

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Board of Directors (the “**Board**”) of Fuxing China Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to maintaining a high standard of corporate governance within the Group and places importance on its corporate governance and systems so as to enhance shareholders’ value, corporate performance, accountability and protection of stakeholders’ interests.

This report describes the corporate governance practices of the Group for the financial year ended 31 December 2024 (“**FY2024**”) with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and the accompanying practice guidance and accompanying Practice Guidance issued in August 2018, which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Board is pleased to report that for FY2024, the Group has complied in all material aspects with the Code and Listing Rules. Where there are deviations from the Code, explanations as to how the Group’s practices were consistent with the intent of the principle in question are provided in this report. The Company did not adopt any alternative corporate governance policies in FY2024.

The Board will continue to review the corporate governance practices on an on-going basis for relevance and effectiveness with reference to the environment in which the Group operates.

(A) 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.*

Directors’ Fiduciary Duties and Conflicts of Interest (Provision 1.1)

The Board assumes responsibility for the stewardship of the Group and is collectively responsible for the overall performance of the Group, with the fundamental principle to act in good faith and the best interests of the Company. The Board sets the Group’s values and standards and ensures that all Board members act objectively in discharging their duties and responsibilities at all times and in the interests of the Company for the long-term performance and success of the Group. The Board believes that when taking decisions, all Directors act objectively in discharging their duties and responsibilities at all times as fiduciaries and in the interests of the Company. If there is any conflict of interest, Directors will voluntarily recuse themselves from all discussions and decisions involving the issues of conflict, unless the Board is of the opinion that his participation is necessary.

Directors’ Orientation, Induction, Training and Development (Provision 1.2)

Directors are encouraged to receive regular training and participate in conferences, seminars or any training programmes in connection with their duties to keep abreast of a dynamic business environment.

In FY2024, the Board was briefed on updates on Listing Rules of the SGX-ST, changes to accounting standards and regulatory developments. The Board is also kept informed of the new updates regarding the amendments and requirements of the SGX-ST and other statutory and regulatory requirements from time to time. Relevant news releases issued by the SGX-ST are also circulated to the Board for information. In addition, the Directors attended several trainings organised by institutions such as The Institute of Singapore Chartered Accountants during FY2024.

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Newly appointed Directors are briefed on the Group's business activities, strategic directions and regulatory environments in which the Group operates. They will also have the opportunity to visit the Group's operational facilities and to meet with Management so as to gain a better understanding of the Group's business operations. Newly appointed Directors who do not have prior experience or are not familiar with the duties and obligations required of a Director of a company listed on SGX-ST will be required to undergo mandatory training pursuant to Rule 201(5)(a) of the Listing Rules of the SGX-ST and Practice Note 2.3 of the Listing Rules on the roles and responsibilities of a listed Company Director. Newly appointed Non-Executive Directors are provided with a letter of appointment setting out their duties, obligations and terms of appointment while Executive Directors are provided with a service agreement setting out their terms of office and terms and conditions of their respective appointments.

In FY2024, three Independent Non-Executive Directors, being Mr. Low See Lien, Mr. Koh Boon Chiao and Ms. Tsang Ngo Yin were appointed to facilitate board renewal. As part of the induction programme for the newly-appointed Directors, Mr. Low See Lien and Mr. Koh Boon Chiao visited the Group's factory and office premises to gain better understanding of the Group's business operations. All newly-appointed Directors were briefed and provided with background information about the Group's history, strategic direction, industry-specific knowledge and the Group's governance practices. They were also provided with formal letter of appointments setting out their duties and obligations as a Director of the Company.

Ms. Tsang has no prior experience as a director of public-listed companies in Singapore and has registered to attend the mandatory trainings for first-time Director as prescribed by the SGX-ST pursuant to Practice Note 2.3 of the Listing Rules within one year from her date of appointment.

Board Reserved Matters (Provision 1.3)

The Board regularly reviews the Group's strategic business plans, and assesses key risks, operation and financial performance of the Group to enable the Group to meet its strategic objectives and also has the overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management systems and internal controls to safeguard shareholders' interests and the Group's assets. The Board also considers sustainability issues as part of its strategic formulation.

The Board has adopted internal control guidelines which provide that where appropriate, authority has been delegated to Management to facilitate operational efficiency. Within these guidelines, the Board approves transactions that exceed certain pre-determined thresholds.

In addition, approval of the Board is required for any matters, inter alia, mergers and acquisition, investments and divestments, acquisitions and disposals of assets, major corporate policies on key areas of operations, acceptances of bank facilities, annual budget, release of the Group's half-year and full-year results announcements, interested person transactions of a material nature and matters which are likely to have a material impact on the Group's operating units and/or financial position as well as matters other than in the ordinary course of business.

Delegation of Authority to Board Committees (Provision 1.4)

The Board is supported by the Audit Committee ("AC"), Remuneration Committee ("RC") and Nominating Committee ("NC"), (collectively, "**Board Committees**"). Each Board Committee is chaired by an Independent Director and a majority of the members are Independent Directors. Functions of these Board Committees including their compositions, authorities and duties are clearly written in its Terms of Reference ("**TOR**"), which have been approved by the Board. The Board accepts that while these Board Committees have the delegated power to make decisions, execute actions or make recommendations in their specific areas, the ultimate responsibility is vested in the Board. The TOR of each Board Committee is reviewed periodically and any change to the TOR will require the approval of the Board.

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Board and Board Committees Meetings and Attendance (Provision 1.5)

The Board conducts scheduled meetings at least four times a year. These meetings are scheduled in advance to facilitate the Directors' planning in view of their on-going commitments. The Board will also meet as and when warranted between the scheduled meetings. The Company's Bye-Laws provide for meetings to be held via telephone, electronic or other communication facilities as permit all persons participating in the meetings to communicate with each other simultaneously and instantaneously.

The number of Board and Board Committees meetings as well as general meetings held during FY2024, and the attendance of Directors during these meetings, are as follows:

Meetings	Board	AC	NC	RC	Annual General Meeting	Special General Meeting
Total No. of Meetings held	5	4	1	1	1	1
Directors	No. of Meetings attended					
Hong Qing Liang	4	4 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	1	1
Hong Peng You	5	4 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	1	1
Lim Cheng Kee ⁽²⁾	1	1	1	1	1	–
Qiu Qing Yuan ⁽²⁾	1	1	1	1	1	–
Low See Lien ⁽³⁾	5	4	1	1	1	1
Koh Boon Chiao ⁽⁴⁾	4	3	–	–	–	1
Tsang Ngo Yin ⁽⁴⁾	4	3	–	–	–	1

Notes:

- (1) By invitation.
- (2) Mr. Lim Cheng Kee and Mr. Qiu Qing Yuan resigned as Independent Non-Executive Director at the conclusion of the Company's Annual General Meeting held on 29 April 2024.
- (3) Mr. Low See Lien was appointed as Independent Non-Executive Director with effect from 1 January 2024.
- (4) Mr. Koh Boon Chiao and Ms. Tsang Ngo Yin were appointed as Independent Non-Executive Director on 15 May 2024.

The Company Secretary and/or his representative(s) will administer, attend and prepare minutes of the Board and Board Committees meetings, assist each of the Board's and Board Committees' Chairman in ensuring that the Board's and Board Committees' procedures are followed and reviewed so that the Board and Board Committees function effectively, and ensure that the Constitution of the Company and relevant rules and regulations, including those of the SGX-ST (including the Listing Rules), are complied with.

When a Director has multiple board representations, the NC will consider whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved. The Board and the NC have established a guideline on the maximum number of listed company directorships that each Director is allowed to hold, and this guideline can be found under Provision 4.5 of this report.

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Access to Information (Provision 1.6)

All agendas for the Board and Board Committees meetings are reviewed by the Chairman of the Board and the respective Board Committees. Detailed Board papers and/or other information are forwarded to the Directors before each meeting with sufficient time for their review and consideration. The Board papers include sufficient information from Management on financial, business and corporate issues to enable Directors to be properly briefed on issues to be considered at Board and Board Committees meeting. Management is invited to attend the meetings to present information and/or render clarification when required. Directors may request for explanations, briefings by or discussions with Management on any aspect of the Group's operations or business. When circumstances require, Board members exchange views outside the formal environment of Board meetings.

Access to Management and Company Secretaries (Provision 1.7)

The Board has separate and independent access to Management, the Company Secretary, External Auditors and external advisers as and when required to seek advices and obtain additional information to facilitate their decision making, at the expense of the Company.

The appointment and the removal of the Company Secretary is a decision of the Board as a whole.

The Company Secretary will administer, attend and prepare minutes of the Board and the Board Committees meetings, assist each of the Board and the Board Committees Chairman in ensuring that the Board's and the Board Committees' procedures are followed and reviewed so that the Board and the Board Committees function effectively, and ensures that the Company's Constitution and relevant rules and regulations, including those of the Companies Act and the SGX-ST, are complied with. The Company Secretary ensures the quality, quantity and timeliness of the flow of information within the Board and the Board Committees, and between Management and Independent Directors, and advises the Board on all corporate governance matters, facilitates orientation, and assists with professional development as and when required.

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 decision in the best interests of the company.*

Independent Directors and Non-Executive Directors comprise a majority on the Board (Provisions 2.1 to 2.3)

As at the date of this report, the Board comprises five (5) Directors, three (3) of whom are Independent Directors and two (2) are Executive Directors. The Independent Directors make up a majority of the Board.

The current composition of the Board is as follows:

Board	AC	NC	RC
Executive Directors			
Hong Qing Liang – Executive Chairman	–	–	–
Hong Peng You	–	–	–
Independent Directors			
Low See Lien – Lead Independent Director	Chairman	Member	Member
Koh Boon Chiao	Member	Member	Chairman
Tsang Ngo Yin	Member	Chairman	Member

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As a Group, the Directors bring with them a broad range of expertise and experience in areas such as accounting and finance, business and management experience, industry knowledge, strategic planning experience, industry's customer-based marketing and manufacturing combined provides core competencies necessary to lead and govern the Group effectively. Each Director has been appointed based on the strength of his calibre, experience, industry knowledge and expertise, grasp of corporate strategy and potential to contribute to the Group and its business. The diversity of the Directors' experience allows for the useful exchange of ideas and views during discussions.

Having assessed the size and composition of the Board and Board Committees, the NC, with the concurrence of the Board, is of the view that the current size and composition of the Board is adequate, taking into account the scope of the Group's operations.

None of the Directors has an alternate Director. All Directors are expected to be able to commit time to the affairs of the Company, the NC will generally not support the appointment of an alternate Director.

The Board assesses the independence of Independent Directors in accordance with the requirements of the Code to ensure 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 Group.

Under the Code, an Independent Director is one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company.

Board Composition and Diversity (Provision 2.4)

The Board endeavours to achieve the balance and diversity necessary to maximise its effectiveness as part of its Board diversity policy which endorses the principle that its Board should have the balance of skills, knowledge, experience and other aspects of diversity that support the Company in the pursuit of its strategic and business objectives, and its sustainable development. The policy seeks to promote the inclusion of different perspectives, ideas and insights and ensure that the Company can benefit from all available sources of talent.

In determining the optimum composition and size of the Board and each Board committee, the Board's diversity policy provides for the NC to consider a combination of factors such as skills, knowledge, professional experience, educational background, gender, age, and length of service. The skills, knowledge and experience to be considered include accounting and finance, business and management experience, industry knowledge, strategic planning experience, industry's customer-based marketing and manufacturing combined.

Suitable candidates will then be identified, including through external search firms and the Director's network. External search firms that are engaged, are instructed that diversity is a key criterion in the search and in particular, gender diversity. Female candidates are therefore required to be included for consideration.

Following its assessment of the candidates, the NC will then interview the short-listed candidates. The NC will thereafter make its recommendations to the Board including appointments to the appropriate Board committees after matching the candidates' skills-set to the needs of each Board committee. The Board, taking into account the views of the NC, will consider if the Directors meet the criteria under its Board diversity policy and possess the necessary competencies to govern the Company effectively.

The Board also aims to achieve gender diversity by FY2024. The Board will work closely with the NC to identify and evaluate potential candidates who meet the diversity criteria when appointing new director(s) or Board renewal.

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The Board also recognizes that gender diversity is only one aspect of Board diversity. In terms of qualifications and competencies, members of the Board include seasoned professionals in finance, business and management and strategic planning. The Board believes that its members' different backgrounds, experience, age, gender, tenure of service, and skill sets provide a diversity of perspectives which contribute to the quality of its decision-making. The ultimate decision will be based on merit and contribution that the candidate will bring to the Board. The profiles of the Directors are on pages 39 and 40 and 11 of the Annual Report.

Considering the gender diversity criteria, core competencies and skillsets required amongst others, the NC, together with the Board evaluated potential candidates and appointed Ms. Tsang Ngo Yin, as the Company's female Independent Non-Executive Director, fulfilling the Company's commitment to achieving its diversity target of gender diversity.

The Company remains committed to implementing its Board diversity policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

Meeting of Independent Directors without Management (Provision 2.5)

The Independent Directors, led by Mr. Low See Lien, the Lead Independent Director, meet without the presence of Management as and when the circumstances warrant. In FY2024, the Independent Directors met regularly (without the presence of Management) both formally and informally, to discuss the remuneration packages and incentives for the Executive Directors and KMP, feedback from the External Auditors and other matters. The Lead Independent Director will provide feedback and recommendations arising from these meetings to the Board and Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Chairman and Chief Executive Officer ("CEO") (Provision 3.1)

The Chairman and the CEO are separate persons. The role of Chairman is held by Mr. Hong Qing Liang while the role of CEO is held by Mr. Hong Qing Liang's son, Mr. Hong Shao Lin.

All major proposals and decisions made by the Executive Chairman and CEO are discussed and reviewed by the AC. Their performance and appointment are reviewed periodically by the NC and the remuneration packages are reviewed periodically by the RC. As the AC, NC and RC consist of all Independent directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against a possible concentration of power and authority that a familial relationship exists between the Executive Chairman and the CEO.

Roles of Chairman and CEO (Provision 3.2)

As the Executive Chairman of the Board, Mr. Hong Qing Liang bears responsibility for the effective workings of the Board. He ensures that Board meetings are held when necessary and sets the Board meeting agenda. The Executive Chairman reviews all Board papers before they are presented to the Board and ensures that procedures are in place to provide Directors with timely and comprehensive analyses necessary for exercising informed judgement and decisions. Management staff who have prepared the papers, or who can provide additional insight in the matters to be discussed, are sometimes invited to attend and present the papers at the Board meeting. The Executive Chairman also ensures that the members of the Board work together with the Management team, and have the capability and moral authority to engage Management in constructive debate on various matters, including strategic issues and business planning processes. The day-to-day management functions are performed by senior Management, headed by the CEO.

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As the CEO, Mr. Hong Shao Lin is responsible for the day-to-day management affairs and business operations of the Group. He also ensures that all corporate policies are properly complied with.

Appointment of Lead Independent Director (Provision 3.3)

As recommended by the Code, the Board has appointed Mr. Low See Lien as the Lead Independent Director of the Company, to provide leadership in circumstances where the Chairman is conflicted. Mr. Low See Lien is available to shareholders where they have concerns or issues that are not appropriately dealt with by the Chairman or the CEO. Shareholders may contact the Lead Independent Director, Mr. Low See Lien at seelienlow@gmail.com when they have concerns which contact through the normal channels of the Executive Directors has failed to resolve or for which such contact is inappropriate.

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.*

Composition of the Nominating Committee (Provision 4.2)

As at the date of this report, the NC comprises three (3) members, all of whom (including the NC Chairman) are Independent Directors. The members of the NC are as follows:

Ms. Tsang Ngo Yin (Chairman)
Mr. Koh Boon Chiao
Mr. Low See Lien

Role and Responsibilities of the Nominating Committee (Provision 4.1)

The principal duties and responsibilities of the NC as provided in its TOR are as follows:

- (a) reviewing the structure, size and composition (including the skills, gender, age, qualifications, experience and diversity) of the Board and Board Committees;
- (b) identifying and nominating candidates to fill Board vacancies as they occur;
- (c) recommending membership of the Board Committees to the Board;
- (d) determining annually the independence of the Directors, bearing in mind the circumstances set forth in the Code, Listing Rules of the SGX-ST and any other salient factors;
- (e) evaluating Board's performance as a whole, Board Committees and individual Directors;
- (f) making recommendations to the Board on all Board appointments, re-appointments and re-elections to the Board (including alternate director, if any), depending on the Director's performance, commitment and his/her ability to continue contributing to the Board;
- (g) reviewing and evaluating whether a Director is able to and has been adequately carrying out his duties as a Director, particularly, when he has multiple board representations;
- (h) overseeing induction, orientation, training and professional development programmes for the Board and its Directors;
- (i) reviewing and ensuring there is clear division of responsibilities between the Chairman and CEO;

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- (j) reviewing succession plans for the directors, in particular the appointment and/or replacement of the Chairman, the CEO and KMP; and
- (k) undertaking such other functions and duties as may be delegated by the Board.

For FY2024, the NC reviewed the Board composition, determined the independence of Directors, conducted Board, Board Committees' and Individual Directors' performance evaluation, reviewed Directors' commitments when they have multiple board representations.

Process for selection, appointment and re-appointment of Directors (Provision 4.3)

The NC has adopted a process for the selection and appointment of new Directors. In selecting potential new Directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. External professional help or tagging on the Directors' network may be used to source for potential candidates. The curriculum vitae and other particulars or documents of the nominee or candidate will be given to NC for consideration. The NC will evaluate the suitability of the nominee or candidate based on his or her qualifications, business and related experience, commitment, ability to contribute to the Board process and such qualities and attributes that may be required by the Board. The NC will also meet with the potential candidate before making the nomination to the Board for appointment as Director.

Bye-Law 86 of the Company's Bye-Laws provides that each Director shall retire at least once every three (3) years. In addition, Bye-Law 85(6) of the Company's Bye-Laws provides that any person so appointed by the Board retire at the next AGM of the Company and shall then be eligible for re-election.

Accordingly, Mr. Hong Qing Liang shall be retiring pursuant to Bye-Law 86 of the Company's Bye-Laws whereas Mr. Koh Boon Chiao and Ms. Tsang Ngo Yin shall be retiring pursuant to Bye-Law 85(6) of the Company's Bye-Laws at the forthcoming AGM ("**Retiring Directors**"). The Retiring Directors have consented for re-appointment following their retirement at the forthcoming AGM.

The NC has reviewed and is satisfied that the Retiring Directors are properly qualified for re-appointment by virtue of their skills, experience and contributions.

Accordingly, the NC has recommended to the Board that Mr. Hong Qing Liang be nominated for re-election pursuant to Bye-Law 86 of the Company's Bye-Laws, whereas Mr. Koh Boon Chiao and Ms. Tsang Ngo Yin be nominated for re-election pursuant to Bye-Law 85(6) of the Company's Bye-Laws at the forthcoming AGM. The Board has accepted the NC's recommendation. Details of the Retiring Directors are found in TABLE A set out on pages 63 to 73 of this Annual Report.

The Retiring Directors have abstained from deliberation on the matter regarding their re-election and retirement as a Director of the Company.

The key information regarding Directors such as their academic and professional qualifications, Board Committees on which they have served on, directorships or chairmanships both present and past held over the preceding three (3) years in other listed companies and other major appointments, whether the appointment is executive or non-executive, is set out below. Information on the shareholdings of the Directors in the Company and its subsidiaries can be found on page 74 of this Annual Report.

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Determining Directors' Independence (Provision 4.4)

The independence of each Director is reviewed annually by the NC with the recommendations set out in the Code and the Listing Rules of the SGX-ST. For FY2024, the NC reviewed the independence of Mr. Low See Lien, Mr. Koh Boon Chiao and Ms. Tsang Ngo Yin.

Having conducted rigorous review, the Board, with the concurrence of the NC, considered Mr. Low See Lien, Mr. Koh Boon Chiao and Ms. Tsang Ngo Yin to be independent after having determined that they have no relationship with the Company, its related corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interest of the Company. Mr. Low See Lien, Mr. Koh Boon Chiao and Ms. Tsang Ngo Yin have throughout their appointment, demonstrated strong independence in character and judgment in the discharge of their duties and responsibilities as directors of the Company. They have continued to express their individual viewpoints, debated issues and objectively challenged Management on business decisions with a view to the best interests of the Group.

Each of the Independent Directors abstained from discussion and voting in respect of his independence.

Directors' other directorships and principal commitments (Provision 4.5)

Pursuant to its TOR, the NC is required to determine if a Director has been adequately carrying out his duties as a Director of the Company, particularly if he has multiple Board representations. In view of this, the NC having considered the confirmations received from Mr. Low See Lien, Mr. Koh Boon Chiao and Ms. Tsang Ngo Yin concluded that such multiple Board representations do not hinder each Director from carrying out his duties as a Director of the Company.

In consultation with the NC, the Board has prescribed that each Independent Director should not hold more than five (5) directorships in other public listed companies. The NC had reviewed and was satisfied that no Independent Director had exceeded the maximum limit of listed company board representations in FY2024 and that each Director had given sufficient time and attention to the affairs of the Group and has been able to diligently discharged his duties as a Director of the Company.

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.*

Assessing the effectiveness of the Board, Board Committees and Individual Directors (Provisions 5.1 and 5.2)

The Board has, through the NC, adopted a process to evaluate the effectiveness of the Board as a whole, each Board Committee separately and the individual Directors. The evaluations are carried out by means of completing the relevant questionnaire forms by each Director on an annual basis and the results will be collated by the Company Secretary to be presented to the NC. The findings from the evaluations were analysed and discussed with a view to implementing certain recommendations to further enhance the effectiveness of the Board and Board Committees.

The Board and Board Committees' evaluation cover amongst others, the size and composition of the Board and Board Committees, the accessibility of the Board to information, Board and Board Committees processes and accountability in relation to discharging its principal responsibilities and standards of conduct of the Board members.

Individual Directors' assessment was also conducted in FY2024 whereby each Director was evaluated on his contributions to the Board, initiative, knowledge of senior management's job scope and Group's business, leadership and the support that he lends to Management in steering the Group.

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For FY2024, the performance evaluation of the Board, Board Committees and Individual Directors was carried out in February 2025. Following the review of the assessment, the NC was generally satisfied with the Board, Board Committees and Individual Directors performance evaluation results which indicated areas of strengths and those that could be improved further. No significant issues had been identified. The NC had discussed the results with Board members who agreed to work on area that could be improved further.

The NC did not engage any external facilitator to assist in the annual performance evaluation exercise for FY2024.

(B) 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.*

Composition of the Remuneration Committee (Provision 6.2)

The RC comprises the following three (3) Independent Directors:

Mr. Koh Boon Chiao (Chairman)
Mr. Low See Lien
Ms. Tsang Ngo Yin

Role and responsibilities of the Remuneration Committee (Provision 6.1)

The principal duties and responsibilities of the RC as provided in its TOR are as follows:

- (a) reviewing and recommending to the Board a general framework of remuneration for the Board and KMP and to recommend to the Board the specific remuneration packages and terms of employment for:
 - each Director and KMP of the Group;
 - employees related to Directors, CEO or controlling shareholders of the Group;
 - reviewing Directors' fees, which are subject to shareholders' approval at the AGM; and
 - the service contracts of the CEO and Executive Directors. In the event of termination of Executive Directors and KMP's service contracts, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.
- (b) reviewing all aspects of remuneration, including terminating terms, to ensure they are fair;
- (c) recommending to the Board long-term incentive schemes which may be set up from time to time; and
- (d) undertaking such other functions and duties as may be delegated by the Board.

Remuneration Framework (Provision 6.3)

There is a formal and transparent process for developing executive remuneration and for determining the remuneration packages of individual Directors. No Director is involved in determining his own remuneration.

The RC reviews all matters concerning the remuneration of the Non-Executive Directors to ensure that remuneration commensurate with their contributions, responsibilities and market benchmarks.

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None of the Independent Directors has service contracts or consultancy arrangements with the Company. They are paid Directors' fees based on a structured fee framework reflecting the responsibilities and time commitment of each Director.

The annual quantum of Directors' fees to be paid is also reviewed by the RC and the Board before submission to shareholders for approval at the Company's AGM.

The RC also reviews the remuneration packages of the Executive Directors and the Chief Executive Officer and submits its recommendations to the Board for endorsement. The RC will look at the total remuneration provided which comprises annual fixed salary and variable salary component. The variable salary component is in the form of a variable bonus that is linked to the performance of the Group and the individual's performance.

The RC also reviews the Company's obligations under the service agreements of the Executive Directors and the Chief Executive Officer that would arise in the event of termination of these service agreements to ensure that such service agreements contain fair and reasonable termination clauses.

RC access to expert professional advice (Provision 6.4)

The RC has access to expert professional advice if there is a need to consult externally taking in consideration of the industry's practices and norms in determining compensation. No external consultant was engaged in FY2024.

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 of Executive Directors and KMP (Provisions 7.1 and 7.3)

The remuneration packages are set adequately but not excessively remunerated compared to other comparable companies in the industry in view of present market conditions such that it is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and KMP to successfully manage the Company for the long-term. The remuneration policy adopted takes into account the individual's responsibilities, skills, expertise as well as the Group's performance.

The Executive Directors' and KMP (which includes the CEO) respective service agreements detailed his remuneration packages as well as an automatic one-year renewal clause (unless otherwise terminated by either party giving not less than three (3) months' notice to the other). The performance bonus of the Executive Directors and KMP are linked to the Group's performance which will be reviewed by the RC before submission to the Board for approval. As the Executive Directors and KMP are rewarded based on their achievement of certain key performance indicators and the actual results of the Group, and not on any other assigned incentives, there are no provisions in their service agreements. The RC will when appropriate, review the need to adopt provisions allowing the Company to reclaim incentive components of remuneration from Executive Directors and KMP in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Group.

The RC will carry out an annual review of the remuneration packages of the Executive Directors and KMP to ensure that a significant and appropriate proportion of their remuneration is structured so as to link rewards to corporate and individual performance, giving due regard to the financial health and business needs of the Group, and align with the interest of the shareholders and other stakeholders and promote long-term success of the Group.

The RC after having reviewed, is satisfied with the remuneration packages of the Executive Directors and KMP and recommended the same for Board approval. The Board had approved the RC's recommendation accordingly.

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Remuneration of Independent Directors/Non-Executive Directors (Provision 7.2)

The RC is mindful that remuneration for the Independent Directors should not be excessive, as it may otherwise compromise or reasonably be perceived to compromise, the independence of the Independent Directors. After taking into account factors such as effort and time spent and their roles and responsibilities, the RC, with the concurrence of the Board, is of the view that the current remuneration of the Independent Directors is appropriate to their level of contributions, and would not compromise their independence.

Directors' Fees

The RC has recommended to the Board the payment of Directors' fees amounting to S\$118,928 for FY2025 (2024: S\$111,695), payable half-yearly in arrears.

The recommendation will be tabled at the forthcoming AGM for shareholders' approval. Each of the Directors has abstained from voting in respect of their own remuneration. The RC members has also abstained from deliberation and voting in respect of their own remuneration.

The Company does not have any share option or long-term incentive scheme in place.

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.*

Disclosure of the remuneration of Directors and KMP (Provisions 8.1 and 8.3)

The breakdown of each individual Director's remuneration for FY2024 is as follows:

Name of Directors	Salary	Bonus	Director's fees	Other benefits	Total	Total remuneration (S\$'000)
Hong Qing Liang	90%	–	10%	–	100%	53
Hong Peng You	93%	–	7%	–	100%	71
Lim Cheng Kee	–	–	100%	–	100%	14
Qiu Qing Yuan	–	–	100%	–	100%	8
Low See Lien	–	–	100%	–	100%	41
Koh Boon Chiao	–	–	100%	–	100%	25
Tsang Ngo Yin	–	–	100%	–	100%	11

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Details of remuneration paid to top five (5) KMP of the Group (who are not Directors) for FY2024 are set out below:

Name of KMP	Salary	Bonus	Other benefits	Total	Total remuneration (S\$'000)
Hong Shao Lin – Chief Executive Officer	100%	–	–	100%	181
Hong Shui Ku – Chief of Operations	100%	–	–	100%	21
Ye Mu Gui – Production Manager	100%	–	–	100%	46
Zhang Shang Lian – Sales and Marketing Manager	100%	–	–	100%	75
Lei Zhen Min – Assistant General Manager	100%	–	–	100%	72

The aggregate remuneration paid to the top five (5) KMP (who are not Directors) for FY2024 amounted to S\$394,137.

There are no termination, retirement and post-employment benefits that may be granted to the CEO, the Directors and the top five (5) KMP (who are not Directors).

Taking into account the disclosure of the exact remuneration of the Directors and KMP and the aggregate remuneration paid to KMP, the Board has determined that there is sufficient transparency and information on the remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation consistent with the intent of Principle 8 of the Code.

Disclosure of the remuneration of employees who are substantial shareholders of the Company, immediate family members of a Director, the CEO or a substantial shareholder of the Company (Provision 8.2)

Employees who are immediate family members of a Director, the CEO or controlling shareholders during the year under review are as follows:

- (i) Mr. Hong Shao Lin, son of Mr. Hong Qing Liang (Executive Chairman of the Company), who is employed as Chief Executive Officer of the Company;
- (ii) Ms. Hong Yan Ru, daughter of Mr. Hong Qing Liang, who is employed as Project Manager of the Group; and
- (iii) Madam Zeng Li Ming, spouse of Mr. Hong Peng You (an Executive Director of the Company), who is employed as Accounts cum Administrator of the Group.

Save for Mr. Hong Shao Lin whose remuneration amounted to approximately S\$181,000 (disclosed above), none of the above-mentioned employees' remuneration exceeded S\$100,000 for FY2024.

CORPORATE GOVERNANCE REPORT

(C) 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.*

Design, implementation and monitoring of risk management and internal control systems and formation of a Board Risk Committee to address significant risks (Provision 9.1)

The Board has overall responsibility for the risk management and internal controls of the Group. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation to ensure that Management maintains a sound system of risk management and internal controls to safeguard the Group's assets and shareholders' interests.

The Board, assisted by the AC, evaluate the adequacy and effectiveness of the Group's internal controls and risk management system. The Group does not have a separate Risk Management Committee. In line with recommendations of the Code on internal controls and risk management, the Board has designated Mr. Hong Shui Ku, the Chief of Operations of the Group to oversee the risk management of the Group.

The Group's Internal and External Auditors have, during the course of their respective audits, conducted an annual review of the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management policies and systems established by Management. Any non-compliance or weaknesses in internal controls recommended for improvements are reported to the AC. The AC will also review the effectiveness of the actions taken by Management on the recommendations made by the Internal and External Auditors and ensures that there are follow-up actions on the implementation. The adequacy and effectiveness of the internal financial control systems and procedures at present are monitored by Management.

The Board recognises that no internal controls system will preclude all errors and irregularities as a system is designed to manage rather than eliminate the risk of failure to achieve business objects, and can provide only reasonable and not absolute assurance against material misstatement or loss.

For FY2024, the Group's Internal Auditors were also engaged to review the Group's business and operational activities and identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. On an annual basis, the Internal Auditors' report and the risk management report are presented to the AC on significant matters arising from the said review and counter measures to mitigate the identified risks potential risks. There were no material deficiencies arising from the review.

Written assurance on adequacy and effectiveness of internal controls (Provision 9.2)

The Board has received written assurance from:

- (a) the CEO and Director of Finance and Administration that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the CEO and other KMP who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the reviews conducted by the Internal Auditors and External Auditors, written assurance of Management, the Board, with the concurrence of the AC, is of the opinion that the internal controls and risk management systems addressing financial, operational, compliance and information technology controls are adequate and effective.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

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

Composition of the Audit Committee (Provision 10.2)

The AC comprises the following three (3) Independent Directors:

Mr. Low See Lien (Chairman)
Mr. Koh Boon Chiao
Ms. Tsang Ngo Yin

Expertise of AC members

The Board is of the view that the AC members have the relevant expertise to discharge the functions of an AC. A majority of the AC members bring with them recent and relevant accounting or related financial management expertise or experience, which are appropriately qualified to discharge its duties objectively. Reasonable resources have been made available to the AC to enable them to discharge their duties. The AC members also take measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements through attendance at trainings and updates by professionals and the Company's External Auditors.

Former partner or Director of the Company's existing auditing firm (Provision 10.3)

In compliance with the Code, none of the AC members was a former partner of the Company's existing External Auditors within the previous two years or has any financial interest in the firm.

Duties of AC and activities of the AC (Provision 10.1)

The AC met four (4) times in FY2024, and as and when deem appropriate, to carry out its principal functions as provided in its TOR:

- (a) reviews the half year and full year financial statements of the Group before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with statutory and regulatory requirements;
- (b) reviews with the External Auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulation, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's responses thereto;
- (c) reviews and approves the internal and external audit plans and results of their audits and recommendations as well as Management's responses thereto;
- (d) reviews the assistance given by Management to the Internal and External Auditors to facilitate their audits and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management at least once a year and where necessary);
- (e) reviews and approves the appointment or re-appointment of Internal and External Auditors and matters relating to resignation or dismissal of the auditors;
- (f) reviews interested person transactions;
- (g) reviews annually the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the External Auditors annually;

CORPORATE GOVERNANCE REPORT

- (h) reviews the effectiveness and adequacy of internal controls, including financial, operational, compliance and information technology controls and risk management system;
- (i) ensures that arrangements are in place for staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties in financial reporting or, other matters;
- (j) reviews potential conflicts of interests, if any;
- (k) undertakes such other functions and duties as may be required by the statute or the Listing Rules of the SGX-ST;
- (l) meets with the External Auditors and Internal Auditors without the presence of Management to discuss the results of their findings and communicated with the Internal Auditors to discuss their evaluation of the Group's internal controls and risk management systems, set out in their respective reports;
- (m) ascertains that both the Internal and External Auditors have had the full co-operation of Management in carrying out their audits of the Group;
- (n) keeps abreast of accounting standards and issues that could potentially impact financial reporting through updates and advice from the External Auditors;
- (o) ensures that Company had complied with Rule 712 of the Listing Rules of the SGX-ST in relation to the appointment of a suitable auditing firm to meet its audit obligations. RT LLP, the appointed External Auditors of the Group, is registered with Accounting and Corporate Regulatory Authority and is a member of RT ASEAN.

Together with the Audit Engagement Partner and his team assigned to the particular audit, the AC was satisfied that the resources and experience of RT LLP, the Audit Engagement Partner and his team assigned to the audit were adequate to meet their obligations, given the size, nature and operations of the Group;

- (p) ensures that the Company had complied with Rule 715 of the Listing Rules of the SGX-ST in relation to the appointment of the same auditing firm based in Singapore to audit its accounts, its significant foreign-incorporated subsidiaries;
- (q) reviews interested person transactions;
- (r) reviews the implementing process of the Company's sustainability report; and
- (s) reviews the whistle-blowing policy.

The AC has the requisite powers to conduct or authorise investigation into any of the above-mentioned matters. The AC has full access to and co-operation by Management and also has full discretion to invite any Director or Management to attend its meetings as well as reasonable resources to enable it to discharge its duties and functions properly.

Independence of External Auditors

Audit services rendered by the External Auditors amounted to S\$320,000 for the FY2024 audit. In FY2024, the External Auditors was engaged to assist in drafting the Sustainability Report for S\$20,000. Apart from the aforementioned, no other non-audit services were rendered by the External Auditors.

The AC has reviewed the non-audit services provided by the External Auditors and is satisfied with the independence of the External Auditors. The External Auditors have also affirmed their independence in this respect.

CORPORATE GOVERNANCE REPORT

Key Audit Matters

In the review of the Group's FY2024 financial statements, the AC has discussed with Management and the External Auditors on significant issues and assumptions that impact the financial statements. The significant financial reporting matters have also been identified and included in the Independent Auditors' Report to the shareholders of the Company under "Key Audit Matters".

The AC had reviewed the key audit matters and concurred with the audit procedures adopted by the External Auditors as well as Management's assessment, and is satisfied that the key audit matters have been appropriately dealt with and recommendation was made by the AC to the Board to approve the financial statements.

Whistleblowing Policy

The AC has also put in place a whistleblowing policy on financial improprieties or other matters whereby staff of the Group and any other persons may raise in confidence and ensure that arrangements are in place of independent investigations of such matters and follow up actions. Complaints or suspicion of impropriety can be made in the form of emails or telephone to the AC Chairman.

The AC Chairman who receives the report will assess the allegations to determine whether it warrants an investigation. Investigators will be designated by the AC Chairman. All reported whistleblowing incidents or concerns will be independently investigated and remedial actions will be taken to address the whistleblowing incidents. Identity of the whistleblower will be kept highly confidential. No disciplinary or personal action will be taken against the whistleblower for the allegations made in good faith and in absence of malice. There were no whistleblowing incidents received in FY2024.

Internal Audit (Provision 10.4)

The Group has outsourced its internal audit function to an external audit firm, Xiamen De Cheng Accounting Co. Ltd (the "**Internal Auditor**"), in the PRC. The AC approves the hiring, removal, evaluation and compensation of the accounting/auditing firm to which the internal audit function is outsourced. The Internal Auditor reports directly to the AC Chairman on internal audit matters and to the CEO on administrative matters. The role of the Internal Auditor is to assist the AC to ensure that the Group maintains a sound system of internal controls by regular monitoring key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular in-depth audits of high-risk areas.

The annual internal audit plan is prepared in consultation with, but independent of Management, and submitted to the AC for approval. The AC ensures that the internal audit function has appropriate standing within the Company. The Internal Auditor reports directly to the AC and the findings and recommendations made have been adequately followed through and implemented by Management in the financial year. The AC participates in and approves the hiring, removal, evaluation and compensation of the internal audit function. The Internal Auditor is given unfettered access to all company documents, records, properties and personnel, including access to the AC. The adequacy and effectiveness of the outsourced internal audit function is reviewed by the AC at least annually. In doing so, the AC takes into consideration the service level, attentiveness, professionalism and calibre of the assigned personnel who carried out the internal audit activities during the financial year. The AC is satisfied that the internal audit function is independent, adequately resourced and effective.

CORPORATE GOVERNANCE REPORT

Meeting with External Auditor and Internal Auditor (Provision 10.5)

For FY2024, the AC met with the External and Internal Auditors without the presence of Management to discuss any issues they may have (including suspected fraud or irregularity, or suspected infringement of any applicable law, rules or regulations) which has, or is likely to have, a material impact on the Group's operating results or financial position and Management's response thereof.

Both the External and Internal Auditors confirmed that they had access to and received full co-operation and assistance from Management and no restrictions were placed on the scope of their audit.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: *The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

Participation of shareholders at general meetings (Provision 11.1)

In line with its continuing disclosure obligations, the Group is committed to maintaining regular and pro-active communication with shareholders.

The Company is aware of its obligations to shareholders in providing information regarding any changes in the Group's business which would likely to materially affect the price or value of the Company's shares.

The Group monitors the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis. Results and annual report are announced within the mandatory period via SGXNet. The Company does not practice selective disclosure.

The Company's principal forum of dialogue with shareholders takes place at its general meetings. Shareholders are invited to attend shareholders' meetings to put forth any questions they may have on the motions to be debated and decided upon. The notice of AGM or Special General Meeting ("**SGM**") (as the case may be) is despatched to shareholders, together with explanatory notes, at least 14 or 21 days before the meeting (as the case may be). Each item under Special Business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolutions. At the shareholders' meetings, shareholders are given the opportunity to voice their views and seek clarification on issues relating to the business as outlined in the meeting agenda.

Separate resolutions at general meetings on each substantially separate issue (Provision 11.2)

At shareholders' meetings, each distinct issue is proposed as a separate resolution. The Company adheres to the requirements of the Listing Rules of the SGX-ST, all resolutions at the Company's shareholders' meetings are put to vote by poll. The detailed results showing the number of votes cast for and against each resolution are announced via SGXNet after the meetings.

Attendance at general meetings (Provision 11.3)

All Directors, including the Chairman of the Board and the respective Chairmen of AC, RC and NC, as well as External Auditors will endeavor to be present at the shareholders' meetings to address shareholders' queries on issues relevant to the Company and resolutions proposed at the AGMs. The Directors' attendances at general meetings of shareholders held in FY2024 are disclosed on page 44 of the Annual Report.

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Following the legislative amendments and taking into account SGX guidance, the forthcoming AGM to be held in respect of FY2024 will be convened and held in a wholly-physical format. Shareholders will not be able to participate by way of electronic means at the forthcoming AGM. Further information regarding the arrangements for the forthcoming AGM are set out in the Notice of AGM on pages 152 to 156 of this Annual Report. In order to facilitate shareholders' votes and to allow shareholders to make an informed decision on the resolutions to be tabled at the relevant general meeting, the Company addressed all substantial and relevant questions received from shareholders in advance of the relevant general meeting (by the deadline announced by the Company for submission of questions in advance), by publishing its responses to such questions on the Company's website and on SGXNET before the deadline for the submission of proxy forms, in line with regulatory guidance.

Absentia voting (Provision 11.4)

If any shareholder is unable to attend, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the meeting through proxy forms. The duly completed proxy form is required to be deposited at the Group's share transfer agent's office or sent by email to the Company at least seventy-two (72) hours before the shareholders' meeting. The Company is not implementing absentia voting methods such as voting via mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved. An exception is made for the forthcoming AGM to be held in respect of FY2024, at which shareholders shall be allowed to submit their proxy forms via electronic means.

Minutes of general meetings (Provision 11.5)

Minutes of general meetings prepared by the Company Secretary records substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and Management. In addition, the minutes of general meetings are also published on SGXNet within one (1) month after the general meetings. Minutes of the upcoming AGM will accordingly be published within one (1) month after the AGM on SGXNet.

Dividend Policy (Provision 11.6)

The Company does not have a formal dividend policy. The Company takes into account the Group's operating results, financial position, working capital requirements and any other relevant considerations as the Board may deem appropriate. No dividend was proposed by the Board for FY2024 as the Company intends to conserve cash for its operational needs.

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:*

Communication with shareholders (Provision 12.1)

The Company believes that a high standard of disclosure is key to good corporate governance. The Company endeavours to provide shareholders with fair, relevant, comprehensive and timely information regarding financial results and other material information relating to the Group.

To enable shareholders and investors to make informed investment decisions, shareholders are notified in advance of the date of release of the Group's financial results through announcement on SGXNet.

CORPORATE GOVERNANCE REPORT

During FY2024, information was communicated to the shareholders on a timely and non-selective basis through:

- (a) SGXNET announcements;
- (b) half year and full year financial statements containing a summary of the financial information and affairs of the Group via SGXNet;
- (c) annual reports; and
- (d) notices and explanatory notes for shareholders' meetings.

Investor Relations (Provisions 12.2 and 12.3)

The Board embraces openness and transparency in the conduct of Company's affairs, whilst safeguarding its commercial interests. The Company has in place an Investor Relations Policy which the Company formally adopted in February 2025, which sets out the process and mechanism to engage its shareholders, including the channel of communication for questions to be posed by shareholders and through which the Company may respond accordingly. Shareholders can provide their enquiries and feedback to the Company via email feedback to oilinfxcg@gmail.com. Latest news and developments about the Company are available at the Company's website at <http://www.3fzipper.com>.

(E) 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.*

Material stakeholder groups (Provision 13.1)

The Board recognises the interests of other parties such as shareholders, customers, employees, business partners, governments and regulators, suppliers and communities are essential as part of value creation for the Group to ensure business is sustainable. The Group has in place a process to identify the major stakeholders, their needs and effective communication channels to engage these stakeholders to strike a balance between its business and interests of its stakeholders. Effective stakeholder engagement would enhance better understanding on their needs and incorporate these into the Group's corporate strategy.

Management of stakeholder relationships (Provision 13.2)

The Group engages with the key stakeholders through various means. Details of the approach to stakeholder engagement have been provided in the Company's Sustainability Report.

Corporate website to communicate and engage with stakeholders (Provision 13.3)

While the Company does not maintain a corporate website, stakeholders can reach out to the Company through email feedback to oilinfxcg@gmail.com.

CORPORATE GOVERNANCE REPORT

(F) DEALINGS IN SECURITIES

The Group has put in place internal compliance code of conduct to provide guidance to its officers regarding dealings in the Company's securities and implications of insider trading in compliance with Rule 1207(19) of the Listing Rules of the SGX-ST. The Company, Directors and Officers are prohibited from dealing in securities of the Company two (2) weeks before the release of the quarterly results (whether on a voluntary basis or if so required to do so under the relevant Listing Rules of the SGX-ST); otherwise, it will be at least one (1) month before the release of the Company's half-year and full-year results, and at all times if the Directors and Officers are in possession of unpublished material price-sensitive information and on short term considerations.

(G) INTERESTED PERSON TRANSACTIONS ("IPT")

The Group has established procedures to ensure that IPTs are reported in a timely manner to the AC and such transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. For the financial year reported on, there were no interested person transactions which exceeded the threshold limits set out under Chapter 9 of the Listing Rules of the SGX-ST and no announcement or shareholders' approval was therefore required.

(H) MATERIAL CONTRACTS

Save for the Service Agreements entered into with the Executive Directors and CEO, there was no material contract entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director or controlling shareholder of the Company for FY2024.

CORPORATE GOVERNANCE REPORT

Table A

Information on Director nominated for re-election/re-appointment – Appendix 7.4.1 of the Listing Rules of the SGX-ST

Name of Director	Mr. Hong Qing Liang (“Mr. Hong”)
Date of Appointment	19 December 2006
Date of last re-Appointment (if applicable)	30 June 2022
Age	63
Country of principal residence	China
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. Hong as Executive Chairman was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr. Hong’s contribution to the Group.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr. Hong is the Group’s Co-Founder and Executive Chairman, responsible for formulating our Group’s business strategies and initiatives.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman
Professional qualifications	<ul style="list-style-type: none"> – Vice President of China Zipper Association – Chairman of the Zipper Hardware Industry Association of Long Hu Town, Jinjiang City
Working experience and occupation(s) during the past 10 years	Executive Chairman in the listed issuer since 19 December 2006.
Shareholding interest in the listed issuer and its subsidiaries	10,068,460 shares in the listed issuer
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal commitments* Including directorships# * “Principal Commitments” has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Rule 704(9) of the Listing Rules of the SGX-ST	
Past (for the last 5 years)	Nil
Present	Nil

CORPORATE GOVERNANCE REPORT

Information required

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.

- (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him 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?
- (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?
- (c) Whether there is any unsatisfied judgment against him?
- (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?
- (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?
- (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?
- (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?
- (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?
- (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?

CORPORATE GOVERNANCE REPORT

- (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?
- (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?

Mr. Hong has individually given a negative disclosure on each of the above items (a) to (k).

Disclosure applicable to the appointment of Director only.

Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Not applicable for Mr. Hong as this is a re-election/re-appointment of director.

CORPORATE GOVERNANCE REPORT

Name of Director	Mr. Koh Boon Chiao (“Mr. Koh”)
Date of Appointment	15 May 2024
Date of last re-Appointment (if applicable)	N.A.
Age	45
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. Koh as Independent Director of the Company was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr. Koh’s experience and 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 (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of Remuneration Committee, Member of the Audit Committee and Nominating Committee
Professional qualifications	<ul style="list-style-type: none"> – National University of Singapore, Faculty of Law Bachelor of Laws, Second Class Honours – Called to the Singapore Bar
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> – January 2024-Present– Special Counsel, Mishcon de Reya LLP – May 2022 to December 2023 – General Counsel, Yangzijiang Financial Holding Ltd. – October 2021 to April 2022 – Head of Legal, EYD Research Pte. Ltd. – – March 2021 to October 2021 – Head of Legal, Digitrade Fintech Pte. Ltd. – August 2020 to March 2021 – Assistant General Counsel, MindChamps PreSchool Singapore Pte. Ltd. – March 2019 to August 2020 – Head of Legal, ICHX Tech Pte. Ltd. – March 2018 to February 2019 – Head of Legal, TenX Pte. Ltd. – July 2016 to February 2018 – Assistant Vice President, Parkway Pantai Limited – October 2010 to July 2016 – Senior Associate Partner, Rodyk & Davidson LLP

CORPORATE GOVERNANCE REPORT

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	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal commitments* Including directorships# * “Principal Commitments” has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Rule 704(9) of the Listing Rules of the SGX-ST	
Past (for the last 5 years)	<ul style="list-style-type: none"> – March-December 2021– Independent Director, Camsing Healthcare Limited – September 2019-August 2022– Independent Director, Snack Empire Holdings Limited
Present	<ul style="list-style-type: none"> – March 2025 to Present, AM Group Holdings Limited

CORPORATE GOVERNANCE REPORT

Information required

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.

- (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him 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?
- (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?
- (c) Whether there is any unsatisfied judgment against him?
- (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?
- (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?
- (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?
- (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?
- (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?
- (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?

CORPORATE GOVERNANCE REPORT

- (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?
- (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?

Mr. Koh has individually given a negative disclosure on each of the above items (a) to (k).

Disclosure applicable to the appointment of Director only.

Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Not applicable for Mr. Koh as this is a re-election/re-appointment of director.

CORPORATE GOVERNANCE REPORT

Name of Director	Ms. Tsang Ngo Yin (“Ms. Tsang”)
Date of Appointment	15 May 2024
Date of last re-Appointment (if applicable)	N.A.
Age	51
Country of principal residence	Hong Kong
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Ms. Tsang as Independent Director of the Company was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Ms. Tsang’s experience and contribution since she was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of Nominating Committee, Member of the Audit Committee and Remuneration Committee
Professional qualifications	<ul style="list-style-type: none"> – Bachelor’s Degree in Business Administration, Simon Fraser University, Canada – Bachelor’s Degree in Law, Tsinghua University, People’s Republic of China – Master’s Degree in Law, University of Wolverhampton, United Kingdom – Member of the American Institute of Certified Public Accountants – Member of the Hong Kong Institute of Certified Public Accountants
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> – June 2023 to Present – Company Secretary and Chief Financial Officer, HG Semiconductor Limited – November 2020 to May 2023 – Company Secretary and Chief Financial Officer, DTXS Silk Road Investment Holdings Company Limited

CORPORATE GOVERNANCE REPORT

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	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal commitments* Including directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Rule 704(9) of the Listing Rules of the SGX-ST	
Past (for the last 5 years)	– December 2016 to June 2021 – Independent Non-Executive Director, Standard Development Group Limited
Present	– December 2024 to Present – Independent Non-Executive Director, Sunway International Holdings Limited – October 2021 to Present – Independent Director, Fu Shek Financial Holdings Limited – May 2020 to Present – Independent Director, China Liberal Education Holdings Limited

CORPORATE GOVERNANCE REPORT

Information required

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.

- (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him 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?
- (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?
- (c) Whether there is any unsatisfied judgment against him?
- (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?
- (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?
- (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?
- (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?
- (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?
- (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?

CORPORATE GOVERNANCE REPORT

- (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?
- (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?

Ms. Tsang has individually given a negative disclosure on each of the above items (a) to (k).

Disclosure applicable to the appointment of Director only.

Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Not applicable for Ms. Tsang as this is a re-election/re-appointment of director.