26 EMPLOYEES

Target Company

As at the Latest Practicable Date, the Target Company has a workforce of 136 full-time employees who are all located in Singapore.

The breakdown of the number of full-time employees of the Target Company by business function as at 31 December 2023, 31 December 2024, 31 December 2025 and as at the Latest Practicable Date is as follows:

Function	Number of full-time employees as at			
	31 December 2023	31 December 2024	31 December 2025	Latest Practicable Date
Management	2	2	2	2
Administration, Finance, Marketing and Human Resource	1	11	16	11
Quantity Surveying and Procurement	2	8	9	6
Project	57	91	123	117
Total	62	112	150	136

As at the Latest Practicable Date, none of the Target Company's employees are related to the Proposed New Board and Substantial Shareholders.

As at the Latest Practicable Date, other than the amounts set aside or accrued as required for compliance with the applicable laws of Singapore, no amounts have been set aside or accrued by the Target Company to provide for pension, retirement or similar benefits for any of its employees.

The Target Company does not hire a significant number of temporary employees.

The Target Company's employees are not unionised. The relationship and cooperation between the management team and staff have been good and is expected to continue to remain so in the future. There has not been any incidence of work stoppages or labour disputes which affected the Target Company's operations.

General

Any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of the New Remuneration Committee. In the event that a member of the New Remuneration Committee is related to the employee under review, he will abstain from the review.

No remuneration was paid or is to be paid to any of the Proposed New Board, Proposed New Executive Officers or employees through any arrangement that involves the issue or grant of options or shares or any other securities or securities-based derivatives contracts of the Target Company.

27 CORPORATE GOVERNANCE

27.1 Board Practices

The Proposed New Board recognises the importance of corporate governance to the Shareholders and will use their best efforts to implement the good practices recommended in the Code of Corporate Governance 2018.

Following the appointment of the Proposed New Board, the Company will have seven (7) Directors, of which four (4) will be Independent Directors.

Save as disclosed in the section titled *"New Nominating Committee"* of the Target Company's Letter to Shareholders, none of the Proposed Independent Directors have any existing business or professional relationship of a material nature with the Enlarged Group, members of the Proposed New Board and/or the Substantial Shareholders of the Enlarged Group. Save as disclosed below, none of the Proposed Independent Directors are related to any of the current Directors, the Proposed New Board and/or Substantial Shareholders of the Enlarged Group.

The Proposed New Board will have overall responsibility for the corporate governance of the Enlarged Group so as to protect and enhance long-term Shareholder value. It will set the overall strategy for the Enlarged Group and supervise executive management and monitor their performance. Apart from its statutory responsibilities, the Proposed New Board will be responsible for:

(a) reviewing the financial performance and condition of the Enlarged Group;

(b) approving the Enlarged Group's strategic plans, key operational initiatives, major investment and funding decisions; and

(c) identifying principal risks of the Enlarged Group's business and ensuring the implementation of appropriate systems to manage the risks.

The Proposed New Board will hold half-yearly meetings every year, with additional meetings for particular matters convened when necessary. The Proposed New Board will also periodically review the internal controls and risk management systems of the Enlarged Group to ensure that there are sufficient guidelines and procedures in place to monitor its operations.

The Proposed New Board will continue to implement a policy of providing full disclosure of material corporate information as commercially appropriate through announcements, press releases, Shareholders' circulars as well as through the interim and annual financial results announcements.

Every Director on the Proposed New Board will be expected, in the course of carrying out his duties, to act in good faith, provide insights and consider at all times the interests of the Company.

All other matters will be delegated to various committees whose actions will be monitored by the Proposed New Board. These committees include the New Audit and Risk Committee, the New Nominating Committee and the New Remuneration Committee. Each committee operates within clearly defined terms of reference and functional procedures. Please see sections titled "*New Audit and Risk Committee*", "*New Nominating Committee*" and "*New Remuneration Committee*" respectively of this Target Company's Letter to Shareholders.

27.2 **Lead Independent Director**

In view of the Proposed Non-Executive and Non-Independent Chairman, Mr. Alvin Lim, not being regarded as independent, in accordance with the Code of Corporate Governance 2018, the proposed Lead Independent Director of the Company upon Completion is Mr. Kenny Sim.

As the proposed Lead Independent Director, Mr. Kenny Sim will be available to Shareholders where they have concerns for which contact through the normal channels of communication with the Non-Executive and Non-Independent Chairman and management are inappropriate or inadequate.

27.3 **New Audit and Risk Committee**

The New Audit and Risk Committee will comprise Mr. Cheah Wee Teong, Mr. Kenny Sim and Mr. Stanley Lee. The chairman of the New Audit and Risk Committee will be Mr. Cheah Wee Teong.

The New Audit and Risk Committee will assist the board of Directors in discharging its responsibility to safeguard the Enlarged Group's assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that the management creates and maintains an effective control environment in the Enlarged Group. The New Audit and Risk Committee shall meet, at a minimum, twice a year.

The New Audit and Risk Committee will provide a channel of communication between the Directors, the management and the external auditors on matters relating to audit. The New Audit and Risk Committee shall meet periodically to perform the following functions:

(a) review the audit plans and scope of work of the external auditors and internal auditors, the results of the external and internal auditors' review and evaluation of the Enlarged Group's system of internal controls, and their management letters on the internal controls and the management's response, and monitor the implementation of the internal control recommendations made by the external and internal auditors (including undertaking a follow up review of the internal control recommendations made by Yang Lee & Associates, engaged by the Target Company to conduct an internal control review in preparation for the Proposed Acquisition);

(b) commission an annual internal controls audit post-RTO (such review to be carried out internally or with the assistance of any competent third parties) and submit to the board of Directors, at least annually, the findings of such internal controls audit in relation to the adequacy and effectiveness of the Enlarged Group's internal controls (addressing financial, operational, compliance and information technology risks) and risk management systems, including recommending to the board of Directors policies to be developed that would enhance the Enlarged Group's internal controls and risk management systems, and discuss issues and concerns, if any, prior to disclosure of information and the incorporation of the Directors' comments in the Enlarged Group's annual report, including the systems and internal controls monitoring the Enlarged Group's compliance with its loan covenants. The board of Directors will report to the Sponsor and SGX prior to decommissioning such internal controls audit and such report shall include the bases for the decision as well as the measures taken to rectify key weaknesses and/or strengthen the internal controls;

(c) review the adequacy, effectiveness, independence, scope and results of the external audit and the Enlarged Group's internal audit function, including ensuring that the internal audit function has appropriate standing and has unfettered access to all documents, records, properties and personnel, including the New Audit and Risk Committee;

(d) make recommendations to the board of Directors on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional parties;

(e) review the interim financial results and annual consolidated financial statements and the external auditor's report on the annual consolidated financial statements, and review and discuss any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with Singapore financial reporting standards as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits, to ensure the integrity of the financial statements of the Enlarged Group and any announcements relating to the Enlarged Group's financial performance, before submission to the board of Directors for approval;

(f) meet with the external auditor, and with the internal auditor, in each case without the presence of the management, at least annually;

(g) review and discuss with the Enlarged Group's external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Enlarged Group's operating results or financial position and the management's response;

(h) review and ensure the co-ordination among the Enlarged Group's internal auditor, external auditor and management, including assistance given by management to the auditors;

(i) consider the independence and objectivity of the external auditor, taking into account the non-audit services provided by the external auditor and the fees paid for such non-audit services, if any;

(j) review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules, and approve interested person transactions where the value thereof amounts to 3.0% or more of the latest audited NTA of the Enlarged Group (either individually or as part of a series or aggregated with other transactions involving the same interested person during the same financial year), or any agreement or arrangement with an interested person that is not in the ordinary course of business of the Enlarged Group, prior to the Enlarged Group's entry into the transaction, agreement or arrangement, and ensure that such interested person transactions are properly disclosed and/or reported to Shareholders in accordance with the requirements of the Catalist Rules;

(k) review the IPT Mandate on an annual basis prior to each annual general meeting, with respect of its continued application to the Mandated Transactions with the Mandated Interested Persons, as well as to review the internal audit reports on Mandated Transactions annually, and ensure proper disclosure and reporting to Shareholders on the IPT Mandate and Mandated Transactions in accordance with the requirements of the Catalist Rules;

(l) review and monitor the Enlarged Group's transactions with the Vendor and/or their associates on an internal basis, to ensure that such transactions are not prejudicial to the interest of the Company and its minority Shareholders;

(m) make recommendations to the board of Directors on the proposals to the Company's Shareholders with regard to the appointment, re-appointment, removal and resignation of the internal and external auditors, and the remuneration and terms of engagement of the internal and external auditors;

(n) review and approve the Enlarged Group's hedging policies (if any), and conduct periodic reviews of the hedging policies, together with the transactions and hedging activities undertaken by the Enlarged Group;

(o) review the Enlarged Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules and the Code of Corporate Governance 2018, including such amendments as may be made thereto from time to time;

(p) review any potential conflicts of interests and set out a framework to resolve or mitigate such potential conflicts of interests, and monitor compliance with such framework;

(q) establish and review the policy and arrangements by which employees of the Enlarged Group or any other persons may safely raise concerns about possible improprieties in financial reporting or other matters and ensure that there are arrangements in place for independent investigation of such concerns and appropriate follow-up actions in relation thereto, and ensure that the Enlarged Group publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;

(r) review the assurance from the CEO and the Financial Controller on the financial records and financial statements;

(s) assisting the board of Directors in the discharge of its responsibilities on financial reporting matters;

(t) review of the Enlarged Group's financial risk areas, with a view to providing an independent oversight on the Enlarged Group's financial reporting, with the outcome of such review to be disclosed in the annual reports, or if the findings are material, to be immediately announced via SGXNET;

(u) review and establish procedures for receipt, retention and treatment of complaints received by the Enlarged Group, *inter alia*, criminal offences involving the Enlarged Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Enlarged Group;

(v) reviewing the risk profile of the Enlarged Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the board of Directors;

(w) undertake such other reviews and projects as may be requested by the board of Directors and report to the board of Directors its findings from time to time on matters arising and requiring the attention of the New Audit and Risk Committee;

(x) monitor whether the terms of the non-competition deeds (if any), the LBD Engineering Undertaking and the Soil Disposal Undertakings provided to the Company have been complied with;

(y) review and approve transactions falling within the scope of Chapter 10 of the Catalist Rules (if any);

(z) review the job scope and responsibilities of related employees and resolve or mitigate any actual or potential conflicts of interest;

(aa) assess the performance of the Enlarged Group's Financial Controller, for the relevant period, on an annual basis to determine his suitability for the position; and

(bb) undertake such other functions and duties as may be required by statute or the Catalist Rules.

Apart from the duties listed above, the New Audit and Risk Committee 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 law, rule or regulation which has or is likely to have a material impact on the Enlarged Group's operating results and/or financial position. Each member of the New Audit and Risk Committee shall abstain from reviewing and deliberating on any transactions or voting on any resolutions in respect of matters in which he is interested.

Pursuant to the completion of the Proposed Transactions, the business of the Enlarged Group will comprise wholly of the business of the Target Company. Therefore, in preparation for the Proposed Acquisition, the Target Company has commissioned Yang Lee & Associates as internal auditor to conduct an internal control review of key business processes for identifying gaps within the internal controls framework and recommending controls improvement plans to the Target Company. The internal control scope of the review was based on the materiality and determined in consultation with the Sponsor considering the nature of business and key business processes of the Target Company which include general control environment, corporate governance and regulatory compliance, operations (security, facility, health and safety), project management, revenue and receivables, procurement and payments, inventory management, contract management, compliance monitoring including the Personal Data Protection Act 2012 of Singapore, human resource and payroll management, fixed asset management, IT and system data protection, cash and bank management, financial accounting and budgeting and follow-up review.

Following the completion of the Proposed Transactions, the Company will implement or adopt the same controls that the Target Company has put in place. The Company will continue to engage Yang Lee & Associates to conduct its annual internal audits post Completion.

The New Audit and Risk Committee has held discussions with Mr. Dylan Wong, the proposed new Financial Controller and the internal auditor in relation to the Target Company's internal controls. The Proposed New Board has noted that no internal control weakness had been raised by the external auditors in the course of their audit of the Target Company's financial statements for FY2023, FY2024 and FY2025. The Proposed New Board also noted that the internal auditor has reviewed the implementation of the recommendations for observations raised in relation to the Target Company's internal control weaknesses and noted that management has implemented the recommendations as agreed. As such, based on the internal control review report, there was no internal control weakness not addressed by the management of the Target Company relating to the Target Company's systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems that remained unresolved.

Based on the foregoing, the risk management system and internal controls established and maintained by the Target Company, work performed by the internal and external auditors, and reviews performed by management, the Proposed New Board, after making all reasonable enquiries and to the best of its knowledge and belief, with the concurrence of the New Audit and Risk Committee, is satisfied that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems of the Target Company are adequate and effective as at the Latest Practicable Date to address the financial, operational, compliance and information technology risks which the Target Company considers relevant and material to its operations.

Proposed Financial Controller

Mr. Dylan Wong joined the Vendor in June 2025 and formally joined the Target Company in December 2025. The New Audit and Risk Committee, after having conducted an interview with Mr. Dylan Wong, the proposed Financial Controller (which is the equivalent rank of a chief financial officer) and taking into consideration the following in forming its opinion:

(a) noted that Mr. Dylan Wong is a member of the Association of Chartered Certified Accountants since 2022;

(b) considered the qualifications and past working experience of Mr. Dylan Wong (as described in Section 26.3 titled "*Proposed New Executive Officers*" of this Target Company's Letter to Shareholders) in particular, his past experience in preparing financial statements;

(c) noted that Mr. Dylan Wong is an accredited tax practitioner in GST and Income Tax of the Singapore Chartered Tax Professionals since 2023;

(d) observed Mr. Dylan Wong's abilities, familiarity, diligence and competency in relation to the financial matters and information of the Target Company; and

(e) noted the absence of negative feedback on Mr. Dylan Wong from the Target Company's Independent Auditor and Reporting Accountant and internal auditor,

is of the view that Mr. Dylan Wong is suitable for the position of Financial Controller of the Enlarged Group and he will be able to discharge his duties satisfactorily, and that he has the appropriate experience and expertise to manage the Enlarged Group's business pursuant to Catalist Rule 406(3)(a) as its Financial Controller.

The New Audit and Risk Committee confirms that, after making all reasonable enquiries, and to the best of its knowledge and belief, nothing has come to its attention to cause it to believe that Mr. Dylan Wong does not have the competence, character and integrity expected of a financial controller of a listed issuer.

27.4 **New Nominating Committee**

The New Nominating Committee will comprise Mr. Kenny Sim, Mr. Stanley Lee and Mr. Vinodh s/o Visvanathan. The chairman of the New Nominating Committee will be Mr. Kenny Sim.

The New Nominating Committee shall meet periodically to perform the following functions:

(a) develop and maintain a formal and transparent process for the selection, appointment and re-appointment of Directors, taking into account the need for progressive renewal of the board of Directors, and make recommendations to the board of Directors on the appointment and re-appointment of Directors (including alternate Directors, if any), as well as identify candidates for, and review and approve nominations to, the Board committees, including the New Audit and Risk Committee, the New Nominating Committee and the New Remuneration Committee, taking into consideration each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, his performance as an Independent Director;

(b) review succession plans for the Directors, in particular, the appointment and/or replacement of the Chairman, CEO and Executive Officers, as well as key management personnel;

(c) ensure that all Directors submit themselves for re-nomination and re-election at least once every three (3) years;

(d) determine the composition of the board of Directors, taking into account the future requirements of the Enlarged Group, as well as the need for Directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Enlarged Group, and other considerations as set out in the Code, and set the objectives for achieving board diversity and review the Enlarged Group's progress towards achieving these objectives;

(e) determine on an annual basis, and as and when circumstances require, whether or not a Director is independent having regard to the Code of Corporate Governance 2018 and any other salient factors;

(f) in respect of a Director who has multiple board representations on various companies, if any, review and decide, on an annual basis (or more frequently as the New Nominating Committee deems fit), whether such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments, and establish guidelines on what a reasonable and maximum number of directorships and principal commitments for each Director (or type of Director) shall be;

(g) review training and professional development programmes for the board of Directors;

(h) assess, on an annual basis, the effectiveness of the board of Directors as a whole, each of the board committees and each individual Director, including whether each Director is able to and has been adequately carrying out his duties as a Director;

(i) ensure that new Directors are aware of their duties and obligations;

(j) appraise the qualifications and experience of any new appointments to the board of Directors and recommending whether such nomination should be supported;

(k) review and approve any employment of related employees and the proposed terms of their employment;

(l) ensure that the Directors disclose their relationships with the Enlarged Group, related corporations, substantial shareholders or officers which may affect their independence, review such disclosures and highlight these to the board of Directors as required; and

(m) undertake such functions and duties as may be required by statute or the Catalist Rules.

In addition, the New Nominating Committee will develop a process for evaluating the performance of the board of Directors, its board committees and recommend for the board of Directors' approval, the objective performance criteria and process for the evaluation of the effectiveness of the board of Directors as a whole, and of each board committee separately, as well as the contribution by the Chairman of the board of Directors and each individual Director to the board of Directors. The evaluation should consider the composition of the board of Directors (balance of skills, gender, experience, independence, knowledge of the Company, and diversity), board practices and conduct, and how the board of Directors as a whole adds value to the Company. The New Nominating Committee shall consider the use of peer comparisons and other objective third party benchmarks.

These performance criteria shall not be changed from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the onus shall be on the board of Directors to justify its decision. The evaluation of each individual Director's performance shall aim to assess whether each Director is willing and able to constructively challenge and contribute effectively to the board of Directors, and demonstrate commitment to his roles on the board of Directors (including the roles of the Chairman of the board of Directors and chairman of a board committee). The Chairman of the board of Directors shall act on the results of the performance evaluation and, in consultation with the New Nominating Committee, propose, where appropriate, new members to be appointed to the board of Directors or seek the resignation of Directors.

Each member of the New Nominating Committee shall abstain from deliberating and voting on resolutions in respect of the assessment of his performance or independence or re-nomination as a Director. In the event that any member of the New Nominating Committee has an interest in a matter being deliberated upon by the New Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

The New Nominating Committee's View of the Proposed Independent Directors

The New Nominating Committee, after having considered the following:

(a) the principal occupation and commitments of the Proposed Independent Directors;

(b) the confirmations by the Proposed Independent Directors that they are able to devote sufficient time and attention to the affairs of the Enlarged Group;

(c) the confirmations by the Proposed Independent Directors that each of them is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any controlling shareholder, and has no relationship with the Enlarged Group, its related corporations, its Substantial Shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of his or her independent business judgement with a view to the best interests of the Enlarged Group;

(d) none of the Proposed Independent Directors is or was in the past three (3) financial years employed by the Target Company or any of its related corporations;

(e) none of the immediate family members of the Proposed Independent Directors is or was in the past three (3) financial years employed by the Target Company or its related corporations and whose remuneration was or is determined by the New Remuneration Committee;

(f) the Proposed Independent Directors' working experience and expertise in different areas of specialisation;

(g) the disclosure relating to the Proposed Independent Director, Mr Vinodh s/o Visvanathan; and

(h) the composition of the board of Directors,

is of the view that (i) the Proposed Independent Directors are individually and collectively able to commit sufficient time and resources to discharge their respective duties, and are suitable and possess the relevant experience to be appointed as Proposed Independent Directors; and (ii) the Proposed Independent Directors, as a whole, represent a strong and independent element on the board of Directors which is able to exercise objective judgment on corporate affairs independently from the controlling shareholders.

Disclosure relating to the Proposed Independent Director, Mr. Vinodh s/o Visvanathan

Mr. Vinodh s/o Visvanathan is currently an employee of JK Law Chambers which is engaged by LBD Group in a professional capacity for three (3) ongoing matters, including two (2) matters relating to a dispute involving LBD Engineering and Lim Kim Huat Building Construction Pte. Ltd. concerning outstanding debts between the parties ("**LBD Engineering Dispute**") which Mr. Vinodh s/o Visvanathan is involved in. The third matter is solely handled by the managing director of JK Law Chambers. Mr. Vinodh s/o Visvanathan has worked on the LBD Engineering Dispute since November 2025 and the matters relating to the LBD Engineering Dispute were concluded in April 2026.

As at the Latest Practicable Date, fees rendered to LBD Engineering by JK Law Chambers are S$58,817.30, and the total legal fees in connection with the LBD Engineering Dispute are not expected to exceed S$100,000.

Save for the professional engagement of JK Law Chambers by LBD Engineering as described above, Mr Vinodh s/o Visvanathan does not have any relationship with the Company, the Target Company or any of its related corporations.

The Board and the New Nominating Committee (excluding Mr. Vinodh s/o Visvanathan), after having considered the above, are of the view that (a) Mr. Vinodh s/o Visvanathan's employment with JK Law Chambers, which has been engaged by LBD Engineering in a professional capacity, would not interfere, or reasonably be perceived to interfere, with the exercise of his independent business judgement in the best interests of the Enlarged Group; and (b) Mr. Vinodh s/o Visvanathan's appointment as an Independent Director of the Company is in line with Provision 2.1 and Practice Guidance 2 of the Code of Corporate Governance 2018 as:

(i) Mr. Vinodh s/o Visvanathan was not employed as an employee by the Company, the LBD Group or any of its related corporations;

(ii) Mr. Vinodh s/o Visvanathan does not have any immediate family members who is or has been employed by the Company, the LBD Group or any of its related corporations during the Period Under Review;

(iii) Mr. Vinodh s/o Visvanathan is a salaried employee of JK Law Chambers and does not receive any share of, or remuneration linked to, the legal fees generated from matters handled by JK Law Chambers, including the engagement by the LBD Group;

(iv) Mr. Vinodh s/o Visvanathan has undertaken that, for so long as he remains as an independent director of the Company after the Proposed Acquisition, save for his continued involvement in the LBD Engineering Dispute until its conclusion by end of April 2026, he shall (i) not act for, provide legal services to, or represent; (ii) not take up or handle any legal matters for; (iii) recuse himself from any board of directors' discussions, deliberations, or decisions relating to any matter in which JK Law Chambers is representing, the Company, the Target Company or any corporations in which the Proposed New Board and/or the controlling shareholders of the Company have interest in.

Disclosure relating to Proposed Independent Director and chairman of the New Nominating Committee, Mr. Kenny Sim

With regard to his previous appointments to the boards of USP Group and Boldtek Holdings, the New Nominating Committee (excluding Mr. Kenny Sim) is of the view that Catalist Rule 406(3)(b) has been complied with in respect of Mr. Kenny Sim as (a) he was appointed to the board of USP Group after the winding-up application for the company had been filed; and (b) he had stepped down from the board of Boldtek Holdings prior to the company being placed under judicial management, and he serves or had served solely in a non-executive capacity without involvement in day-to-day management of these companies. These matters do not relate to him on a personal capacity or are results of his actions and accordingly, the New Nominating Committee is of the view that these matters do not affect his appointment as a proposed Independent Director.

Mr. Kenny Sim currently serves as vice chairman and executive director of Serial Achieva Limited. As Serial Achieva Limited has a separate non-executive chairman, and a chief executive officer who also serves as an executive director, the executive functions of Serial Achieva Limited are shared amongst its directors, and Mr. Kenny Sim's powers and functions as a director on its board are shared amongst the other directors of Serial Achieva Limited.

Save for his role at Serial Achieva Limited, Mr. Kenny Sim's directorships in other companies listed on the SGX are non-executive in nature. He serves as an independent director of Meta Health Limited, and as a non-independent director of Global Invacom Group Limited.

Mr. Kenny Sim has informed the New Nominating Committee that he has tendered his resignation for his independent directorships with Meta Health Limited (effective on 1 August 2026). In addition to his appointment as Proposed Independent Director, Mr. Kenny Sim is also a proposed independent director of another company proposed to be listed on the SGX-ST.

Subsequent to his resignation and two proposed appointments as mentioned above, Mr. Kenny Sim will have four directorships with companies listed on the SGX-ST being Serial Achieva Limited, Global Invacom Group Limited, the Company and another company proposed to be listed on the SGX-ST, all with the same financial year end of 31 December. Mr. Kenny Sim has also notified and obtained no-objection views from the boards of Serial Achieva Limited and Global Invacom Group Limited in respect of his multiple directorship appointments with the same financial year end and that he is the Proposed Independent Director.

Notwithstanding his multiple directorships, Mr. Kenny Sim has attended all relevant board and committee meetings for the past two years in respect of Serial Achieva Limited, Meta Health Limited and Global Invacom Group Limited, all with the same financial year end of 31 December of which he is a director, demonstrating his ability to devote the necessary time and attention to his duties and responsibilities.

Having considered the foregoing, the Proposed New Board and New Nominating Committee (excluding Mr. Kenny Sim) are of the view that Mr. Kenny Sim will have sufficient time and resources to diligently discharge his duties and responsibilities as the Proposed Independent Director as well as a director across each of the other three public listed companies with the same financial year end of 31 December, in compliance with Provision 4.5 of the Code of Corporate Governance 2018.

The Sponsor has considered Mr. Kenny Sim's multiple directorships with the same financial year end and his due attendance of all board and board committee meetings for companies listed on the SGX-ST of which he sat on the board and was on board committees of (barring USP Group Limited, which was placed under judicial management and had limited board activity since such entry into judicial management) which provided sufficient evidence that he would be able to diligently discharge his duties and responsibilities as a director across each of such four companies.

Past Regulatory Non-Compliances

During the Period Under Review, the Target Company experienced certain instances of regulatory non-compliance. First, during the financial years ended 2023, 2024 and 2025, certain salary payments to the Target Company's foreign worker employees, comprising basic salary and overtime payments, were made after the payment deadlines prescribed under Part 3 of the Employment Act and Paragraph 3, Part III of the Fourth Schedule to the EFMR, which delays were primarily attributable to the late submission of monthly incentive information by a human resource personnel from LBD Engineering, which was the parent company of the Target Company, that previously oversaw the Target Company's human resources function. As at the Latest Practicable Date, the Target Company had not received any notifications from any relevant government authorities in relation to such non-compliance.

Second, the Target Company had from time to time breached the Companies Act, including by holding its annual general meeting late, lodging annual returns late, and giving insufficient notice for the calling of general meetings, resulting in aggregate fines of S$750.

Third, the Target Company had made late GST payments to IRAS, resulting in a net penalty of S$7,814 (after a penalty abatement of S$18,450 granted by IRAS on 23 November 2024). The non-compliances with the Companies Act and the Goods and Services Tax Act 1993 were mainly due to administrative oversight.

None of such non-compliances had a material effect on the Target Company's business during the Period Under Review and there were no outstanding summons, fines or corrective action to be taken.

The Target Company had since implemented remedial measures to prevent a recurrence of the foregoing non-compliances, including strengthening payroll processing controls with designated responsible staff and oversight by the proposed Financial Controller, leveraging the Company's existing company secretary and other professionals for compliance with the Companies Act and the Goods and Services Tax Act 1993. As at the Latest Practicable Date, there have been no instances of late salary payments or similar non-compliance with the Employment Act. In performing its internal control review and follow-up review, Yang Lee & Associates covered the internal controls that were put in place to prevent a recurrence of the non-compliances. Based on its work performed, nothing has come to its attention that the said controls are not adequate or effective in addressing the risk of non-compliance with the relevant regulations.

The Board and the New Nominating Committee, after having considered the above, are of the view that the Target Company has adequate and effective systems of internal controls (including operational and compliance controls) and risk management systems.

The New Nominating Committee are also of the view that the above non-compliances do not demonstrate weakness in the character and integrity of the Target Company's directors, management and controlling shareholders, as it understands that there was no intention on their part to not comply with the relevant legislations. Thus, the New Nominating Committee are of the view that Catalist Rule 406(3)(b) has been complied with by the Target Company, its directors and executive officers, and controlling shareholders.

27.5 **New Remuneration Committee**

The New Remuneration Committee will comprise Mr. Stanley Lee, Mr. Cheah Wee Teong and Mr. Vinodh s/o Visvanathan. The chairman of the New Remuneration Committee will be Mr. Stanley Lee.

The New Remuneration Committee shall meet periodically to perform the following functions:

(a) review and recommend to the board of Directors for approval a framework of remuneration for the Directors and Executive Officers as well as the specific remuneration packages for each Executive Director and Executive Officer, ensuring that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual

performance. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments shall be covered, with the aim to be fair and avoid rewarding poor performance;

(b) review annually the remuneration, bonuses, pay increase and/or promotions of employees who are related to the Directors or Substantial Shareholders to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities, provided that any member of the New Remuneration Committee who is related to the relevant employee whose remuneration, bonus, pay increase and/or promotion is under review shall abstain from such review, and review and approve any new employment of related employees and the proposed terms of their employment, and reviewing and recommending to the board of Directors, for endorsement, the specific remuneration packages for each of the Directors and the Executive Officers;

(c) review the Enlarged Group's obligations arising in the event of termination of service contracts entered into between the Enlarged Group and the Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous;

(d) if necessary, seek expert advice within and/or outside the Enlarged Group on remuneration matters, ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

(e) perform an annual review of the remuneration packages in order to maintain their attractiveness to retain and motivate the Directors and the Executive Officers, and to align the interests of the Directors and the Executive Officers with the interests of the Shareholders and other stakeholders and promote the long-term success of the Enlarged Group;

(f) ensure that the remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities;

(g) review the terms of performance-related remuneration or incentive schemes (if any) and administer such schemes;

(h) propose appropriate performance targets for assessing the performance of key management personnel, individual Directors and of the board of Directors as a whole;

(i) ensure the remuneration policies and systems of the Enlarged Group support the Enlarged Group's objectives and strategies and are consistently being administered and adhered to;

(j) review the remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation, and the statements in the annual report; and

(k) undertake such other function and duties as may be required by statute or the Catalist Rules.

Each member of the New Remuneration Committee shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him.