes:

(1) PTCC Holdings Pte. Ltd. is owned by our Executive Chairman and CEO, Mr Poh Soon Keng (26.7%), our Human Resource and Administration Director, Ms Tan Siew Lan (26.7%), Ms Poh Pei Chi (33.3%) and Mr Poh Cher Ying (13.3%). Ms Poh Pei Chi and Mr Poh Cher Ying are the children of Mr Poh Soon Keng and Ms Tan Siew Lan. Mr Poh Soon Keng and Ms Tan Siew Lan, and Poh Pei Chi deemed interested in the shares via PTCC held by PTCC Holdings Pte. Ltd. in the Company pursuant to Section 7 of the Companies Act.

* Percentages are calculated based on the issued number of shares of the Company of 106,000,000 shares (excluding treasury shares and subsidiary holdings) as at 18 September 2023.

SHAREHOLDING HELD IN PUBLIC HANDS

As at 18 September 2023, approximately 15.1% of the issued ordinary shares of the Company was held in the hands of the public (on the basis of information available to the Company). Accordingly, the Company had complied with Rule 723 of the Rules of Catalist of the Singapore Exchange Securities Trading Limited.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING **RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")**

Mr Goh Joon Lian and Mr Poh Soon Keng are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 26 October 2023 ("**AGM**") (the "**Retiring Directors**").

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules are as follows:

(a) Mr Goh Joon Lian

Date of Appointment	24 March 2020
Date of last re-appointment	28 October 2021
Age	71
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The re-election of Mr Goh Joon Lian as the Independent Non-Executive Director was recommended by the NC, and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title	Independent Non-Executive Director, Chairman of Nominating Committee as well as a member of the Audit and Risk Committee and Remuneration Committee.
Professional qualifications	Bachelor of Science with First Class Honours (Mechanical Engineering) from the University of Surrey, United Kingdom in 1976
Working experience and occupation(s) during the past 10 years	Regional Chairman of Shell South China from 1999 to 2012.
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
Other Principal Commitments Including Directorships Past (for the last 5 years): Present:	Nil Nil
(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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING **RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")**

(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
(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
(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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING **RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")**

(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?	No
(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

Disclosure applicable to the appointment of Director only	
Any prior experience as a director of a listed company? 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).	N.A.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING **RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")**

(b) Mr Poh Soon Keng

Date of Appointment	3 October 2019
Date of last re-appointment	16 October 2020
Age	71
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 re-election of Mr Poh Soon Keng as the Executive Director was recommended by the NC, and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. He is responsible for the overall management, operations and strategic direction of the Group.
Job Title	Executive Chairman and Chief Executive Officer
Professional qualifications	Honours Degree in Public Administration
Working experience and occupation(s) during the past 10 years	Founded Aedge Group Limited and its subsidiaries in 2000 and has worked as the Chief Executive Officer since
Shareholding interest in the listed issuer and its subsidiaries	6,681,820 - Direct Interest 67,500,000 - Deemed Interest
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	Spouse of Tan Siew Lan who is a Substantial Shareholder. Brother-in-law of Tan Ah Hwa who is a Substantial Shareholder.
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
Other Principal Commitments Including Directorships Past (for the last 5 years):	Past: 1. ANP Capital Pte. Ltd. 2. Kaoson Integrated Engineering Pte. Ltd. 3. E Constructor Pte. Ltd. 4. Academy of Competency Enhancement Pte. Ltd.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING **RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")**

Present:	Present: 1. Aedge Holdings Pte. Ltd. 2. Aedge Services Pte. Ltd. 3. Aedge Technologies Pte. Ltd. 4. Aedge Global Resources Pte. Ltd. 5. SAE Resources And Technologies Pte. Ltd. 6. PTCC Holdings Pte. Ltd 7. North Zone Engineering (M) Sdn. Bhd.
(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
(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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING **RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")**

(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
(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?	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING **RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")**

(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

Disclosure applicable to the appointment of Director only	
Any prior experience as a director of a listed company? 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).	N.A.

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("**AGM**") of **AEDGE GROUP LIMITED** (the "**Company**") will be held at **SAFRA Toa Payoh, Level 3, Lorong 6 Toa Payoh, Singapore 319387** on Thursday, 26 October 2023 at 10.30 a.m. to transact the following business

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Statement of Directors and the Independent Auditor's Report thereon. **Resolution 1**

2. To approve the payment of Directors' Fees of S$117,000 for the financial year ended 30 June 2023. **Resolution 2**

3. To re-elect Mr Poh Soon Keng, a Director who is retiring pursuant to Regulation 98 of the Company's Constitution. **Resolution 3**

   [See Explanatory Note (i)]

4. To re-elect Mr Goh Joon Lian, a Director who is retiring pursuant to Regulation 98 of the Company's Constitution. **Resolution 4**

   [See Explanatory Note (ii)]

5. To note the retirement of Mr Hoon Tai Meng as a Director of the Company upon the conclusion of this AGM.

   Upon the retirement of Mr Hoon Tai Meng as Director of the Company, he will be relinquishing his position as the Lead Independent Director, Chairman of Audit Committee as well as a member of the Remuneration Committee and Nominating Committee of the Company.

6. To re-appoint Messrs Moore Stephens LLP as the Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Directors of the Company to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

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

7. **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE AEDGE PERFORMANCE SHARE PLAN** **Resolution 6**

   "THAT pursuant to Section 161 of the Companies Act 1967 and the provisions of the Aedge Performance Share Plan ("**PSP**"), approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be issued pursuant to the vesting of awards granted under the PSP, provided always that the aggregate number of additional ordinary Shares to be allotted and issued pursuant to the PSP, when aggregated with the aggregate number of Shares over which options and awards are granted under any other share option schemes or share schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time."

   [See Explanatory Note (iii)]

8. **AUTHORITY TO ALLOT AND ISSUE SHARES** **Resolution 7**

"THAT pursuant to Section 161 of the Companies Act 1967 and the Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to (i) issue and allot new shares ("**Shares**") in the capital of the Company (whether by way of rights, bonus or otherwise); and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force, provided that:

(1) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below), and provided further that where shareholders of the Company ("**Shareholders**") are not given the opportunity to participate in the same on a pro-rata basis ("**non pro-rata basis**"), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below);

(2) (Subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time such authority was conferred, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercising of share options or the vesting of share awards which are outstanding or subsisting at the time this resolution is passed, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules of the SGX-ST; and

(c) any subsequent consolidation or subdivision of the Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Rules of Catalist of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and unless revoked or varied by the Company in a general meeting, the authority so conferred shall continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (iv)]

BY ORDER OF THE BOARD

POH SOON KENG
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

11 October 2023

Explanatory Notes:

(i) Mr Poh Soon Keng ("**Mr Poh**"), upon re-election as Director of the Company, remains as a member of Nominating Committee.

(ii) Mr Goh Joon Lian ("**Mr Goh**"), upon re-election as Director of the Company, remains as the Chairman of the Nominating Committee as well as a member of Audit Committee and Remuneration Committee. The Board considers Mr Goh to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Detailed information of Mr Poh and Mr Goh can be found under the "Board of Directors" and "Disclosure of information on directors seeking re-election pursuant to Rule 720(5) of the Catalist Rules" sections in the Company's Annual Report 2023.

(iii) The proposed ordinary resolution 6, if passed, will empower the Directors of the Company to allot and issue Shares in the Company with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of our Company, collectively of up to a number not exceeding in total 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the share capital of the Company from time to time pursuant to the grant of share awards under the PSP.

(iv) The proposed ordinary resolution 7, if passed, will empower the Directors of the Company from the date of the above meeting to issue shares in the Company up to an amount not exceeding 100% of the total number of issued shares in the capital of the Company with a sub-limit of 50% other than on a pro-rata basis to shareholders for the time being for such purposes as they consider would be in the interest of the Company. The authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company.

NOTICE OF **ANNUAL GENERAL MEETING**

Notes:–

1. Printed copies of this notice of AGM (the "**Notice**"), Proxy Form and Request Form will be sent to members by post. This Notice, Proxy Form and Request Form will also be published via an announcement on the SGX website at the URL https://www.sgx.com/securities/company-announcements and may be accessed at the Company's website at the URL https://www.aedge.com.sg/.

2. 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 completing the Request Form. The Annual Report 2023 will also be published via an announcement on the SGX website at the URL https://www.sgx.com/securities/company-announcements and may be accessed at the Company's website at the URL https://www.aedge.com.sg/.

3. Members (including investors under the Central Provident Fund and the Supplementary Retirement Scheme ("CPF and SRS Investors")) may participate in the AGM by:

   (a) attending the AGM in person;

   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or

   (c) voting at the AGM

      (i) themselves personally; or

      (ii) through their duly appointed proxy(ies).

4. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including CPF and SRS Investors, who wish to participate in the AGM should approach their respective agents at least (7) seven working days before the AGM, so that the necessary arrangements can be made by the relevant agents for their participating in the AGM.

5. In view of the guidance note issued by the Singapore Exchange Regulation, a member may ask question relating to the items on the agenda of the AGM by:–

   (a) submitting question via mail to the Company's registered office at 4009 Ang Mo Kio Avenue 10, #04-33 Tech Place 1, Singapore 569738, or email to agmqueries@aedge.com.sg in advance of the AGM **latest by 18 October 2023 at 5.00 p.m**.; or

   (b) "live Question and Answer" at the physical AGM.

   When sending questions, members should also provide their full name as it appears on the CDP/CPF/SRS records, address, contact number, email address, number of shares in the Company and the manner in which the shares are held in the Company (e.g., via CDP, CPF or SRS) for verification.

   Shareholders are encouraged to submit their questions **latest by 18 October 2023 at 5.00 p.m.**, as this will allow the Company sufficient time to address and respond to these questions on 20 October 2023 after trading hours. The responses will be published on (i) the SGX-ST's website; and (ii) the Company's corporate website.

   After the cut-off time for the submission of questions, if there are substantial and relevant questions received, the Board may address them at the AGM. The Company will, within one month after the date of AGM, publish the minutes of the AGM on SGXNet and the Company's website and the minutes will include the responses to the questions referred to above.

6. A member of the Company who is entitled to attend and vote at the AGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and any second named proxy shall be deemed to be an alternate to the first named proxy. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

7. A member of the Company who is entitled to attend and vote at the AGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

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

8. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

9. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

10. A proxy need not be a member of the Company.

11. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.

12. The instrument or form appointing a proxy, duly executed, must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 or email to sg.is.proxy@sg.tricorglobal.com not less than 72 hours before the time appointed for holding the AGM (i.e. by 23 October 2023 at 10.30 a.m.) in order for the proxy to be entitled to attend and vote at the AGM.

PERSONAL DATA PRIVACY

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

AEDGE GROUP LIMITED

(the "Company")
(Company Registration No.: 201933214E)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:

1. Printed copies of the Notice of Annual General Meeting, Proxy Form and Request Form will be sent to members by post. The Notice of Annual General Meeting, Proxy Form and Request Form will also be published by electronic means via announcement on the SGX website at the URL https://www.sgx.com/securities/company-announcements and may be accessed at the Company's website at the URL https://www.aedge.com.sg/.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. SRS Investors may attend and cast their votes at the AGM in person. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Approved Nominees (as the case may be) to appoint your proxy(ies), in which case, the SRS Investors shall be precluded from attending the AGM.
4. CPF/SRS investors who wish to appoint proxy(ies) should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven working days before the AGM.
5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 October 2023.
6. Please read the notes overleaf which contain instructions.

I/We*, _____, _____
(Name) *(NRIC/Passport No./Company Registration No.*)*

of _____
(Address)

being a member/members* of Aedge Group Limited (the "**Company**"), hereby appoint:–

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

and/or (delete where appropriate)

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

or failing him/her*, the Chairman of the AGM as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at SAFRA Toa Payoh, Level 3, Lorong 6 Toa Payoh, Singapore 319387 on Thursday, 26 October 2023 at 10.30 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

NO.	**ORDINARY RESOLUTIONS**	**VOTING**		**ABSTAIN FROM VOTING****
		FOR**	**AGAINST****	
ORDINARY BUSINESS				
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2023, together with the Statement of Directors and the Independent Auditor's Report thereon.			
2.	To approve the payment of Directors' Fees of S$117,000 for the financial year ended 30 June 2023.			
3.	To re-elect Mr Poh Soon Keng as a Director under Regulation 98 of the Company's Constitution.			
4.	To re-elect Mr Goh Joon Lian as a Director under Regulation 98 of the Company's Constitution.			
5.	To re-appoint Messrs Moore Stephens LLP as Auditors and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
6.	Authority to allot and issue shares under the Aedge Performance Share Plan.			
7.	Authority to allot and issue shares.			

* Delete as appropriate
** Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes for or against in the "For" or "Against" box in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with an "X" in the "Abstain from Voting" box provided in respect of that resolution. Alternatively, please indicate the number of shares that your proxy/proxies is/are directed to abstain from voting in the "Abstain from Voting" box in respect of that resolution.

Dated this _____ day of _____, 2023

Total Number of Shares held in:	**No. of Shares**
CDP Register	
Register of Members	

_____
Signature(s) of member(s) or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF.

NOTES:

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

2. (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and any second named proxy shall he deemed to be an alternate to the first named proxy. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

   (b) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

3. A proxy need not be a member of the Company.

Please fold here

PROXY FORM

Affix
Postage
Stamp

The Share Registrar
AEDGE GROUP LIMITED
Tricor Barbinder Share Registration Services
80 Robinson Road
#11-02
Singapore 068898

Please fold here

4. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.

5. The instrument or form appointing a proxy, duly executed, must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 or email to sg.is.proxy@sg.tricorglobal.com not less than 72 hours before the time appointed for holding the AGM in order for the proxy to be entitled to attend and vote at the Annual General Meeting.

6. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to sg.is.proxy@sg.tricorglobal.com.

7. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

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

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AEDGE

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Singapore 569738

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