



5E RESOURCES LIMITED

# CONSERVATION TODAY SUSTAINING TOMORROW

Annual Report 2023





# CONTENTS

<b>Corporate Profile</b>	<b>02</b>
<b>Business Overview</b>	<b>03</b>
<b>Group Structure</b>	<b>04</b>
<b>Financial Highlights</b>	<b>05</b>
<b>Letter to Shareholders</b>	<b>06</b>
<b>Operational &amp; Financial Review</b>	<b>09</b>
<b>Board of Directors</b>	<b>12</b>
<b>Key Management</b>	<b>16</b>
<b>Corporate Social Responsibility</b>	<b>17</b>
<b>Sustainability Report</b>	<b>20</b>
<b>Corporate Governance Report</b>	<b>53</b>
<b>Additional Information on Directors Seeking Re-election</b>	<b>79</b>
<b>Financial Statements</b>	<b>85</b>
<b>Statistics of Shareholdings</b>	<b>133</b>
<b>Notice of Annual General Meeting</b>	<b>135</b>
<b>Appendix</b>	<b>141</b>
<b>Proxy Form</b>	<b>163</b>
<b>Corporate Information</b>	<b>165</b>

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

The contact person for the Sponsor is Mr. Leong Weng Tuck - Registered Professional, 36 Robinson Road, #10-06 City House, Singapore 068877, sponsor@rhtgoc.com.

# CORPORATE PROFILE



# 8

## STATES

- Penang
- Perak
- Selangor
- Negeri Sembilan
- Melaka
- Johor
- Pahang
- Terengganu

# 2

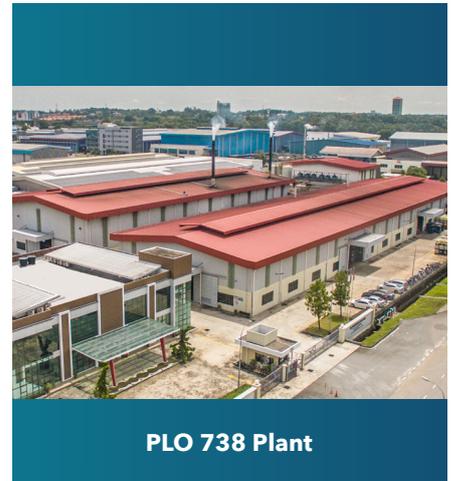
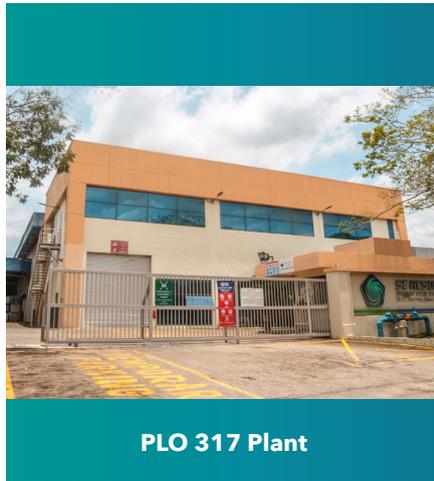
## FEDERAL TERRITORIES

- Kuala Lumpur
- Putrajaya



Established since 1997, 5E Resources Limited (“**5E Resources**” or the “**Company**”, together with its subsidiaries, the “**Group**”) is one of the largest scheduled waste management services providers in Malaysia, focusing on the collection, transportation and treatment of scheduled waste. We aim to relieve customers of their environmental impact liabilities by providing them with tailored solutions that strive to maximise recovery of resources and minimise waste disposal. Our established customer base covers eight out of 13 states and two federal territories in Peninsular Malaysia. We have two other complementary business segments, namely the sales of recovered and recycled products, and chemical trading.

# BUSINESS OVERVIEW



## SCHEDULED WASTE MANAGEMENT SERVICES

Scheduled waste refers to waste that fall within the categories listed in the First Schedule to the Environmental Quality (Scheduled Wastes) Regulations (“**First Schedule EQ(SW) Regulations**”) 2005 of Malaysia, that possess hazardous characteristics and have the potential to adversely affect public health and the environment. The Group possesses 38 out of the 77 Waste Codes under the First Schedule EQ(SW) Regulations and we are allowed to collect, transport and treat scheduled waste based on the codes we have.

The Group operates three waste treatment plants in Johor and our treatment of scheduled waste involves a number of processes including waste acid and alkaline recycling, electronic waste recovery and waste oil recycling. We offer two types of scheduled waste management services

- 1 Regular services: Time-to-time collection of scheduled waste from customers who are waste generators mainly in the manufacturing, trading and services industries in Malaysia.
- 2 Project-based services: Ad-hoc scheduled waste management services to areas affected by pollution incidents or to designated areas that require ad-hoc or urgent services.



## SALES OF RECOVERED AND RECYCLED PRODUCTS

We sell products and by-products generated from our scheduled waste treatment processes including recycled chemicals, recycled drums/tanks, recycled oil, recycled alkaline and recovered precious metals.



## CHEMICAL TRADING

Our chemical trading business, operated under our subsidiary TS Heuls Chemical & Engineering Sdn. Bhd. (“**TS Heuls**”), possesses the licence to import, store and sell by wholesale certain types of chemicals that can be used for waste treatment and the manufacturing industry.

# GROUP STRUCTURE

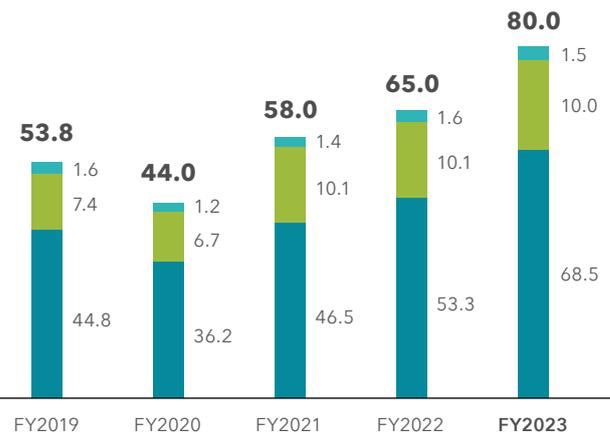


# FINANCIAL HIGHLIGHTS



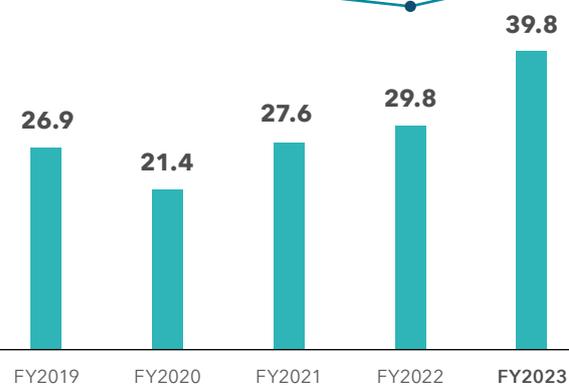
## REVENUE (MYR'million)

- Scheduled waste management services
- Sales of recovered and recycled products
- Chemical trading

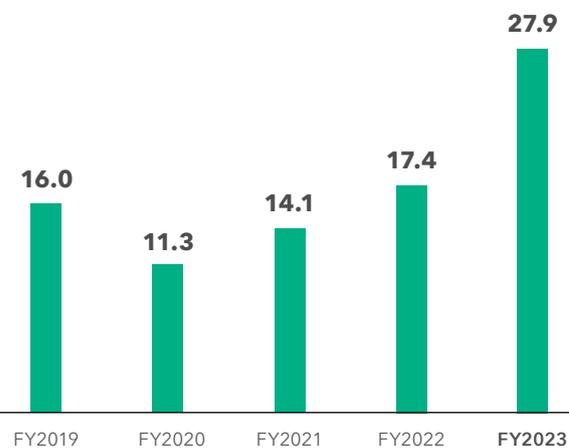


## GROSS PROFIT (MYR'million) GROSS PROFIT MARGIN (%)

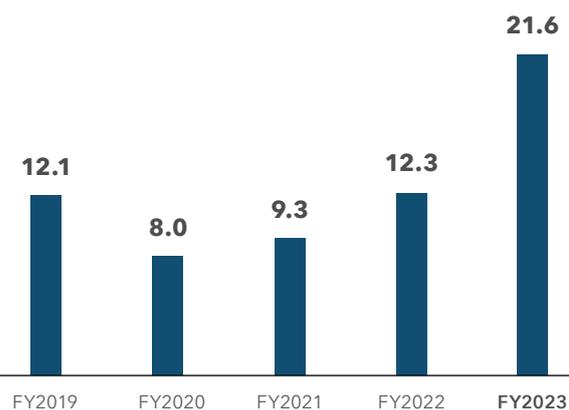
- Gross Profit
- Gross Profit Margin



## PROFIT BEFORE TAX (MYR'million)



## NET PROFIT (MYR'million)



# LETTER TO SHAREHOLDERS



## LOO SOK CHING

Chairperson and  
Executive Director

## LIM TE HUA

Executive Director  
and Chief Executive  
Officer

Dear Shareholders

We are pleased to report an outstanding set of results for the year ended 31 December 2023 (“**FY2023**”), achieving record revenue of MYR80.0 million and net profit of MYR21.6 million, compared to MYR65.0 million and MYR12.3 million respectively in the year before (“**FY2022**”).

Driven by higher demand for our scheduled waste management services, revenue generated from this segment rose 28.5% to MYR68.5 million from MYR53.3 million in FY2022, while revenue from sales of recovered and recycled products remained stable at MYR10.0 million in FY2023. In contrast, revenue from chemical trading declined 6.3% to MYR1.5 million from MYR1.6 million in FY2022, due to lower demand for chemicals from existing customers.

As at 31 December 2023, the Group maintained a healthy balance sheet with net assets of MYR111.6 million and cash and cash equivalents of MYR62.5 million, compared to MYR95.8 million and MYR60.9 million respectively as at 31 December 2022.

Our stellar performance amidst a year of macroeconomic uncertainties reaffirmed the resilient and essential nature of our business and reinforced our commitment to be a leading provider of sustainable scheduled waste management solutions.



## Laying The Groundwork For Growth

In FY2023, we continued to lay the groundwork to cater to the expanding demands and growing needs of our customers for waste management. A key milestone achieved during the year was the completion of the warehouse and logistics hub on the five-acre plot of land which we leased back in February 2022.

At approximately 28,560 square feet, the newly constructed warehouse, which was part of phase 1 of this expansion project, will serve as a storage facility for our recycled and recovered products while our entire fleet of trucks will be stationed at the adjacent logistics hub. Following phase 1, we received the Environmental Impact Assessment approval on 9 November 2023 from the Department of Environment and obtained four additional Waste Codes - SW429, SW103, SW205 and SW406. With 38 Waste Codes First Schedule EQ(SW) Regulations in hand, we are able to handle and treat more varieties of scheduled waste once the new plant begins operation, thus reinforcing our position as one of the largest scheduled waste management providers in Malaysia.

Additionally, the close proximity between this new plant to our existing plant in Pasir Gudang, Johor enables us to streamline operations, which will in turn improve the overall efficiency in terms of managing our resources, as well as to reduce operating costs. We are preparing for the construction of production facilities in phase 2 and will look to purchase new machineries that will convert waste residues into alternative products that are more cost-effective to dispose of.

Phase 2 is expected to complete by end 2024 at an estimated budget of MYR70.0 million. Given the current high interest rate environment and after careful evaluation of our financial position, we will not be distributing dividend for FY2023 to reserve cash for the financing of the new plant which will in turn improve future earnings of the Company.

Another capital investment which we made was for a new rotary machine. This new machine is equipped with advanced technological functions capable of processing a wider range of scheduled waste, as well as stronger air pollution controls. With climate change being the buzz word of late, it is imperative that we conduct our operations in ways that limit our carbon emissions and it is also part of our environmental, social and governance (“ESG”) commitments.

To that end, in FY2023, we achieved a remarkable 71% reduction in landfill usage to 125.85 metric tons from 421.84 metric tons in the last corresponding year (“FY2022”). Our focus on delivering sustainable waste management solutions to our customers has not only proven effective but also reflects our efforts to continually reduce any impact that our operations may have on ESG.



### REVENUE

**MYR80.0 million**

▲ Increased 23.1% from MYR65.0m in FY2022



### NET PROFIT AFTER TAX

**MYR21.6 million**

▲ Increased 75.0% from MYR12.3m in FY2022

## LETTER TO SHAREHOLDERS



### Looking Ahead and Appreciation

Looking ahead, we stand by the resilient and essential nature of our business and we are optimistic that the rising amount of waste produced by Malaysia's industrial sectors and regulatory requirements to properly manage waste, will continue to support demand for our services.

Having said that, we are mindful of world events that may negatively impact our customers, which will then have a ripple effect on the volume of waste we receive from them. Hence we continue to actively explore strategies that will make our services more efficient and cost effective, while enhancing our ability to upcycle suitable waste materials that can unlock value. We also continue to uphold prudent cost management to maintain our strong financial position, particularly amid the current inflationary environment.

We are pleased to share that 5E Resources started the current financial year ending 31 December 2024 ("FY2024") on a good note. On 30 January 2024, our R&D team achieved ISO17025 accreditation and is now able to provide lab testing services for solid and liquid waste. This opens up a new revenue stream and we look forward to partial contributions from this new segment in FY2024.

Since our listing, we have always planned for geographical expansion to the central region of Peninsular Malaysia to cater to the underserved markets there. The proposed off-site storage facility remains in our project pipeline while

we continue discussions with potential partners. We hope to share some good news in due course and will update shareholders when there's any material developments.

On this note, we are grateful to all our stakeholders for their continued partnership and contributions. Reflecting on the year's performance, your commitment has played a crucial role in our growth and resilience, guiding us through each milestone.

We extend our sincere gratitude to our employees and management team for your hard work and dedication. To our customers, for your trust in us. To our business partners, for your continued partnership and journey with us. To our fellow Board members, for your strategic counsel and guidance. And to our shareholders, for your confidence in the Group.

Together, we have forged strong alliances that contribute to our mutual growth. We look forward to our journey ahead and will continue to strive for excellence.

**MDM. LOO SOK CHING**  
Chairperson and Executive Director

**MR. LIM TE HUA**  
Executive Director and Chief Executive Officer

# OPERATIONAL & FINANCIAL REVIEW



## FINANCIAL PERFORMANCE

INCOME STATEMENT	GROUP		
	FY2023 MYR'000	FY2022 MYR'000	CHANGE %
<b>Revenue</b>	79,961	64,969	23.1
Cost of sales	(40,149)	(35,190)	14.1
<b>Gross profit</b>	<b>39,812</b>	<b>29,779</b>	<b>33.7</b>
Other income	1,838	1,771	3.8
Other gains	419	318	31.8
Administrative expenses	(10,594)	(10,661)	(0.6)
Selling and distribution expenses	(3,069)	(3,349)	(8.4)
Finance expenses	(542)	(473)	14.6
Net impairment reversal on trade receivables	36	5	n.m.
<b>Profit before tax</b>	<b>27,900</b>	<b>17,390</b>	<b>60.4</b>
Income tax expense	(6,339)	(5,070)	25.0
<b>Profit after tax</b>	<b>21,561</b>	<b>12,320</b>	<b>75.0</b>



### Revenue

The Group recorded a 23.1% increase in revenue to MYR80.0 million in FY2023 compared to MYR65.0 million in FY2022. This was primarily due to higher revenue from the scheduled waste management segment as demand for the service increased, generating a 28.5% increase in revenue to MYR68.5 million from MYR53.3 million in FY2022.

Revenue generated from sales of recovered and recycled products remained stable at MYR10.0 million in FY2023, while revenue from chemical trading edged down marginally to MYR1.5 million from MYR1.6 million in FY2022 due to lower demand for chemicals from existing customers.



### Gross Profit and Gross Profit Margin

Growing in tandem, gross profit for the year jumped 33.7% to MYR39.8 million from MYR29.8 million in FY2022. Overall gross profit margin increased to 49.8%, compared to 45.8% in FY2022. The growth was mainly attributable to the decrease in sludge disposal cost, fuel oil and petrol consumed for the provision of scheduled waste management services.



### Net Profit

The Group achieved record net profit of MYR21.6 million in FY2023, up 75.0% from MYR12.3 million in FY2022.



### Expenses

Administrative expenses came in at MYR10.6 million, down 0.6% from MYR10.7 million in FY2022, primarily due to one-off and non-recurring professional fee expenses incurred during the Company's listing exercise in FY2022, partially offset by the rise in staff cost in FY2023.

On the other hand, selling and distribution expenses decreased 8.4% to MYR3.1 million from MYR3.3 million due to the resignation of marketing advisors in September 2022.

Finance expenses increased 14.6% to MYR542,000 in FY2023 from MYR473,000 in FY2022 due to higher interest expense on new land lease and hire purchase of vehicles.



### Net Impairment Losses on Trade Receivables

The Group recognised a reversal of impairment losses on trade receivables of MYR36,000 in FY2023 compared to MYR5,000 in FY2022 arising from improved collection from customers at year end.

## OPERATIONAL & FINANCIAL REVIEW



### BALANCE SHEET

As at 31 December 2023, the Group's net assets rose to MYR111.6 million compared to MYR95.8 million a year ago.

Non-current assets increased MYR11.4 million from MYR50.6 million as at 31 December 2022 to MYR62.0 million as at 31 December 2023. This was largely due to (a) an increase in property, plant and equipment of MYR12.4 million resulting from additions of plant and machinery and capital work in progress net off against write-off and depreciation charge for the year; (b) a decrease in right-of-use assets of MYR0.7 million due to depreciation charge for the year; and (c) a decrease in prepayment for purchase of property, plant and equipment of MYR0.3 million.

Current assets rose MYR3.8 million from MYR72.4 million as at 31 December 2022 to MYR76.2 million as at 31 December 2023. This was mainly due to (a) an increase in cash and cash equivalents of MYR1.5 million on higher cash inflow from operating set off against cash outflow from financing and investing activities; (b) lower trade and other receivables of MYR2.8 million due to increase in revenue during the year; (c) a decrease in short-term deposits of MYR0.4 million due to withdrawal of fixed deposit from the bank; and (d) a decrease in inventories of MYR0.1 million.

The Group's non-current liabilities decreased MYR0.5 million from MYR14.0 million as at 31 December 2022 to MYR13.5 million as at 31 December 2023, largely on a MYR0.4 million decline in deferred tax liabilities.

Current liabilities for the year decreased MYR0.1 million from MYR13.2 million as at 31 December 2022 to MYR13.1 million as at 31 December 2023, largely due to (a) a decrease in current income tax liabilities of MYR0.9 million resulting from higher tax paid in FY2023; and (b) an increase in trade and other payables of MYR0.9 million due to higher accruals of staff cost during the year.

As at 31 December 2023, the Group registered working capital of MYR63.1 million, up from MYR59.2 million as at 31 December 2022.



## OPERATIONAL & FINANCIAL REVIEW



### CASH FLOW

STATEMENT OF CASH FLOWS	GROUP	
	FY2023 MYR'000	FY2022 MYR'000
Net cash generated from operating activities	23,097	16,795
Net cash used in investing activities	(14,785)	(3,205)
Net cash (used in)/generated from financing activities	(6,894)	25,354
Cash and cash equivalents at end of financial year	62,450	60,924

The Group recorded a net cash generated from operating activities of MYR23.1 million in FY2023 compared to MYR16.8 million in FY2022. This was largely on a decrease in inventories of MYR0.1 million due to lower inventories, an increase in trade and other receivables of MYR2.8 million due to higher sales towards the end of FY2023, and an increase in trade and other payables of MYR3.8 million due to more materials purchased towards the end of FY2023. Net cash from operating activities before working capital changes were MYR29.8 million in FY2023 compared to MYR20.4 million a year ago resulting from higher profit before tax.

Net cash used in investing activities amounted to MYR14.8 million in FY2023 compared to MYR3.2 million in FY2022. This was mainly due to purchase of property, plant and equipment of MYR17.2 million, partially offset by interest received of MYR1.8 million, withdrawal of short-term deposit of MYR0.4 million, and proceeds from disposal of property, plant and equipment of MYR0.2 million.

Net cash used in financing activities amounted to MYR6.9 million in FY2023 compared to net cash generated of MYR25.4 million in FY2022. This was attributable to dividend distribution of MYR4.9 million, repayment of term loans and hire purchase liabilities of MYR0.4 million, repayment of lease liabilities of MYR0.2 million, purchase of treasury shares of MYR0.9 million, and interest paid of MYR0.5 million.

As at 31 December 2023, the Group's cash and cash equivalents increased to MYR62.5 million from MYR60.9 million as at 31 December 2022.



# BOARD OF DIRECTORS

## LOO SOK CHING

Chairperson and Executive Director



Mdm. Loo Sok Ching ("**Mdm. Loo**") was appointed to the Board on 18 October 2021. She has been with the Group since 14 July 1997, and is responsible for the overall corporate strategy of our Group, spanning across all business segments such as marketing, Research & Development ("**R&D**"), logistics, finance and operations.

Mdm. Loo has more than 26 years of experience in the scheduled waste management industry and began her career in TS Heuls Chemical & Engineering Sdn. Bhd. ("**TS Heuls**") as a general manager from July 1997 to April 2007 when she oversaw the finance and administrative functions and was responsible for effective planning, delegating, coordinating, staffing and organising pursuant to instructions from the board of directors. As an executive director of TS Heuls since April 2007, she is responsible for managing both the overall revenue and cost.

Mdm. Loo has been a non-executive director of Wencor (M) Sdn. Bhd. (f.k.a Wentel Corporation Sdn. Bhd.) and Grandhill Property Sdn. Bhd. since July 2002 and April 2012 respectively. As non-executive director, she provides advice and her corporate management experience to the respective company's board of directors.

Mdm. Loo was appointed as the executive director of 5E Resources Sdn. Bhd. from November 2007 to May 2010. She has been an advisor since May 2010, and was re-appointed as a director from 17 December 2021.

Mdm. Loo obtained a Malaysia Certificate of Education from Sekolah Menengah Inggeris Batu Pahat in 1976.

**Date of Appointment to the Board:** 18 October 2021

**Board Committees:** Nil

**Present Directorships in Listed Companies:** Nil

**Past Directorships in Listed Companies:** Nil

**Principal Commitments:**

- 5E Holdings Sdn. Bhd. - Director
- 5E Resources Sdn. Bhd. - Director
- Diamante Development Sdn. Bhd. - Director
- Golden Oriental Sdn. Bhd. - Director
- Grandhill Property Sdn. Bhd. - Director
- Grandhill Realty Sdn. Bhd. - Director
- Kersani Food (M) Sdn. Bhd. - Director
- Ocean Megaview Sdn. Bhd. - Director
- Sutera Potensi Sdn. Bhd. - Director
- TS Heuls Chemical & Engineering Sdn. Bhd. - Director
- Wei Wei Property Sdn. Bhd. - Director
- Wencor (M) Sdn. Bhd. (f.k.a Wentel Corporation Sdn. Bhd.) - Director
- Wencor Holdings Sdn. Bhd. (f.k.a Wentel Holdings Sdn. Bhd.) - Director

## BOARD OF DIRECTORS



### LIM TE HUA

**Executive Director and  
Chief Executive Officer**

Mr. Lim Te Hua (“**Mr. Lim**”) was appointed to the Board on 25 March 2022. He has been with the Group since 14 July 1997, and is currently responsible for executing the corporate strategy and overall daily operations of the Group, including business development and overall management.

Mr. Lim has more than 26 years of experience in the scheduled waste management industry and began his career in TS Heuls as a chemist from July 1997 to February 2001. As a chemist, he provided marketing and customer service, resolved customer scheduled waste treatment related matters, provided professional advice and guidance to customers relating to scheduled waste solutions, and promoted the sales of chemical products to customers. As an executive director of TS Heuls since February 2001, he controls and executes the operations and gives strategic guidance and direction to the board of directors to ensure that TS Heuls achieves its objectives.

Mr. Lim joined 5E Resources Sdn. Bhd. as a chemist from July 2006 to November 2008, and has been an executive director and CEO since November 2008.

Mr. Lim obtained a Bachelor of Science (Cum Laude) from Campbell University, Faculty of the College of Arts and Sciences in 1997 and a Master of Business Administration from Akamai University in 2007.

**Date of Appointment to the Board:** 25 March 2022

**Board Committees:** Nil

**Present Directorships in Listed Companies:** Nil

**Past Directorships in Listed Companies:** Nil

**Other Principal Commitments:**

- 5E Holdings Sdn. Bhd. – Director
- 5E Resources Sdn. Bhd. – Director
- Colorful Genesis Sdn. Bhd. – Director
- TS Heuls Chemical & Engineering Sdn. Bhd. – Director

### SHANKAR NARASINGAM

**Executive Director and  
Chief Operating Officer**

Mr. Shankar Narasingam (“**Mr. Shankar**”) was appointed to the Board on 25 March 2022. He has been with the Group for over 16 years, and is currently responsible for the ongoing operations and procedures of our Group, as well as overseeing the various heads of departments in relation to operations, safety, health and welfare.

Mr. Shankar began his career in Hitachi Electric Display Devices (M) Sdn. Bhd. as an engineer from November 1992 to December 1996. As an engineer, he was responsible for overseeing the engineering division in the manufacture of electron colour picture tubes. He was later promoted to assistant manager, a post which he held from January 1997 to February 2001. As assistant manager, he was the overall-in-charge of electrical system, firefighting system, building automation system, waste water treatment plant, de-ionized water (18MQ), gasses plant (NG, LPG, O2, N2 & H2), air-conditioning systems (ACMV), boiler plant, high pressure air (HPA), scheduled waste, ISO 14001 and ISO 9002, activities and documentation, total air pollution control, fixed assets and project implementation.

Mr. Shankar was then employed by TS Heuls as a technical director from February 2001 to December 2001. As a technical director, he was in charge of the technical aspects of engineering and the design for waste water plants, factory facilities, thermal heat recovery systems, energy saving programs and ISO 14001 consultation.

Mr. Shankar set up CVision Trading Sdn. Bhd. in August 2001, which was in the business of supplying waste water equipment and spare parts of air conditioning up until April 2006.

Subsequently, Mr. Shankar joined 5E Resources Sdn. Bhd. as a technical director in July 2007, before being promoted to executive director in May 2011 and then to COO in November 2020.

Mr. Shankar obtained a Bachelor of Science (Environment) from Universiti Pertanian Malaysia in 1992.

**Date of Appointment to the Board:** 25 March 2022

**Board Committees:** Nil

**Present Directorships in Listed Companies:** Nil

**Past Directorships in Listed Companies:** Nil

**Principal Commitments:**

- 5E Holdings Sdn. Bhd. – Director
- 5E Resources Sdn. Bhd. – Director

## BOARD OF DIRECTORS



### WONG CHEE MENG LAWRENCE

**Lead Independent and Non-Executive Director**

Mr. Wong Chee Meng Lawrence (“**Mr. Lawrence**”) was appointed to the Board on 25 March 2022 and is a member of the Audit and Risk Committee and Nominating Committee.

He is an experienced and established corporate practitioner and is currently the Consultant for Donaldson & Burkinshaw LLP. Before joining the firm, he was previously a partner of a number of reputable law firms, namely managing counsel of Bird & Bird ATMD LLP, managing director of Equity Law LLC, a boutique corporation firm and prior to that, he was a founding member and equity partner of RHTLaw Taylor Wessing LLP, where he was the co-head of its corporate and securities practice and also headed RHT Capital Pte. Ltd., an approved continuing sponsor by the SGX-ST.

His areas of practice include corporate and securities laws, capital markets, mergers and acquisitions, corporate restructuring, joint ventures, corporate and commercial contracts, regulatory compliance and corporate governance advisory and corporate secretarial work. He has led numerous initial public offerings, reverse take-overs, general offers, secondary fund raising and cross-border merger and acquisitions exercises. He has advised and led numerous corporate actions for numerous companies listed on SGX.

Mr. Lawrence holds a Bachelor of Laws (Honours) from the National University of Singapore. He is an Advocate and Solicitor of the Supreme Court of Singapore, as well as a Solicitor of the High Court of Hong Kong SAR.

**Date of Appointment to the Board:** 25 March 2022

**Board Committees:**

- Audit and Risk Committee (Member)
- Nominating Committee (Member)

**Present Directorships in Listed Companies:**

- Atlantic Navigation Holdings (Singapore) Limited – Independent Director
- Eindec Corporation Limited – Independent Director
- International Cement Group Ltd. – Independent Director

**Past Directorships in Listed Companies:** Nil

**Other Principal Commitments:**

- Donaldson & Burkinshaw LLP – Consultant
- EQ Advisory Pte. Ltd. – Director



### KAM CHAI HONG

**Independent and Non-Executive Director**

Mr. Kam Chai Hong (“**Mr. Kam**”) was appointed to the Board on 25 March 2022 and is the chairman of the Audit and Risk Committee and a member of the Remuneration Committee.

Mr. Kam has been the managing partner at the audit firm, Syarikat C.H. Kam, since June 1981, an executive director at the consultancy and property investment company, C.H. Kam Consultancy (2005) Sdn. Bhd., since February 1991, and an executive director at the tax consultancy company, C.H. Kam Taxation Services Sdn. Bhd., since January 1992. He was also an independent non-executive director of Yinson Holdings Berhad from January 1996 to August 2016.

Mr. Kam is currently a Chartered Accountant registered with both the Association of Chartered Certified Accountants and the Malaysian Institute of Accountants.

**Date of Appointment to the Board:** 25 March 2022

**Board Committees:**

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

**Present Directorships in Listed Companies:** Nil

**Past Directorships in Listed Companies:** Nil

**Principal Commitments:**

- C H Kam Consultancy (2005) Sdn. Bhd. – Executive Director
- C.H. Kam Taxation Services Sdn. Bhd. – Executive Director
- Johore Bahru Foon Yew Associated Chinese Schools – Committee Member
- Persekutuan Tiong-Hua, Johor Baru – First Vice President
- Syarikat C.H. Kam – Managing Partner

## BOARD OF DIRECTORS

### SIOW CHIN HOW

**Independent and  
Non-Executive Director**



Mr. Siow Chin How (“**Mr. Siow**”) was appointed to the Board on 18 October 2021 and is the chairman of the Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee.

Mr. Siow has been a finance director at Maya Asia Resources Sdn. Bhd. since August 2014, and has also been the chief financial officer of Maya Asia Resources Pte. Ltd. since June 2015.

Mr. Siow obtained a Bachelor of Arts (Honours) in Accounting & Finance from the University of Abertay Dundee in 2002, and a Master in Business Administration from Victoria University in 2006. He is currently a Chartered Accountant registered with both the Institute of Singapore Chartered Accountants and the Malaysian Institute of Accountants, as well as a Certified Public Accountant registered with CPA Australia.

**Date of Appointment to the Board:** 18 October 2021

#### **Board Committees:**

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

#### **Present Directorships in Listed Companies:**

- Wentel Engineering Holdings Berhad - Independent Director

#### **Past Directorships in Listed Companies:** Nil

#### **Other Principal Commitments:**

- Bebe Malaysia Sdn. Bhd. - Director
- Johore Bahru Foon Yew Associated Chinese Schools - Director
- Majujaya Holdings Sdn. Bhd. - Director
- Maya Asia Holdings Sdn. Bhd. - Director
- Maya Asia Resources Sdn. Bhd. - Finance Director
- Maya Asia Resources Pte. Ltd. - Chief Financial Officer
- Maya Manufacturing & Trading Company (Malaysia) Sdn. Bhd. - Director
- Maya Packaging Industries Sdn. Bhd. - Director
- Maya Plastic Sendirian Berhad - Director

### WANG HAN LIN

**Independent and  
Non-Executive Director**



Mr. Wang Han Lin (“**Mr. Wang**”) was appointed to the Board on 25 March 2022 and is the chairman of the Nominating Committee and a member of the Remuneration Committee.

Mr. Wang was a partner of the law firm, S. K. Song, from June 1995 to December 1999, a sole proprietor of the law firm, H. L. Wang & Co, from January 2000 to December 2001, and has been the managing partner of the law firm, Wang & S. B. Wong, since January 2002.

Mr. Wang obtained a Bachelor of Economics from Monash University in 1992 and a Bachelor of Laws from Monash University in 1994.

**Date of Appointment to the Board:** 25 March 2022

#### **Board Committees:**

- Nominating Committee (Chairman)
- Remuneration Committee (Member)

#### **Present Directorships in Listed Companies:** Nil

#### **Past Directorships in Listed Companies:** Nil

#### **Principal Commitments:**

- 3W Realty Sdn. Bhd. - Director
- AASIS Sdn. Bhd. - Director
- Berlian Harmoni Sdn. Bhd. - Director
- Bright Aim Capital Sdn. Bhd. - Director
- Exotic Fiesta Sdn. Bhd. - Director
- Impian Optimis Sdn. Bhd. - Director
- Industri Taman Sri Yaacob Sdn. Bhd. - Director
- KK Wang Capital Sdn. Bhd. - Director
- OKB Venture Sdn. Bhd. - Director
- SWWT Holdings Sdn. Bhd. - Director
- Teras Dayabumi Sdn. Bhd. - Director
- Wang & S.B. Wong - Managing Partner
- Wang And Wang Holdings Sdn. Bhd. - Director
- WHL Capital Holdings Sdn. Bhd. - Director

# KEY MANAGEMENT

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**SIM TING LING**

**Group Financial Controller**

Ms. Sim Ting Ling ("**Ms. Sim**") graduated from the University of Melbourne, Australia in 2016 with a Bachelor of Commerce and double major in Accounting and Finance. She commenced her career in PricewaterhouseCoopers Malaysia in July 2017 where she was involved in assurance, audit and business advisory assignments. She subsequently joined KPMG Singapore in November 2021 as an Assistant Manager where she continued to be involved in assurance assignments. She returned to Malaysia in 2022 and joined the Group in September 2022 as Group Financial Controller where she is responsible for the overall finance and reporting function of the Group.

Ms. Sim is a Certified Public Accountant of Australia and was awarded Certificate of Excellence by CPA Australia in 2021. She is also currently a Chartered Accountant registered with the Malaysian Institute of Accountants.



**BOO CHIN HWEE**

**Head of Marketing**

Mr. Boo Chin Hwee ("**Mr. Boo**") joined the Group in March 2014 as a sales and marketing manager and was promoted to the position of Head of Marketing of the Group in November 2020. As the Head of Marketing, he is responsible for overseeing and managing all marketing campaigns for the Group. Prior to joining the Group, he was an acting assistant marketing manager at Universal Environmental Resources Sdn. Bhd. from June 2009 to March 2014.

Mr. Boo obtained a Bachelor of Business Administration (Honours) from Universiti Utara Malaysia in 2009.



**ANG KHOON POH**

**Head of Research & Development**

Mr. Ang Khoo Poh ("**Mr. Ang**") joined the Group in June 2012 as a R&D engineer while pursuing his studies and was promoted to the position of manager in April 2018, and subsequently to the Head of R&D of the Group in November 2020. As the Head of R&D, he is responsible for overseeing and managing all research and development activities for the Group.

Prior to joining the Group, he was a research assistant with the department of chemistry at the University of Malaya from January 2009 to January 2010.

Mr. Ang obtained a Bachelor of Science (Honours) (Major in Applied Chemistry) from the University of Malaya in 2009 and a Master of Science from the University of Malaya in 2014.

# CORPORATE SOCIAL RESPONSIBILITY

Being a responsible corporate citizen, in addition to achieving sustainable financial performance, we also strive to give back to the community we serve as well as improve the well-being of our employees.



## COMMITMENT TO COMMUNITY



On 21 July, we visited the Pertubuhan Kebajikan Anak-anak Yatim orphanage in Johor. Together with the children of the orphanage, we participated in spring cleaning the premises, tree planting and provided McDonald's lunch for the day. The Group also gave a cash donation of MYR3,000.



In October, 5E Resources was invited to participate in an Environmental Campaign in Melaka in conjunction with the National Environment Day, a rebranding and improvement initiative made by the Ministry of Natural Resources and Environment to inculcate and increase environmental awareness among the Malaysian community. The team took this valuable opportunity to promote the concept of "circular economy" in the scheduled waste management industry and demonstrate to the community our cost-effective and sustainable waste management technologies that promote the reuse or reutilisation of waste.

# CORPORATE SOCIAL RESPONSIBILITY

On 16 November, the Group visited the Persatuan Kebajikan Nur Ehsan Negeri Johor, Kempas, old folks home and handed out gift baskets, played games and spent time chatting with the elderly residents, as well as made a cash donation of MYR5,000.



The Group hosted three groups of students from Foon Yew High School over three days in November for a site visit of our plant in Johor. The site visit was conducted to educate our younger generation of scheduled waste management services, what are the different waste management, treatments and processes involved in the services we provide.

The Group was included as a case study in the SGX Sustainability Review Report 2023 for having exemplary sustainability disclosures, particularly in the aspects of greenhouse gases emissions reporting and climate targets setting in our first Sustainability Report 2022. We are honoured to be invited by SGX to be one of the panellists at the launch of the SGX Sustainability Reporting Review 2023 event on 23 November. During the event, Mr. Shankar shared his expertise and insights on the Group's sustainability journey.



# CORPORATE SOCIAL RESPONSIBILITY



## COMMITMENT TO EMPLOYEES

Say No to Sexual Harassment: 5E Resources is committed to maintaining a workplace that is free of sexual harassment. As part of our continued efforts to deepen knowledge among our staff on this important topic, our Human Resource Team arranged sexual harassment talks for all levels of staff including foreign workers in October.



To improve the well-being of our staff, the Group allocated Sports Fund towards helping our employees become healthier, happier and more productive in the long run. Activities include Badminton, twice a month and Football, once a month. Such activities will also help build camaraderie among the employees. Additionally, the Group also held our first bowling tournament on 10 December where 80 employees participated in a day of friendly bowling competition.

# SUSTAINABILITY REPORT



# SUSTAINABILITY REPORT



## BOARD STATEMENT



Dear Stakeholders,

The Board of Directors (the “**Board**” or “**Directors**”) of 5E Resources Limited (“**5E Resources**” or the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to present 5E Resources’ annual sustainability report (“**Report**”) for the financial year ended 31 December 2023 (“**FY2023**”). This Report demonstrates our dedication to making positive contributions to both the environment and society, while also striving to establish enduring mutual benefits for our business and stakeholders.

As a proponent of the circular economy, we are keenly aware of the impact of our business on the natural environment and communities at large. Accordingly, the circular principles are embedded within our core services, encapsulating the waste management lifecycle, from generation, sorting, processing to disposal. Such an approach not only reduces our environmental footprint but also significantly reducing the volume of waste being directed to landfills while optimising the utilisation of materials. Our commitment to sustainable development is underscored by our recognition

“  
**Our commitment to sustainable development is underscored by our recognition as a finalist for the JCI Malaysia Sustainable Development 2023 Award.**

as a finalist for the JCI Malaysia Sustainable Development 2023 Award, specifically for our innovative project involving the transformation of scheduled waste into alternative raw materials for the cement industry. Our exemplary disclosures in the FY2022 sustainability report have also led to our inclusion as a case study in the SGX Sustainability Review Report 2023. Additionally, SGX has extended an invitation for us to serve as a panelist, sharing advice and insights

“  
**Our exemplary disclosures in the FY2022 sustainability report have also led to our inclusion as a case study in the SGX Sustainability Review Report 2023.**

with other small caps and listed companies on sustainability reporting.

Our employees remain key pillars in supporting us towards sustainable growth. We saw a 12% growth in the number of employees from the local community joining the Group. In response to the amendments to Employment Act 1955 which came into effect on 1 January 2023, the Group has also explored means to educate employees about sexual harassment. In December 2023, we conducted a comprehensive sexual harassment talk as part of our efforts in this regard. As we continue to refine our internal policies and procedures, we take pride in being presented with the Business Excellence Certificate by the World Confederation of Businesses.

We are committed to communicating our successes and challenges in a transparent manner, fostering trust and accountability in our journey towards a more responsible future. Meanwhile, we highly value the support extended to us by all our stakeholders throughout this journey, and we look forward to collaborating with them to build a sustainable future together.

Yours faithfully,  
**For and on behalf of the Board**

**LIM TE HUA**  
**Executive Director and Chief Executive Officer**



## ABOUT THIS REPORT



### Scope of Report

This Report focuses on the ESG performance, sustainability strategy and practices, as well as metrics and targets of the Group's operations for FY2023. The contents of this Report have been prepared in good faith and to the best of our knowledge.

### Reporting Framework

This Report is prepared with reference to the Global Reporting Initiative ("GRI") Standards 2021 as it provides extensive framework that is widely accepted as a global standard for sustainability reporting. In addition, the Report considers the requirements specified in Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist (referred to as the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the recommendations in the Task Force on Climate-Related Financial Disclosures ("**TCFD**").

### Report Content and Quality

This Report aims to provide an integrated overview of the Group's initiatives and strategies related to sustainability and responsible business development. To ensure content quality, we have applied GRI's principles of accuracy, balance, clarity, comparability, reliability, and timeliness, as well as TCFD's seven principles for effective disclosure. The Report has been internally reviewed by Baker Tilly Consultancy (Singapore) Pte Ltd.

### Restatement

The operating margin grid emission factors from Sustainability Report FY2022 were restated for the computation of Scope 2 Greenhouse Gas emissions. This measure was taken to ensure the accuracy of data and facilitate a fair comparison in the reporting year.

### Feedback

As part of our continuous efforts to improve our sustainability performance, we welcome any questions, comments, or feedback on any aspect of this Report. Please write to: [ir@5e-resources.com](mailto:ir@5e-resources.com).

# SUSTAINABILITY REPORT



## ESG PERFORMANCE SUMMARY

INDICATOR	TARGET FOR FY2023	PERFORMANCE		
		FY2022	FY2023	
<b>ENVIRONMENTAL</b>				
<p><b>Climate Change</b></p>	Increase awareness of climate change as well as its impact on business practices and core services	We have incorporated our first TCFD recommendation as part of our Sustainability Report	We have further enhanced the disclosure of climate-related risks and opportunities	
<p><b>Greenhouse Gas Emissions</b></p>	Adopt the use of other renewable energy; and consider replacing more vehicles with green engines or switching to lower emissions vehicles	GHG Emissions Intensity from Fuel Consumption (Scope 1 Emissions Intensity)	12.8 tCO <sub>2</sub> e/employee	13.0 tCO <sub>2</sub> e/employee
		GHG Emissions Intensity from Electricity Consumption (Scope 2 Emissions Intensity)	11.6 tCO <sub>2</sub> e/employee	9.6 tCO <sub>2</sub> e/employee
<p><b>Energy Consumption and Efficiency</b></p>	Adopt the use of energy efficient features and fittings	We have improved energy efficiency in our office premises by reminding our employees to switch off the lights when they are no longer in use, and advocating digital documentation wherever possible	We continue to adopt best practices to enhance operational efficiency and achieve cost savings	
<p><b>Water Use Intensity</b></p>	Water consumption is a new material topic added in FY2023	Not applicable	24.9 litre/tonne of waste processed	
<p><b>Waste Management</b></p>	Reduce waste generated and waste intensities by 10%; and increase recycled waste composition by 5%	Hazardous Waste Intensity	0.04 tonnes/total incoming waste	0.01 tonnes/total incoming waste
		Non-Hazardous Waste	0.14 tonnes/total incoming waste	0.13 tonnes/total incoming waste
<p><b>Environmental Policy Compliance</b></p>	Maintain zero incidents of environmental policy related fines	We have maintained incidents of environmental policy related fines	We have maintained incidents of environmental policy related fines	

# SUSTAINABILITY REPORT

INDICATOR	TARGET FOR FY2023	PERFORMANCE	
		FY2022	FY2023
<b>SOCIAL</b>			
 <p><b>Diversity and Equal Opportunity</b></p>	<p>Improve employee recruitment and retention; and increase ratio of local workers</p>	<p>We have embraced fair workplace practices with equal employment and promotion opportunities for all our employees; and we have conducted annual performance appraisal to identify development gaps and training needs of our employees</p>	<p>The total number of our employees has increased by 5.2%, reaching a total of 164. Moreover, there has been an increase in the number of employees from the local community, marking a 12% growth compared to FY2022</p>
 <p><b>Training and Development</b></p>	<p>Offer internal and external trainings that are beneficial to the development and career progression of our employees at all levels</p>	<p>We have offered internal and external trainings that are beneficial to the development and career progression of our employees at all levels</p>	<p>We have continued offering internal and external trainings that are beneficial to the development and career progression of our employees at all levels</p>
 <p><b>Labour Standards</b></p>	<p>Maintain zero incidents of non-compliance with discrimination, child labour, forced or compulsory labour involved in our business practices</p>	<p>We have maintained zero incidents of non-compliance with discrimination, child labour, forced or compulsory labour involved in our business practices</p>	<p>We have maintained zero incidents of non-compliance with discrimination, child labour, forced or compulsory labour involved in our business practices</p>
 <p><b>Occupational Health and Safety</b></p>	<p>Maintain zero incidents of non-compliance with health and safety laws, as well as regulations concerning the health and safety of our operations; and reduce the incidents of work-related injuries by 50%</p>	<p>We have maintained zero incidents of non-compliance with health and safety laws, as well as regulations concerning the health and safety of our operations</p>	<p>We have maintained zero incidents of non-compliance with health and safety laws, as well as regulations concerning the health and safety of our operations; and we have reduced the incidents of work-related injuries by 100% (from 8 cases to zero case)</p>
 <p><b>Community Involvement</b></p>	<p>Contribute to the betterment of our community through financial contributions and participation in community initiatives</p>	<p>We made donations of smart televisions to provide digital amenities to improve students' learning environment; and we also partnered with local schools to offer field trips to our plants for students to experience practical applications of their classroom learning</p>	<p>We have been actively involved in supporting a local orphanage, elderly care facility and schools in our community through cash donations, totalling MYR30,800</p>

# SUSTAINABILITY REPORT

INDICATOR	TARGET FOR FY2023	PERFORMANCE	
		FY2022	FY2023
<b>GOVERNANCE</b>			
 <p><b>Bribery and Corruption</b></p>	Maintain zero incidents of non-compliance with anti-bribery and anti-corruption laws and regulations	We have maintained zero incidents of non-compliance with anti-bribery and anti-corruption laws and regulations	We have maintained zero incidents of non-compliance with anti-bribery and anti-corruption laws and regulations
 <p><b>Business Ethics and Conduct</b></p>	Maintain zero incidents of non-compliance with business ethics laws and regulations	We have maintained zero incidents of non-compliance with business ethics laws and regulations	We have maintained zero incidents of non-compliance with business ethics laws and regulations
 <p><b>Regulatory Compliance</b></p>	Maintain zero incidents of non-compliance, and no violation of any applicable regulations in the jurisdiction	We have maintained zero incidents of non-compliance, and no violation of any applicable regulations in the jurisdiction	We have maintained zero incidents of non-compliance, and no violation of any applicable regulations in the jurisdiction

# SUSTAINABILITY REPORT



## SUSTAINABILITY GOVERNANCE STRUCTURE

The Board has ultimate responsibility for sustainability reporting and has integrated sustainability considerations into the Group's business and strategy. The Board is responsible for reviewing and approving the Group's sustainability policies, practices and performance disclosures. The Board conducts regular assessments of environmental trends and evaluates potential risks and opportunities associated with climate change to ensure effective oversight of strategic risk management. Key sustainability factors, including climate-related metrics and targets, are consolidated and presented to the Board for annual review. All members of the Board have completed the sustainability training courses offered by the Singapore Institute of Directors.

The Board is assisted by the Group's Sustainability Committee ("SC"), which plays an active role in shaping the Group's sustainability initiatives and executing climate strategies and policies. The SC is led by the Group's Chief Executive Officer and supported by members from the relevant departments, including Environmental, Health & Safety, Research and Development, and Human Resources.

### Roles and Responsibilities of the Sustainability Committee

DESIGNATION	ROLES	RESPONSIBILITIES
<b>Chief Executive Officer</b>	Oversees Group's plans and approves its strategies, metrics, and targets to address its climate-related risks	<ul style="list-style-type: none"> <li>Provides strategic guidance and formulate Group's sustainability strategy</li> <li>Identifies climate-related risks and opportunities</li> <li>Reviews climate-related metrics and targets</li> <li>Evaluates ESG risks and monitor climate-related performances in the Group's business practices</li> </ul>
<b>Chief Operating Officer</b>	Deputy chair of SC to foster a culture of sustainability	<ul style="list-style-type: none"> <li>Manages day-to-day operations pertaining to ESG performance of the Group</li> <li>Oversees daily administrative and operational functions related to sustainable development</li> <li>Evaluates ESG risks and monitor climate-related performances in the Group's business practices</li> </ul>
<b>Group Financial Controller</b>	Member of SC to support sustainability practices	<ul style="list-style-type: none"> <li>Reviews the financial performance of climate-related risks and opportunities undertaken by the Group</li> <li>Coordinates reporting and disclosures</li> <li>Ensures legal compliance with relevant financial-related requirements</li> <li>Ensures legal compliance with relevant requirements, such as documentation and housekeeping sub-activities</li> <li>Works closely with the SC to assess and manage climate-related risks and opportunities</li> </ul>
<b>Head of Research &amp; Development</b>	Member of SC to support sustainability practices	<ul style="list-style-type: none"> <li>Conducts risk assessment and environmental impact analysis of various waste and pollution</li> <li>Ensures wastewater discharges meet various Waste Codes and works towards environmental conservation</li> </ul>
<b>Environment, Health and Safety Manager</b>	Member of SC to support sustainability practices	<ul style="list-style-type: none"> <li>Ensures compliance with environmental-related laws and regulations through workplace inspection and monitoring of energy usage</li> <li>Works closely with the SC to assess and manage climate-related risks and opportunities</li> </ul>

# SUSTAINABILITY REPORT



## STAKEHOLDER ENGAGEMENT

We value the diverse perspectives and insights that our stakeholders provide as they help to prioritise actions within our sustainability initiatives. Throughout the year, we actively engage in dialogues with various stakeholders, including colleagues, customers, communities, policymakers, and investors.

The table below summarises our stakeholder groups, engagement platforms, frequency of engagement, and their key concerns related to sustainability issues.

STAKEHOLDER	ENGAGEMENT PLATFORMS	FREQUENCY	KEY CONCERNS
 <b>Employees</b>	Performance appraisal	Annual	<ul style="list-style-type: none"> <li>• Remuneration and benefits</li> <li>• Employee safety and well-being</li> <li>• Training and development opportunities</li> <li>• Fair and competitive employment practices and policies</li> <li>• Work-life balance</li> </ul>
	Training programmes and courses	Ad-hoc	
	Platform for submission of feedback	Perpetual	
	Dialogue session with senior management	Ad-hoc	
 <b>Customers</b>	Quality assurance	Perpetual	<ul style="list-style-type: none"> <li>• Quality services provided and products sold to customers</li> <li>• Timely response to customer feedbacks and complaints</li> <li>• Customer information protection</li> </ul>
	Project progress monitoring	Monthly	
	Customer feedback channels	Ad-hoc	
 <b>Suppliers</b>	Correspondence through emails, phone calls and meetings	Ad-hoc	<ul style="list-style-type: none"> <li>• Certifications and quality assurance</li> <li>• Environmental impact assessment</li> <li>• Strong and lasting cooperation</li> </ul>
	Annual performance evaluation	Annual	
 <b>Investors and Shareholders</b>	Annual general meetings	Annual	<ul style="list-style-type: none"> <li>• Timely and transparent updates and disclosures</li> <li>• Financial stability and long-term growth plans</li> <li>• Sustainability efforts</li> <li>• Compliance with listing requirements</li> <li>• Risk management</li> <li>• Sound corporate governance practices</li> </ul>
	Financial result announcements	Half-yearly	
	Corporate updates and announcements on SGXNet	Perpetual	
	Company website	Perpetual	
	Annual Report and Sustainability Report	Annual	
 <b>Government and Regulators</b>	Meetings, briefings and reporting	Ad-hoc	<ul style="list-style-type: none"> <li>• Compliance updates with regulatory requirements</li> <li>• Corporate governance</li> <li>• Timely data reporting</li> <li>• Participating in stakeholder consultations by government agencies</li> <li>• Sustainability reports</li> </ul>
	Correspondences through emails and letters	Ad-hoc	
 <b>Local Communities</b>	Community outreach initiatives	Ad-hoc	<ul style="list-style-type: none"> <li>• Corporate social responsibility</li> <li>• Safe environment</li> <li>• Sustainable and responsible business practices</li> </ul>

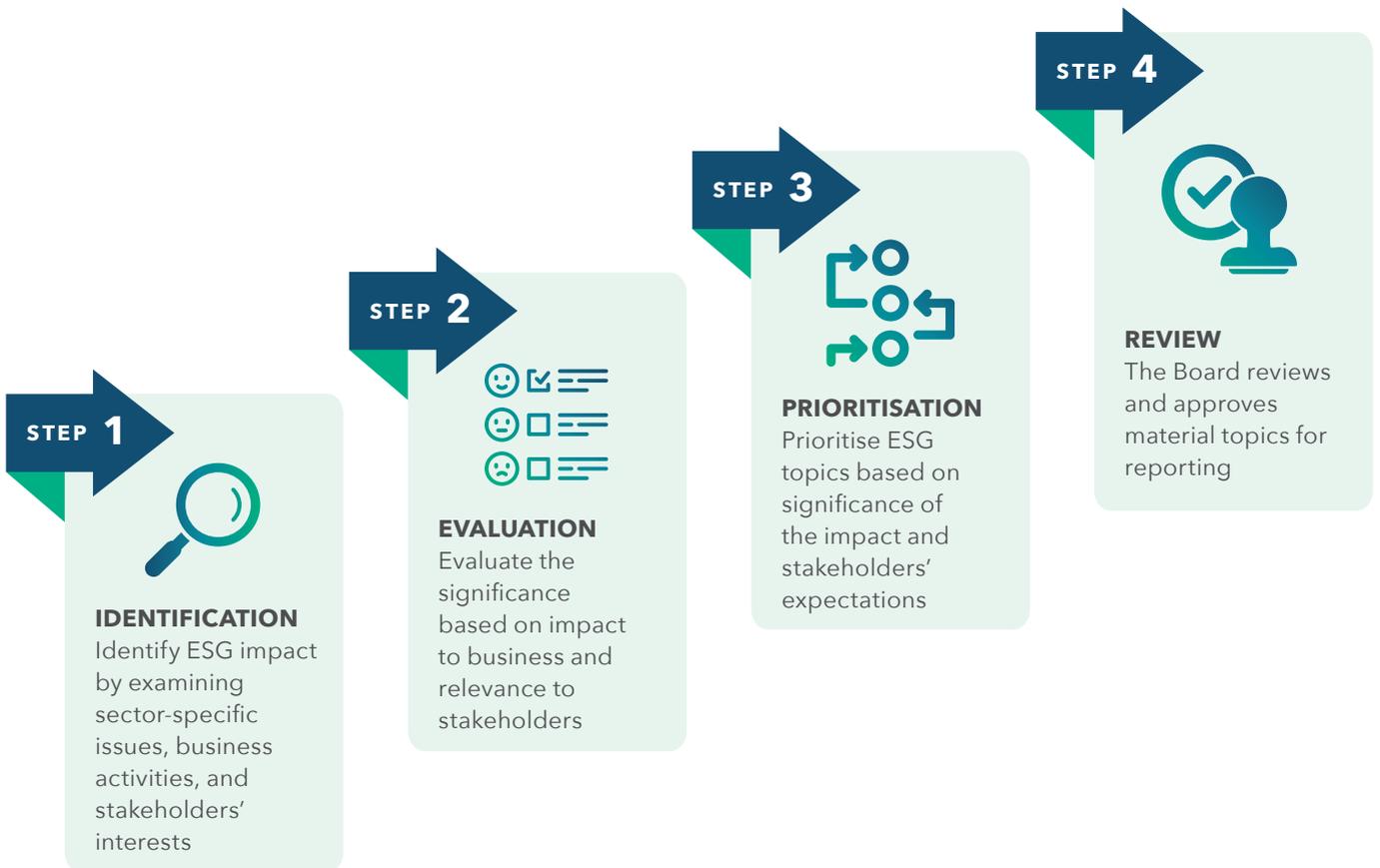
# SUSTAINABILITY REPORT



## MATERIALITY ASSESSMENT

At 5E Resources, we place emphasis on identifying and prioritising the issues that are of utmost concern to our stakeholders. Through various channels and feedback mechanisms, we analyse our stakeholders’ expectations related to economic, environmental, and social aspects of our value chain. The materiality assessment was conducted with reference to GRI guidelines and ranked by the Sustainability Committee considering their impact on the business and stakeholders of the Group.

The Group adopts a four-stage approach to define our material topics for FY2023:



In FY2023, we introduced an additional material topic. The underlying reason is summarised below:

### MATERIAL TOPIC ADDED IN FY2023

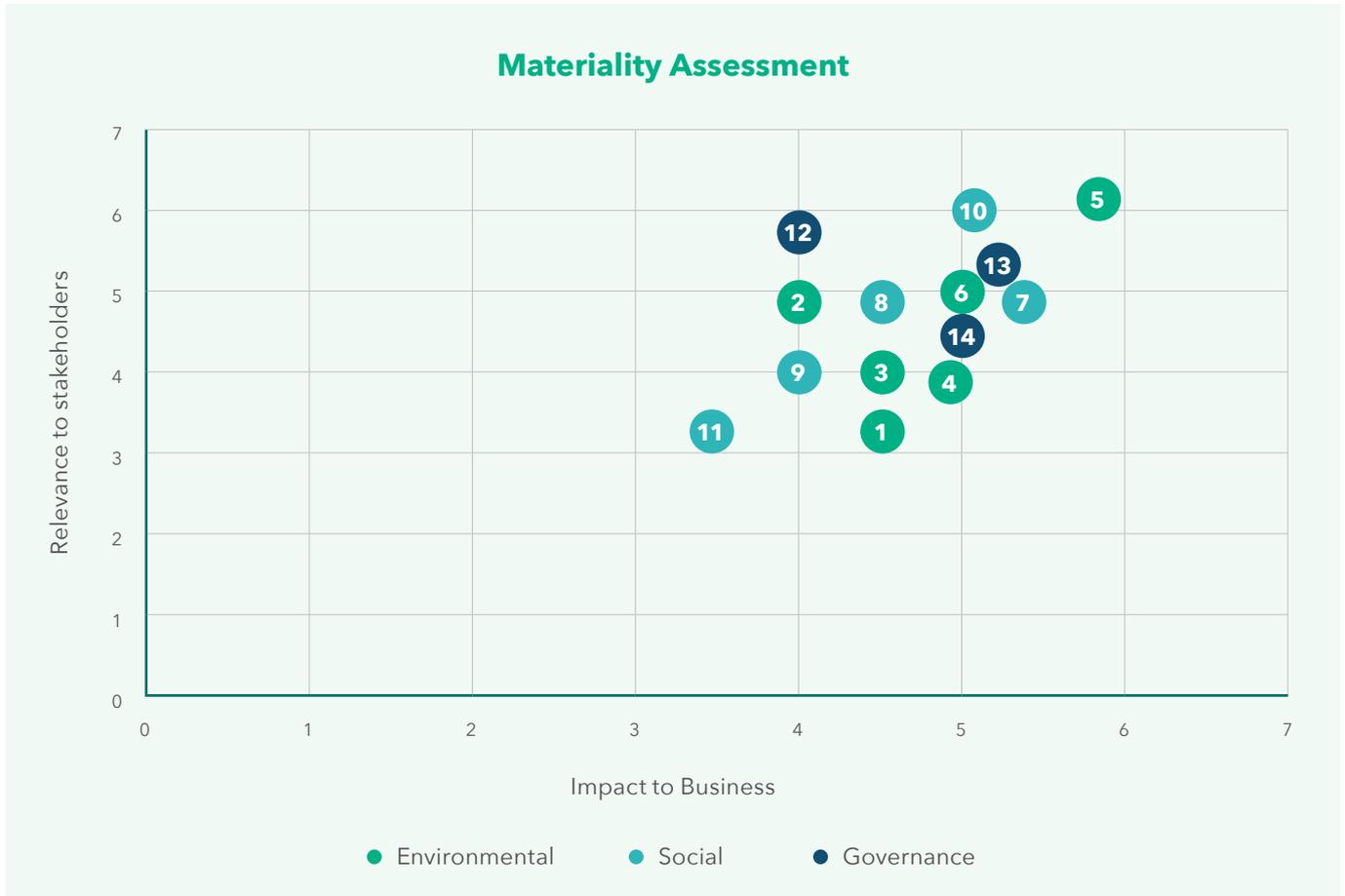


#### Water Consumption

Water usage plays a crucial role in scheduled waste management by helping to dilute and decontaminate waste, clean equipment, and facilitate treatment processes. The proper use and conservation of water is necessary to mitigate impacts of our operations on our environment.

# SUSTAINABILITY REPORT

Following the assessment, these topics were mapped onto a materiality matrix, resulting in the identification of 14 key ESG material topics, as follows:



## Legend

ENVIRONMENTAL	SOCIAL	GOVERNANCE
		
<ul style="list-style-type: none"> <li><span style="background-color: #008080; border-radius: 50%; padding: 2px 5px;">1</span> Climate Change</li> <li><span style="background-color: #008080; border-radius: 50%; padding: 2px 5px;">2</span> Greenhouse Gas Emissions</li> <li><span style="background-color: #008080; border-radius: 50%; padding: 2px 5px;">3</span> Energy Consumption and Efficiency</li> <li><span style="background-color: #008080; border-radius: 50%; padding: 2px 5px;">4</span> Water Consumption</li> <li><span style="background-color: #008080; border-radius: 50%; padding: 2px 5px;">5</span> Waste Management</li> <li><span style="background-color: #008080; border-radius: 50%; padding: 2px 5px;">6</span> Environmental Policy Compliance</li> </ul>	<ul style="list-style-type: none"> <li><span style="background-color: #008080; border-radius: 50%; padding: 2px 5px;">7</span> Diversity and Equal Opportunity</li> <li><span style="background-color: #008080; border-radius: 50%; padding: 2px 5px;">8</span> Training and Development</li> <li><span style="background-color: #008080; border-radius: 50%; padding: 2px 5px;">9</span> Labour Standards</li> <li><span style="background-color: #008080; border-radius: 50%; padding: 2px 5px;">10</span> Occupational Health and Safety</li> <li><span style="background-color: #008080; border-radius: 50%; padding: 2px 5px;">11</span> Community Involvement</li> </ul>	<ul style="list-style-type: none"> <li><span style="background-color: #003366; border-radius: 50%; padding: 2px 5px;">12</span> Bribery and Corruption</li> <li><span style="background-color: #003366; border-radius: 50%; padding: 2px 5px;">13</span> Business Ethics and Conduct</li> <li><span style="background-color: #003366; border-radius: 50%; padding: 2px 5px;">14</span> Regulatory Compliance</li> </ul>

# SUSTAINABILITY REPORT



## OUR ALIGNMENT WITH THE UN SDGS



In 2015, the United Nations (“UN”) introduced the Sustainable Development Goals (“SDGs”) with the aim of establishing targets and indicators to promote global sustainability. The 17 UN SDGs form a shared agenda for environmental improvement, social empowerment and greater equality. Of the 17 UN SDGs, 5E Resources has embraced seven goals that are most aligned with our business operations and material topics. These include Goal 3: Good Health and Well-Being; Goal 5: Gender Equality; Goal 8: Decent Work and Economic Growth; Goal 11: Sustainable Cities and Communities; Goal 12: Responsible Consumption and Production; Goal 13: Climate Action; and Goal 16: Peace, Justice and Strong Institutions.



# SUSTAINABILITY REPORT

Our commitment and progress towards the seven adopted SDGs are as follows:

OUR MATERIAL TOPICS	OUR COMMITMENT	OUR PRACTICES	CONTRIBUTION TO UN SDGS
<b>ENVIRONMENTAL</b>			
<ul style="list-style-type: none"> <li>• Climate Change</li> <li>• Greenhouse Gas Emissions</li> <li>• Water Consumption</li> <li>• Energy Consumption and Efficiency</li> <li>• Waste Management</li> <li>• Environmental Policy Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness of the risks that climate change poses to our business, as severe weather has the potential to disrupt services and damage our facilities.</li> <li>• Ensuring efficient use of environmental resources to reduce environmental footprint from our core activities and business practices.</li> <li>• Minimising our electricity consumption in our operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Our offices are equipped with light emitting diode (“LED”) lighting to enhance energy efficiency.</li> <li>• We have reduced paper usage by using both sides of scrap paper and encouraging ‘go paperless’ initiatives in our office premises.</li> <li>• We have adopted a rainwater harvesting system and initiative of using green engine to optimise energy efficiency.</li> </ul>	<div data-bbox="1305 571 1481 734"> <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div> <div data-bbox="1305 741 1481 904"> <p><b>13</b> CLIMATE ACTION</p>  </div>
<b>SOCIAL</b>			
<ul style="list-style-type: none"> <li>• Diversity and Equal Opportunity</li> <li>• Training and Development</li> <li>• Labour Standards</li> <li>• Occupational Health and Safety</li> <li>• Community Involvement</li> </ul>	<ul style="list-style-type: none"> <li>• 5E Resources embraces fair employment practices and selects candidates based on merit, regardless of their age, gender, nationality, religion and sexual orientation.</li> <li>• 5E Resources offers opportunities for career growth to attract new talents and retain existing employees.</li> <li>• We are committed to create a safe working environment for our employees to promote positive health and well-being.</li> <li>• 5E Resources launches and supports community outreach initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>• Our employees undergo orientation, internal trainings (e.g., Firefighting, PPE and SOP training) as well as external training programmes (e.g., First aid, forklift and scheduled waste training).</li> <li>• Adopt fair employment and merit-based practices.</li> <li>• Conduct various corporate social responsibility events as well as implement sustainable and responsible business practices.</li> </ul>	<div data-bbox="1305 1052 1481 1216"> <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>  </div> <div data-bbox="1305 1223 1481 1386"> <p><b>5</b> GENDER EQUALITY</p>  </div> <div data-bbox="1305 1393 1481 1556"> <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>  </div>
<b>GOVERNANCE</b>			
<ul style="list-style-type: none"> <li>• Bribery and Corruption</li> <li>• Business Ethics and Conducts</li> <li>• Regulatory Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• 5E Resources' Whistle-Blowing Policy encourages the reporting of any non-compliance regarding possible malpractice or improprieties.</li> <li>• We are committed to upholding fair and ethical business conduct, complying with the applicable law and regulations as well as industry best practices.</li> <li>• We have adopted zero-tolerance for acts such as fraud, bribery, and corruption.</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt corporate governance practices consistent with the Malaysian Code of Corporate Governance and Singapore Code of Corporate Governance 2018.</li> <li>• As the Group operates in Malaysia, we are required to comply with the laws and regulations in the jurisdiction.</li> <li>• Please refer to the “Corporate Governance Report” of our Annual Report for more details.</li> </ul>	<div data-bbox="1305 1680 1481 1843"> <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>  </div> <div data-bbox="1305 1850 1481 2013"> <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>  </div>



### TCFD Climate-Related Risk Analysis

#### Climate Change

The rising global temperature poses a significant threat, potentially leading to extreme weather events like floods, heatwaves and higher sea levels. These occurrences can directly and indirectly impact the safety of our office, plants and facilities, as well as the overall well-being of our employees.

With the goal of keeping the global temperature rise below 1.5 degrees Celsius, as stipulated in the Paris Agreement, we have made it a top priority to tackle climate change within our ESG agenda. A critical first step involves understanding the impact of climate change on the Group's operations and the potential risks and opportunities associated with climate change.

To assess the impact of climate change on our business, the Task Force on Climate-Related Financial Disclosure ("TCFD") recommends undertaking scenario analysis. We selected two climate scenarios for the purpose of our assessment. Firstly, in our Paris-aligned scenario, we assessed transition risks where the rise in global temperature is limited to an average of below 2°C. The second scenario being an assessment of physical risks projecting an increase of 4°C in average global temperature with limited policy changes to curb the current volume of emissions.

SCENARIO	PARIS-ALIGNED SCENARIO (below 2°C)	NO MITIGATION SCENARIO (4°C)
<b>Rationale</b>	<ul style="list-style-type: none"> <li>In this scenario, the world manages to reduce CO<sub>2</sub>e emissions through several far-reaching measures, such as legislation, global carbon taxes, and major shifts in consumption patterns and lifestyles.</li> <li>This scenario is selected to assess the transition impacts in an economy shifting to a low-carbon world. It reflects actions required to limit global warming to under 2°C.</li> </ul>	<ul style="list-style-type: none"> <li>In this scenario, the world fails to curb rising CO<sub>2</sub>e emissions by 2100<sup>1</sup>. Legislation and carbon taxes are expected to play a less significant role in this scenario, whereas impacts from extreme weather events are assumed to grow in magnitude.</li> <li>This scenario is selected to assess the physical risks under a high-emission scenario, consistent with a future with limited policy changes to reduce emissions.</li> </ul>
<b>Underlying model</b>	International Energy Agency's Sustainable Development Scenario	Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway 8.5
<b>Used to analyse</b>	Transition impacts	Physical impacts
<b>Assumptions</b>	Transition features: <ul style="list-style-type: none"> <li>Carbon price introduced</li> <li>Fossil fuel subsidies phased out by 2050 in net-importers and by 2035 in net-exporters</li> <li>Increased generation to renewable energy</li> </ul>	Physical features: <ul style="list-style-type: none"> <li>Global emissions continue to rise because of high carbon intensity</li> <li>Global mean sea level rise of 0.63m by 2100</li> <li>High frequency and intensity of heat waves and extreme precipitation events</li> </ul>

<sup>1</sup> No mitigation scenario was adopted from Report of the Intergovernmental Panel on Climate Change RCP 8.5—A scenario of comparatively high greenhouse gas emissions.

# SUSTAINABILITY REPORT

## Climate-Related Risks and Opportunities

Based on the aforementioned scenarios, we have identified several climate-related risks and summarised the corresponding risk mitigation measures as below:

RISK TYPE	IMPACT	MITIGATING MEASURES
<b>PHYSICAL RISKS</b>		
<b>Acute</b> <i>Increased severity of extreme weather events, such as frequent flooding</i>	<ul style="list-style-type: none"> <li>Disrupted operations due to flooding, including the logistics on the collection of waste from our customers</li> </ul>	<ul style="list-style-type: none"> <li>Two operating plants at different locations to reduce the impact</li> <li>This will be further mitigated by a third plant which is under construction and projected to commence operations in 2025</li> </ul>
<b>Chronic</b> 1. <i>Rising mean temperatures</i> 2. <i>Rising sea levels</i>	<ul style="list-style-type: none"> <li>Increased concentration of volatile organic compounds released to the air</li> <li>Health hazard such as heatstroke</li> <li>Decreased employee productivity</li> </ul>	<ul style="list-style-type: none"> <li>All volatile wastes are stored in covered areas</li> <li>Workers working in covered areas, sufficient drinking water is prepared, sufficient rest time for workers</li> <li>Installation of electric fans at the production area</li> </ul>
<b>TRANSITION RISKS</b>		
<b>Policy and Legal</b> 1. <i>Enhanced emissions-reporting obligations</i> 2. <i>Mandates on and regulation of existing products and services</i> 3. <i>Exposure to litigation</i>	<ul style="list-style-type: none"> <li>Fine</li> <li>Lawsuit</li> <li>License revoked by government</li> <li>Increased operating cost and compliance cost due to tighter regulation</li> <li>Bad reputation, negative image</li> </ul>	<ul style="list-style-type: none"> <li>Compliance officer to monitor reporting status</li> <li>Annual reporting schedule to monitor submission status</li> <li>Monthly safety, health &amp; environment committee meeting to update on compliance status</li> <li>Maintain master list of laws &amp; regulations requirements and update its status at least once a year</li> <li>Internal audit to ensure continuous compliance</li> <li>Training provided to the compliance officer &amp; other compliance related departments to improve employee competency</li> <li>Regular check on government website / attend government seminar on new laws &amp; regulations update</li> <li>Regularly research for new technology to reduce operation cost</li> </ul>

# SUSTAINABILITY REPORT

RISK TYPE	IMPACT	MITIGATING MEASURES
<b>TRANSITION RISKS</b>		
<b>Technology</b> 1. Substitution of existing products and services with lower emissions options 2. Unsuccessful investment in new technologies 3. Costs to transition to lower emissions technology	<b>Risk</b> <ul style="list-style-type: none"> <li>Reduced company competitiveness with unsuccessful investment</li> <li>Capital loss, reduction in capital availability</li> </ul> <b>Opportunities:</b> <ul style="list-style-type: none"> <li>Reduce company operating cost with better technology</li> <li>Improve company image with better emission quality</li> </ul>	<ul style="list-style-type: none"> <li>Set up R&amp;D department to explore new recycling opportunities</li> <li>Regular management meeting to discuss about changes in external environment such as customer needs &amp; expectations</li> <li>Conduct supplier audit before investing in new technology</li> </ul>
<b>Market</b> 1. Uncertainty in market 2. Increased cost of raw materials	<ul style="list-style-type: none"> <li>Losing competitiveness due to inability to capture market needs</li> <li>Increased operating cost</li> </ul>	<ul style="list-style-type: none"> <li>Regular price survey on raw material</li> <li>Continuous R&amp;D to look for cheaper replacement for raw material</li> <li>Regular management meeting to discuss about latest market needs &amp; expectations</li> <li>Attending conference on waste &amp; recycling to be updated on new market trend</li> <li>Regular customers visit to understand the market trends &amp; conditions</li> </ul>
<b>BUSINESS OPPORTUNITIES</b>		
<b>Resource Efficiency/Energy Sources</b>	<ul style="list-style-type: none"> <li>Waste to raw material</li> <li>Waste to energy</li> </ul>	
<b>Products and Services/Markets</b>	<ul style="list-style-type: none"> <li>Provide tank and plant cleaning services with our expertise</li> <li>Provide emergency response services during chemical spillage</li> </ul>	

Beyond these mitigation measures, we are actively reviewing and devising strategies to bolster our abilities in mitigating the environmental-related risks, in the following areas:

- Reducing emissions of Greenhouse Gases (“**GHG**”)
- Reducing energy consumption and enhancing energy efficiency
- Reducing wastage in water consumption
- Reduce, reuse, recycle and recover (“**4R**”) in waste management

# SUSTAINABILITY REPORT

## Greenhouse Gas Emissions

The majority of GHG emissions within our operations arise from our use of electricity and fuel consumption. Activities from our core services are the key drivers of GHG emissions. We monitor the quality of our air emissions via continuous emission monitoring systems installed at our furnaces, periodic ambient air monitoring, as well as periodic stack emission monitoring via sampling of air quality at various parts of our factories. Therefore, we have disclosed Scope 1 direct emissions and Scope 2 indirect emissions in line with the GHG protocol and the GRI Standards.

Our Group contributes to air pollution mainly through two streams, in terms of combustion of fossil fuels from the use of motor vehicles (Scope 1 Emissions) and consumption of purchased energy (Scope 2 Emissions).

### Motor vehicles (Scope 1 Emissions)

The combustion of fossil fuels in motor vehicles leads to the release of greenhouse gases, with significant emissions including carbon dioxide ("CO<sub>2</sub>"), methane ("CH<sub>4</sub>"), and nitrous oxide ("N<sub>2</sub>O"). The introduction of these greenhouse gases into the atmosphere has detrimental effects, such as contributing to global warming, the formation of acid rain, reduced visibility, and the onset of respiratory problems.

To further mitigate our emissions, we are exploring initiatives such as replacing more of our vehicles with environmentally-friendly engines or transitioning to vehicles that have lower emissions, improved fuel efficiency, and are equipped with eco-friendly technology, all while complying with emission standards. We also conduct regular maintenance to ensure our engines operate optimally, which, in turn, reduces our greenhouse gas emissions.

Environmental performance in FY2023

POLLUTANT	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Emission Factor <sup>2</sup> (kg/litre)	2.68	0.000023	0.000032
Global Warming Potential (GWP)	1	28	265

	FY2022	FY2023
Fuel Used	Diesel	Diesel
Fuel Consumed (litre)	737,771	775,901
CO <sub>2</sub> Emissions (tCO <sub>2</sub> e)	1,977.23	2,079.41
CH <sub>4</sub> Emissions (tCO <sub>2</sub> e)	0.48	0.50
N <sub>2</sub> O Emissions (tCO <sub>2</sub> e)	6.26	6.58
Total GHG Emissions (tCO <sub>2</sub> e)	1,983.96	2,086.49
Number of Employees	155	161
GHG Intensity (tCO <sub>2</sub> e/employee)	12.8	13.0

### Electricity Consumption (Scope 2 Emissions)

GHG emissions are also generated from the consumption of purchased energy in the form of electricity, which is a by-product of the burning of fossil fuels. Electricity is an indispensable part of our business operations to run the various electrical appliances.

<sup>2</sup> Emissions factors are calculated based on guidelines, including but not limited to the Guidance from GHG Protocol and Intergovernmental Panel on Climate Change (IPCC).

## SUSTAINABILITY REPORT

Our Group is dedicated to reducing our electricity consumption through the implementation of sustainable practices, including:

- Turning off lights, computers, and other electrical devices when they are not in use;
- Setting air-conditioning systems to an energy-saving temperature of 25°C;
- Regularly maintaining equipment to ensure optimal energy efficiency; and
- Installing energy-efficient fixtures and fittings, such as LED lights and smart lighting systems.

These measures are aimed at minimising our environmental footprint and lowering GHG emissions associated with our electricity consumption.

Environmental performance in FY2023

POLLUTANT	CO <sub>2</sub>
<b>Operating Margin (OM) Grid Emission Factor (GEF)<sup>3</sup></b>	0.64

	FY2022	FY2023
<b>Electricity Consumed (kWh)</b>	2,817,151	2,407,927
<b>CO<sub>2</sub> Emissions (tCO<sub>2</sub>e)</b>	1,803	1,541
<b>Number of Employees</b>	155	161
<b>GHG Intensity (tCO<sub>2</sub>e/employee)</b>	11.6	9.6

### Energy Consumption and Efficiency

We are actively seeking solutions to enhance the energy efficiency of both our office premises and plants. This involves the adoption of various technologies and best practices that serve to reduce our environmental footprint, enhance operational efficiency, and yield cost savings. The sustainability committee has been actively inculcating the spirit of environmental stewardship among our employees through reminders to turn off lights when not in use and promoting the use of digital documentation whenever feasible. Additionally, we have implemented a robust paper recycling program across all our facilities.

One of the key initiatives in our sustainability journey is our plan to gradually install solar panel systems. This move will reduce our reliance on electricity from the national power grid and further reduce our environmental impact.

### Water Consumption

Water is crucial in our scheduled waste management service as it is used in diluting and decontaminating waste, cleaning equipment and supporting treatment processes. As the effect of climate change intensifies, there is a need to monitor and enhance our water consumption efficiency.

WATER CONSUMPTION AND INTENSITY	FY2023
<b>Water Consumed (litre)</b>	199,186
<b>Water Use Intensity (litre/ tonne of waste processed)</b>	24.9

We have implemented flow control valves to manage water usage effectively, ensuring it is utilised only when necessary and at the optimal rate. Management also constantly educates and raises awareness among production team regarding the significance of water conservation. In addition, our maintenance team conducts routine inspections of pipes to identify and rectify any potential leaks. To further enhance our sustainable practices, we harvest rainwater for plant irrigation, contributing to overall water conservation efforts.

<sup>3</sup> Operating Margin Grid Emission Factor is retrieved from Grid Emissions Factors (GEF) Published by Country Government or Adopted as CDM Standardised Baseline.

# SUSTAINABILITY REPORT

## Waste Management

As a prominent participant in the scheduled waste management sector, we proudly hold 38 out of 77 Waste Codes, underscoring our commitment to specialising in scheduled waste management and environmental conservation.

At 5E Resources, we embrace a customer-centric, technology-driven approach to advance our mission. Our scheduled waste management services are designed to alleviate our clients' environmental impact liabilities by delivering tailored solutions that aim to maximise resource recovery and minimise waste disposal. Some of the waste components that can be recycled and reused include:

- Oil recovery categorised under SW 305, 306, 309, 312, and 327;
- Recycled solvents, falling under SW 322 and SW 323; and
- Contaminated containers, identified as SW 409.

We also collaborate with accredited service providers to handle the by-products and waste generated from our operations. We maintain a close working relationship with these service providers to ensure that waste is disposed of properly, and in full compliance with local environmental standards and regulations.

Our research and development processes, coupled with considerable joint efforts from our partners have allowed us to reduce waste through circular models by transforming them into alternative raw materials for the cement industry. Moving forward, we remain dedicated to advancing sustainable waste recovery methods and investing in technologies to optimise our operations and reduce our ecological footprint.

The total waste generated and intensity for both hazardous and non-hazardous waste are as follows:

	FY2022	FY2023
<b>Hazardous Waste (tonnes)</b>	2,123	655
<b>Hazardous Waste Intensity<sup>4</sup></b>	0.04	0.01
<b>Non-Hazardous Waste (tonnes)</b>	8,430	7,343
<b>Non-Hazardous Waste Intensity</b>	0.14	0.13

## Environmental Policy Compliance

Compliance with applicable laws and regulations is a paramount focus for our Group. As we expand our business, we have established a robust environmental compliance system and have implemented various environmental protection measures to ensure that we adhere to the ISO 14001:2015 standards. These measures encompass a range of environmental policies, including noise control, air pollution control and wastewater treatment.

Our commitment to environmental compliance is reflected in our adherence to a variety of environmental laws and regulations, including but not limited to:

- Environment Quality Act 1974, Act 127
- Environment Quality (Industrial Effluent) Regulations 2009
- Environment Quality (Scheduled Waste) Regulations 2005
- Environment Quality (Control of Emission from Diesel Engines) Regulations 1996
- Environment Quality (Clean Air) Regulations 2014
- Environmental Quality (Prescribed Premises) (Scheduled Wastes Treatment and Disposal Facilities) Regulations 1989

<sup>4</sup> Intensity figures are calculated by dividing waste output (tonnes) by total incoming waste quantity of 55,466 tonnes.

## SUSTAINABILITY REPORT

- The Planning Guidelines for Environmental Noise Limits and Control
- Environment Quality (Refrigerant Management) Regulations 2020
- Guidelines for Packaging, Labelling and Storage of Scheduled Wastes in Malaysia

To ensure compliance, we closely monitor environmental noise levels at various locations within our facilities, ensuring they remain within permitted limits both during the day and night. Gas generated from our operations undergoes a treatment process to remove hazardous substances before release. Our factories are equipped with air pollution control systems that effectively remove impurities from air emissions, and we regularly analyse the quality of our treated effluents through periodic sample testing.

Furthermore, we conduct regular reviews of environmental policies and public health regulations, allowing us to revise and implement necessary initiatives and practices. In FY2023, there were no instances of non-compliance with Malaysian environmental laws and public health regulations.

### Targets and Performance

The Board and Management set goals and targets to measure our progress for each of the material factors under ESG. The table below summarises our performance in FY2023:

MATERIAL TOPICS	TARGETS SET IN FY2022	PERFORMANCE IN FY2023
 <p><b>Climate Change</b></p>	<ul style="list-style-type: none"> <li>• Increase awareness of climate change as well as its impact on business practices and core services.</li> </ul>	<p>✓ Achieved.</p> 
 <p><b>Greenhouse Gas Emissions</b></p>	<ul style="list-style-type: none"> <li>• Adopt the use of other types of renewable energy sources.</li> <li>• Consider replacing more vehicles with green engines or switching to lower emissions vehicles.</li> </ul>	<p>⋯ In progress.</p> 
 <p><b>Energy Consumption and Efficiency</b></p>	<ul style="list-style-type: none"> <li>• Adopt the use of energy efficient features and fittings.</li> </ul>	<p>✓ Achieved.</p> 
 <p><b>Waste Management</b></p>	<ul style="list-style-type: none"> <li>• Reduce waste generated and waste intensities by 10%.</li> <li>• Increase recycled waste composition by 5%.</li> </ul>	<p>✓ Achieved.</p> 
 <p><b>Environmental Policy Compliance</b></p>	<ul style="list-style-type: none"> <li>• Maintain zero incidents of environmental policy related fines.</li> </ul>	<p>✓ Achieved.</p> 

# SUSTAINABILITY REPORT

Looking ahead, as part of our ongoing commitment to environmental stewardship, 5E Resources aims to take progressive climate actions and set the following targets:

MATERIAL TOPICS	SHORT-TERM TARGET (1-2 YEARS)	MEDIUM-TERM TARGET (2030)	LONG-TERM TARGET (2050)
 <p><b>Climate Change</b></p>	<ul style="list-style-type: none"> <li>• Monitor our operations for potential climate-related risks.</li> <li>• Commencement of the assessment of Scope 3 emissions and progressive data collection for relevant categories.</li> </ul>	<ul style="list-style-type: none"> <li>• Include disclosures of the quantitative impact of identified climate-related risks.</li> <li>• Include disclosure of Scope 3 emissions.</li> </ul>	<ul style="list-style-type: none"> <li>• Aim to achieve net zero GHG emissions.</li> </ul>
 <p><b>Greenhouse Gas Emissions</b></p>	<ul style="list-style-type: none"> <li>• Aim to reduce emissions from the Group's vehicles by transitioning to electric or hybrid vehicles or optimising routes and maintenance.</li> <li>• Encourage employees to use public transportation, carpooling to reduce their commuting emissions.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce CO<sub>2</sub>e emission intensities from Scope 1 and 2 in absolute figures by 15%.</li> <li>• Disclose more categories under Scope 3 emissions.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform a 2°C or lower scenario analysis with more quantitative information to describe the potential outcomes, taking into consideration a transition to a lower-carbon economy.</li> </ul>
 <p><b>Energy Consumption and Efficiency</b></p>	<ul style="list-style-type: none"> <li>• Monitoring energy usage in our premises and across our value chain.</li> <li>• Promote more energy-saving habits and initiatives.</li> <li>• Assess energy usage in the operations and identify areas of improvement.</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt the use of higher energy-efficient features and fittings.</li> <li>• Reduce electricity intensities by 15%.</li> <li>• Adopt energy efficient methods in waste management operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce energy consumption to achieve overall net zero GHG emissions target.</li> </ul>
 <p><b>Water Consumption</b></p>	<ul style="list-style-type: none"> <li>• Identify and fix leaks and water wastage in the Group to prevent unnecessary water loss.</li> <li>• Promote more water-saving habits and initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce water intensities by 15%.</li> <li>• Develop and implement water recycling and reuse systems across the value chain to reduce dependence on fresh water sources.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce water intensities by 20%.</li> <li>• Work towards achieving water stewardship certifications or standards, demonstrating commitment to sustainable water management.</li> </ul>
 <p><b>Waste Management</b></p>	<ul style="list-style-type: none"> <li>• Reduce waste generation and waste intensities by 5%.</li> <li>• Increase recycling by 5%.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce waste generation and waste intensities by 15%.</li> <li>• Increase recycling by 15%.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce waste generation and waste intensities by 25%.</li> <li>• Increase recycling by 25%.</li> </ul>
 <p><b>Environmental Policy Compliance</b></p>	<ul style="list-style-type: none"> <li>• Maintain zero incidents of environmental policy related fines.</li> </ul>		

# SUSTAINABILITY REPORT



## SOCIAL

At 5E Resources, we firmly believe in prioritising the well-being of our workforce as a fundamental element of our sustainable growth, including providing employees a conducive work environment that fosters collaboration and providing employees with access to training and development opportunities.

### Diversity and Equal Opportunity

We adopt fair and performance-based employment and recruitment practices to attract the best-suited individuals and maintain a collaborative and resilient corporate culture. 5E Resources has formulated our employee handbook and various policies, including hiring, termination, and retirement procedures.

Moreover, we embrace fair workplace practices with equal employment and promotion opportunities for all our employees. We conduct annual performance appraisal to identify development gaps and training needs of our employees. Additionally, we also obtain feedback from our employees concerning the working environment and their expectations during the annual performance review to ensure that the Group can help to meet their personal development needs and career aspirations.

We are committed to provide a workplace that is free from harassment or discrimination based on gender, physical or mental state, race, nationality, religion, age or family status; as well as any other attribute recognised by Malaysia law. We have established avenues for employees to report grievances and will respond promptly to any complaints, grievances and concerns raised by our employees regarding any form of discrimination and/or harassment.

The statistics below summarises our efforts in creating a diverse and inclusive work environment. In FY2023, our workforce numbered 161, reflecting a gradual 3.9% increase compared to 155 employees in FY2022. Among our employees, there were 141 males and 20 females, constituting 88% and 12% of the total (FY2022: 131 males and 24 females), respectively. In general, our gender diversity has remained consistent when compared to FY2022. Given the nature of our business, we foresee a higher proportion of male employees than female employees. Moreover, there has been an increase in the number of employees from the local community joining our Group, marking a 12% growth compared to FY2022.



### TOTAL WORKFORCE

By Gender	No. of Headcount		By Age Group	No. of Headcount		By Nationality	No. of Headcount	
	2022	2023		2022	2023		2022	2023
Male	131	141	<30 years old	74	82	Local	81	91
Female	24	20	30-50 years old	74	71	Foreigner	74	70
			>50 years old	7	8			



### NEW HIRES

By Gender	No. of Headcount		By Age Group	No. of Headcount		By Nationality	No. of Headcount	
	2022	2023		2022	2023		2022	2023
Male	59	2	<30 years old	51	28	Local	37	21
Female	6	41	30-50 years old	13	15	Foreigner	28	22
			>50 years old	1	0			

## SUSTAINABILITY REPORT



### EMPLOYEE TURNOVER

By Gender	No. of Headcount		By Age Group	No. of Headcount		By Nationality	No. of Headcount	
	2022	2023		2022	2023		2022	2023
Male	30	37	<30 years old	19	23	Local	26	26
Female	3	7	30-50 years old	13	20	Foreigner	7	18
			>50 years old	1	1			

### Training and Development

We are committed to providing ongoing training opportunities for our employees to support their career growth. We offer qualified employees the chance to receive training and certification in industry-standard skills. Our annual performance evaluations serve as a platform for employees to discuss their career aspirations with their supervisors. We regularly assess each employee's training needs and cover the costs associated with their training. Our goal is to ensure that our employees have access to both internal and external training programs to stay updated on industry trends and meet compliance requirements. We conduct orientation programs, on-the-job training, and in-house training to help new hires seamlessly integrate into our organisation and align with our mission, vision, core values, and corporate culture.

In FY2023, we organised various training courses and workshops for our employees. These training programs included topics such as waste handling, certification as environmental professionals in scrubber operation, and chemical spillage handling. Notably, all confirmed employees interested in upskilling can discuss partial or full sponsorship of the course fees with their department heads. On average, our employees received approximately 16.7 hours of training in FY2023, representing a 19% increase compared to FY2022.



### TRAINING HOURS

By Gender	Average Training Hours		By Employee Category	Average Training Hours	
	2022	2023		2022	2023
Male	14	15	Management	42	24
Female	12	27	Executives & Below	14	16

### Labour Standards

Our Group adopts a firm stance against any form of discrimination, child labour and forced labour in our operations and processes. Our Group's policies include prohibition of any forms of discrimination, child labour and forced labour.

In particular, our recruitment policies prohibit forced labour and the employment of underage individuals, and the Human Resource department is responsible for collecting as well as verifying the personal data and information provided by new hires. In addition, a legal-binding employment contract is signed with each employee in compliance with local employment regulations.

During FY2023, there were no incidents of non-compliance relating to discrimination, child labour, or forced or compulsory labour in our business practices.

# SUSTAINABILITY REPORT

## Occupational Health and Safety

5E Resources recognises that a safety-first culture is an indispensable component of our business strategy. We have established procedures to ensure adherence to national safety regulations and alignment of our processes to industry standards. Our commitment to safety is buttressed by our compliance with ISO 45001:2018 standards. We employ rigorous safety measures to ensure workplace health and safety for all employees. Specifically, regular safety trainings and protective equipment are provided to staff, and equipment is maintained regularly to prevent malfunctions. Machine operation manuals are also established and made available to all workers.

The recorded statistics pertaining to workplace incidents are as follows:

 <b>Total Number of Fatalities</b>	2022	2023	 <b>Total Number of High-consequence Fatalities</b>	2022	2023	 <b>Total Number of Recordable Injuries</b>	2022	2023
	Male	0		0	Male		0	0
Female	0	0	Female	0	0	Female	0	0
 <b>Total Number of Lost Days</b>	2022	2023	 <b>Total Number of Work-related Ill Health</b>	2022	2023	 <b>Total Number of Absentee Days</b>	2022	2023
	Male	1		0	Male		0	0
Female	0	0	Female	0	0	Female	0	0

We mitigate workplace injuries through controls such as, strict enforcement of the use of proper Personal Protective Equipment ("PPE"), safety inspections and tone-setting through issuance warning letters for non-compliances with PPE rules. The safety-first culture is reinforced through toolbox meetings and the adoption of the buddy system. We will continue to explore measures to promote safety awareness and to minimise preventable workplace injuries.

## Community Involvement

In addition to our mission of enhancing the physical environment through our business activities, 5E Resources acknowledges the significance of making positive contributions to the well-being of the communities in which we operate. In line with our commitment to offering local employment opportunities, we have also been actively involved in supporting an orphanage and schools in our community. In FY2023, we provided support through cash contributions as outlined below:

- A cash donation of MYR17,800 was made to the Johore Bahru Foon Yew Associated Chinese Schools.
- A cash donation of MYR5,000 was contributed to the United Chinese School Committee's Association of Malaysia to aid in the construction of a Multi-purpose Education Complex.
- A cash donation of MYR5,000 was contributed to an elderly care facility, "Pusat Jagaan Warga Emas" in Johor Bahru, where we also distributed gift baskets and organised games to bring joy to the elderly residents.
- A cash donation of MYR3,000 was made to the Pertubuhan Kebajikan Anak-anak Yatim Johor orphanage, along with the provision of a McDonald's lunch valued at MYR1,914.35 for the benefit of the orphans.

Please refer to pages 17 to 19 in the Annual Report 2023 for further details on our Corporate Social Responsibility initiatives.

# SUSTAINABILITY REPORT



## Targets and Performance

The Board and Management set goals and targets to measure progress for each of the material factors under ESG. The table below summarises our performance in FY2023:

MATERIAL TOPICS	TARGETS SET IN FY2022	PERFORMANCE IN FY2023
 <p><b>Diversity and Equal Opportunity</b></p>	<ul style="list-style-type: none"> <li>Improve employee recruitment and retention.</li> <li>Increase ratio of local workers.</li> </ul>	<p>✓ Achieved.</p> 
 <p><b>Training and Development</b></p>	<ul style="list-style-type: none"> <li>Offer internal and external training that are beneficial to the development and career progression of our employees at all levels.</li> </ul>	<p>✓ Achieved.</p> 
 <p><b>Labour Standards</b></p>	<ul style="list-style-type: none"> <li>Maintain zero incidents of non-compliance with discrimination, child labour, forced or compulsory labour involved in our business practices.</li> </ul>	<p>✓ Achieved.</p> 
 <p><b>Occupational Health and Safety</b></p>	<ul style="list-style-type: none"> <li>Maintain zero incidents of non-compliance with health and safety laws, as well as regulations concerning the health and safety of our operations.</li> <li>Reduce the incidents of work-related injuries by 50%.</li> </ul>	<p>✓ Achieved.</p> 
 <p><b>Community Involvement</b></p>	<ul style="list-style-type: none"> <li>Contribute to the betterment of our community through financial contributions and participation in community initiatives.</li> </ul>	<p>✓ Achieved.</p> 

# SUSTAINABILITY REPORT



In our ongoing efforts to more closely match our objectives with our strategic goals of promoting equitable job opportunities and fostering a collaborative mindset within the future workforce, we have set forth the following targets.

MATERIAL TOPICS	SHORT-TERM TARGET (1-2 YEARS)	MEDIUM-TERM TARGET (2030)	LONG-TERM TARGET (2050)
 <p><b>Diversity and Equal Opportunity</b></p>	<ul style="list-style-type: none"> <li>• Improve employee recruitment and retention.</li> <li>• Increase ratio of local workers.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain gender equality and racial diversity as well as maintain low employee turnover (&lt;30%).</li> </ul>	
 <p><b>Training and Development</b></p>	<ul style="list-style-type: none"> <li>• Offer internal and external training that are beneficial to the development and career progression of our employees at all levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue providing internal and external training courses and programmes</li> <li>• Increase the average training man-hours by 20%.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue providing internal and external training courses and programmes</li> <li>• Increase the average training man-hours by 30%.</li> </ul>
 <p><b>Labour Standards</b></p>	<ul style="list-style-type: none"> <li>• Maintain zero incidents of non-compliance with discrimination, child labour, forced or compulsory labour involved in our business practices.</li> </ul>		
 <p><b>Occupational Health and Safety</b></p>	<ul style="list-style-type: none"> <li>• Maintain zero incidents of non-compliance with health and safety laws, as well as regulations concerning the health and safety of our operations.</li> <li>• Reduce the incidents of work-related injuries by 50%.</li> </ul>		
 <p><b>Community Involvement</b></p>	<ul style="list-style-type: none"> <li>• Contribute to the betterment of our community through financial contributions and participation in community initiatives, such as cleaning initiatives at the orphanage.</li> </ul>		

# SUSTAINABILITY REPORT



## GOVERNANCE

5E Resources holds the view that robust corporate governance is the cornerstone of an ethical and responsible corporate environment, which is crucial for the Group's long-term sustainability and performance, as well as the safeguarding of shareholders' interests. To that end, the Group endeavours to maintain high standards of corporate governance through adherence with the Singapore Code of Corporate Governance 2018 and the Malaysian Code of Corporate Governance.

### Bribery and Corruption

5E Resources has zero-tolerance towards any form of corruption, including bribery, fraud, and money laundering. Our guiding principles and core values are documented in our Code of Conduct, which is communicated to all our staff during the orientation process. Our Anti-Corruption Policy explicitly forbids any dishonest or fraudulent activities, including offering, giving, or receiving kickbacks, corrupt payments, facilitation payments, or inappropriate gifts. The Board of Directors and the Management have also undergone anti-corruption training. Additionally, we mandate that all our employees adhere to relevant local anti-bribery laws in the regions where our Group operates, including the Malaysian Anti-Corruption Commission Act ("**MACC Act**"), Singapore Prevention of Corruption Act ("**PAC**"), U.S. Foreign Corrupt Practices Act ("**FCPA**"), and the U.K. Bribery Act ("**UKBA**").

During FY2023, there were no reported instances involving the Group or its employees engaging in corrupt practices or money laundering.

In the near future, we plan to develop role-based anti-corruption training programme and conduct regular training sessions for employees. A feedback mechanism will also be implemented to evaluate the effectiveness of the training programme and to suggest areas for improvement.

### Business Ethics and Conduct

5E Resources is dedicated to conducting our business with utmost integrity and transparency. To that end, the Group has established a whistleblowing policy to serve as a platform for our stakeholders to voice concerns about suspected wrongdoings. Under this policy, individuals are encouraged to report any suspected wrongdoing directly to the Chairman of the Audit and Risk Committee ("**ARC**"). It is important to note that all reports are treated with utmost confidence, and the identity of the reporting person is safeguarded.

During FY2023, there were no whistleblowing cases reported.

### Regulatory Compliance

Being a participant within the scheduled waste management industry, it is paramount that the Group is fully compliant with local laws and regulations. Some examples of the laws and regulations that 5E Resources must adhere to in Singapore, include:

- Employment Act and Employment of Foreign Manpower Act;
- Companies Act 1967;
- Catalist Rules; and
- Personal Data Protection Act.

# SUSTAINABILITY REPORT

Since the Group operates mainly in Malaysia, we are obligated to comply with Malaysian laws and regulations, which include:

- Companies Act 2016;
- Environment Quality Act 1974;
- Occupational Safety and Health Act 1994;
- Factory and Machinery Act 1967;
- Poisons Act 1952; and
- Solid Waste and Public Cleansing Management Act 2007.

In FY2023, there were no instances of non-compliance nor breach of any applicable regulations in the jurisdictions where our business operates.

## Targets and Performance

During FY2023, 5E Resources maintained zero incidents of non-compliance with laws and regulations. As robust corporate governance and ethical business practices are essential pillars in supporting the Group’s brand, reputation and fulfilment of sustainability objectives, the Group aims to continue its compliance with all applicable laws and regulations.

MATERIAL TOPICS	TARGETS SET IN FY2022	PERFORMANCE IN FY2023
 <p><b>Bribery and Corruption</b></p>	<ul style="list-style-type: none"> <li>• Maintain zero incidents of non-compliance with anti-bribery and anti-corruption laws and regulations.</li> </ul>	<p>✓ Achieved.</p> 
 <p><b>Business Ethics and Conduct</b></p>	<ul style="list-style-type: none"> <li>• Maintain zero incidents of non-compliance with business ethics laws and regulations.</li> </ul>	<p>✓ Achieved.</p> 
 <p><b>Regulatory Compliance</b></p>	<ul style="list-style-type: none"> <li>• Maintain zero incidents of non-compliance, and no violation of any applicable regulations in the jurisdiction.</li> </ul>	<p>✓ Achieved.</p> 

MATERIAL TOPICS	SHORT-TERM TARGET (1-2 YEARS)	MEDIUM-TERM TARGET (2030)	LONG-TERM TARGET (2050)
 <p><b>Bribery and Corruption</b></p>	<ul style="list-style-type: none"> <li>• Maintain zero incidents of non-compliance with anti-bribery and anti-corruption laws and regulations.</li> </ul>		
 <p><b>Business Ethics and Conduct</b></p>	<ul style="list-style-type: none"> <li>• Maintain zero incidents of non-compliance with business ethics laws and regulations.</li> </ul>		
 <p><b>Regulatory Compliance</b></p>	<ul style="list-style-type: none"> <li>• Maintain zero incidents of non-compliance, and no violation of any applicable regulations in the jurisdiction.</li> </ul>		

To learn more about our corporate governance practices, please refer to pages 53 to 78 of the Annual Report.

# SUSTAINABILITY REPORT



## ECONOMIC

Ensuring the sustainability of our economic performance is necessary for the continued success of our business. At 5E Resources, the economic value generated and distributed are reported on accrual basis as we pursue our sustainability goals.

### Economic Value Generated and Distributed

REPORTING COMPONENT	FY2023 MYR'000
Economic Value Generated <b>(a)</b>	81,799 <sup>(1)</sup>
Economic Value Distributed	
Operating Costs	34,127
Employee Wages and Benefits	16,276
Capital Providers	5,446
Government	7,797
Communities	35
Total Economic Value Distributed <b>(b)</b>	63,681
Economic Value Retained <b>(c) = (a) - (b)</b>	18,118

(1) Economic value generated is calculated as the Group's revenue plus interest income.

The above are compiled based on the definitions per guidance notes for GRI disclosure 201-1.

5E Resources remains prudent in the monitoring of evolving market conditions and customer preferences to ensure that economic values are generated and distributed in a sustainable manner.

### Our Target

We have established the following targets based on the current reporting year.

MATERIAL TOPIC	SHORT-TERM TARGET (1-2 YEARS)	MEDIUM-TERM TARGET (2030)	LONG-TERM TARGET (2050)
<b>Economic Performance</b>	<ul style="list-style-type: none"> <li>Maintain a healthy and positive financial position.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing strengthening of our service and performance.</li> <li>Continual integration of ESG performance with financial results.</li> </ul>	

To learn more about our economic performance, please refer to pages 92 to 132 of the Annual Report.

# SUSTAINABILITY REPORT



## GRI CONTENT INDEX

5E Resources has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE NUMBER & TITLE	SECTION REFERENCE
GRI 2: General Disclosures 2021	2-1 Organisational details	Annual Report: Business overview
	2-2 Entities included in the organisation's sustainability reporting	Sustainability Report: About this report
	2-3 Reporting period, frequency and contact point	Sustainability Report: About this report
	2-4 Restatements of information	There has been no restatement of figures or information disclosed in our previous report
	2-5 External assurance	5E Resources has not sought external assurance for this reporting period, and may consider it in the future
	2-6 Activities, value chain and other business relationships	Annual Report: Business overview
	2-7 Employees	Sustainability Report: Social
	2-8 Workers who are not employees	There are no workers who are not employees and whose work is controlled by 5E
	2-9 Governance structure and composition	Annual Report: Corporate Governance Report
	2-10 Nomination and selection of the highest governance body	Annual Report: Corporate Governance Report
	2-11 Chair of the highest governance body	Annual Report: Corporate Governance Report
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report: Corporate Governance Report
	2-13 Delegation of responsibility for managing impacts	Annual Report: Corporate Governance Report
	2-14 Role of the highest governance body in sustainability reporting	Annual Report: Corporate Governance Report
	2-15 Conflicts of interest	Annual Report: Corporate Governance Report
	2-16 Communication of critical concerns	Annual Report: Corporate Governance Report
	2-17 Collective knowledge of the highest governance body	Annual Report: Corporate Governance Report
	2-18 Evaluation of the performance of the highest governance body	Annual Report: Corporate Governance Report
	2-19 Remuneration policies	Annual Report: Corporate Governance Report

## SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE NUMBER & TITLE	SECTION REFERENCE
	2-20 Process to determine remuneration	Annual Report: Corporate Governance Report
	2-21 Annual total compensation ratio	The matters are not disclosed due to confidentiality constraints
	2-22 Statement on sustainable development strategy	Sustainability Report: TCFD Climate-related Risk Analysis
	2-23 Policy commitments	Annual Report: Corporate Governance Report
	2-24 Embedding policy commitments	Annual Report: Corporate Governance Report
	2-25 Processes to remediate negative impacts	Annual Report: Corporate Governance Report
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report: Corporate Governance Report
	2-27 Compliance with laws and regulations	Sustainability Report: Governance
	2-28 Membership associations	5E does not hold a significant role in any industry or membership associations
	2-29 Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement
	2-30 Collective bargaining agreements	Not applicable, no collective bargaining agreements are in place
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report: Materiality Assessment
	3-2 List of material topics	
	3-3 Management of material topics	
<b>TOPIC-SPECIFIC DISCLOSURE</b>		
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Sustainability Report: TCFD Climate-related Risk Analysis; and Economic
	201-2 Financial implications and other risks and opportunities due to climate change	
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report: Bribery and Corruption
	205-3 Confirmed incidents of corruption and actions taken	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report: Environmental
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report: Environmental
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	

## SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE NUMBER & TITLE	SECTION REFERENCE
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report: Diversity and Equal Opportunity
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report: Occupational Health and Safety
	403-6 Promotion of worker health	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report: Training and Development
	404-2 Programmes for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Report: Diversity and Equal Opportunity
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Sustainability Report: Labour Standards
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Sustainability Report: Labour Standards
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability Report: Community Involvement

# SUSTAINABILITY REPORT



## TCFD DISCLOSURES

CODE	TCFD RECOMMENDATIONS	PAGE REFERENCE
<b>GOVERNANCE</b>		
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	Page 26
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	
<b>STRATEGY</b>		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Pages 32 to 34
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
<b>RISK MANAGEMENT</b>		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	Pages 26, 33 to 34
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
<b>METRICS AND TARGETS</b>		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pages 35 to 39
TCFD 4(b)	Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	

# SUSTAINABILITY REPORT



## COMPARISON AGAINST SGX 27 CORE ESG METRICS

TOPIC	METRIC	PAGE REFERENCE
<b>ENVIRONMENTAL</b>		
Greenhouse Gas Emissions ("GHG")	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	Pages 35 to 36
	Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	
Energy Consumption	Total energy consumption	Page 36
	Energy consumption intensity	
Water Consumption	Total water consumption	Page 36
	Water consumption intensity	
Waste Generation	Total waste generated	Page 37
<b>SOCIAL</b>		
Gender Diversity	Current employees by gender	Pages 40 to 41
	New hires and turnover by gender	
Age-Based Diversity	Current employees by age groups	
	New hires and turnover by age groups	
Employment	Total turnover	
	Total number of employees	
Development & Training	Average training hours per employee	Page 41
	Average training hours per employee by gender	
Occupational Health & Safety	Fatalities	Page 42
	High-consequence injuries	
	Recordable injuries	
	Recordable work-related ill health cases	
<b>GOVERNANCE</b>		
Board Composition	Board independence	Pages 16 and 58
	Women on the board	
Management Diversity	Women in the management team	
Ethical Behaviour	Anti-corruption disclosures	Page 45
	Anti-corruption training for employees	
Certifications	List of relevant certifications	Pages 37 to 38
Alignment with Frameworks	Alignment with frameworks and disclosure practices	Page 22
Assurance	Assurance of sustainability report	Page 48

# CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the “**Board**” or “**Directors**”) of 5E Resources Limited (the “**Company**”) and its subsidiaries (the “**Group**”) is committed in upholding high standards of corporate governance and practices throughout the Group, as a fundamental part of its responsibilities to protect shareholders’ interest, enhance shareholders’ value and the financial performance of the Group.

This report describes the Group’s corporate governance practices and structures with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) issued on 6 August 2018.

The Board confirms that the Company has adhered to all principles and provisions set out in the Code pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) issued by SGX-ST as set out in this report. Where there are deviations from the Code, appropriate explanations will be provided.

## BOARD MATTERS

The Board as at the date of this Annual Report comprises the following members:

Name of Director	Designation	Board Committee Membership		
		ARC	NC	RC
Mdm. Loo Sok Ching	Chairperson and Executive Director	-	-	-
Mr. Lim Te Hua	Executive Director and Chief Executive Officer	-	-	-
Mr. Shankar Narasingam	Executive Director and Chief Operating Officer	-	-	-
Mr. Wong Chee Meng Lawrence	Lead Independent and Non-Executive Director	Member	Member	-
Mr. Kam Chai Hong	Independent and Non-Executive Director	Chairman	-	Member
Mr. Siow Chin How	Independent and Non-Executive Director	Member	Member	Chairman
Mr. Wang Han Lin	Independent and Non-Executive Director	-	Chairman	Member

The profiles of each Director are presented under the “Board of Directors” section of the Annual Report.

# CORPORATE GOVERNANCE

## The Board's Conduct of its Affairs

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

### **Provision 1.1 of the Code: Directors' duties and responsibilities**

The Board is entrusted with the responsibility for the overall management of the Company.

The principal functions of the Board, in addition to carrying out its statutory responsibilities, *inter alia*, are as follows:

- overseeing the Company's business and its performance and is collectively responsible for the long-term success of the Company.
- overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management system and internal control to safeguard shareholders' interests and the Group's assets and to take into account the interest of key stakeholder groups in its decision making.
- provides their independent judgement, diversified knowledge and experience to bear on issues of strategy, performance, resources and standards of conduct and ethics.
- regularly reviews the Group's strategic business plans, the assessment of key risks by Management and the operational and financial performance of the Group to enable the Group to meet its objectives.
- responsible for shaping the Company's strategic direction and has decided to integrate sustainability components into all the Company's business and operations. This integration involves the consideration of Environmental, Social and Governance ("ESG") factors in the Company's business and operations. The Board will work alongside the Management to advance sustainability efforts within the Company.

All Directors recognise that they must discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board is a representation of the shareholders in the Company and is accountable to them through effective governance of the business. All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Company.

Where a Director has a conflict of interest in the matter discussed, or it appears that the Director might have a conflict of interest in relation the matter discussed, the Director must immediately declare his/her personal or business interest at the Board meeting or send a written notice to the Company containing details of his/her personal or business interest in the matter and the actual or potential conflict of interest.

Any Director facing a conflict of interest in the matter discussed will recuse himself/ herself from the discussions and abstain from participating in any Board decisions and voting on resolutions regarding the matter and refrain from exercising any influence over other members of the Board, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussions.

### **Provision 1.2 of the Code: Induction, training and development**

A formal letter is provided to each Director upon their appointment, setting out their relevant duties and obligations, to acquaint them with their responsibilities as Directors of the Company.

The Company conducts an orientation programme for new directors and they are briefed by Management to familiarise themselves with the Group's business and governance policies and practices. The orientation programme aims to provide the new directors with an understanding of the Group's businesses to enable them to assimilate into their new roles and to get acquainted with Management, thereby facilitating Board interaction and independent access to Management.

# CORPORATE GOVERNANCE

To keep abreast with developments in relevant sectors and to ensure that the Directors are kept informed of relevant new laws, regulations and changing commercial risks that will affect the Group, the Company encourages its Directors to attend relevant instructional or training courses at the Company's expense. In particular, the Board is regularly kept informed and updated on courses and seminars offered by the Singapore Institute of Directors ("**SID**") which are relevant to the training and professional development of the Directors. The Directors are also briefed on the new requirements of the SGX-ST, Companies Act 1967 and other regulatory requirements from time to time by the Company Secretary, the Auditor and the Sponsor.

As stipulated under Rule 406(3)(a) of the Catalist Rules, Directors who are appointed and who have no prior experience as directors of a listed company in Singapore will have to attend the Listed Entity Director ("**LED**") courses organised by the Singapore Institute of Directors within one (1) year of his/ her appointment.

In the financial year ended 31 December 2023 ("**FY2023**"), all directors have completed sustainability training as prescribed under Rule 720(6) of the Catalist Rules.

## **Provision 1.3 of the Code: Matters requiring Board's approval**

Notwithstanding that the daily operations and management of the Company is delegated to the Executive Directors, the Board has put in place internal guidelines on matters which require Board's approval, including but not limited to the followings:

- the appointment of directors, the company secretary and the sponsor;
- any major transactions such as, *inter alia*, capital funding, acquisitions and disposals of assets;
- release of the Group's financial results announcements and convening of shareholders' meeting, circulars to shareholders and related announcements through SGXNET;
- alterations to the share capital of the Company;
- approving interested person transactions exceeding a certain threshold;
- any material regulatory matters and litigation cases; and
- compliance matters associated with the Catalist Rules, Securities and Futures Act or other relevant laws and regulations.

Clear directions have been disseminated to the Management that reserved matters must be approved by the Board.

## **Provision 1.4 of the Code: Board Committees**

The Board objectively discharges its duties and responsibilities at all times and makes decisions in the interests of the Group. The Board has delegated specific responsibilities to the various committees established by the Board, namely the Audit and Risk Committee ("**ARC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively known as the "**Board Committees**"). Each Board Committee has the authority to examine issues relevant to their terms of references and to make fair, proper and appropriate recommendations to the Board when required. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

## **Provision 1.5 of the Code: Board and Board Committees Meeting**

The Board meets regularly on a biannual basis and ad-hoc Board Committee and/or Board meetings are convened as and when required. In between Board meetings, any important matter will be tabled for the Board's approval by way of circulating resolutions in writing.

The Constitution of the Company allows Directors to participate in Board meetings via electronic means. The Directors are free to discuss any information or view as presented by any member of the Board and Management.

When necessary or appropriate, members of the Board exchange views outside the formal environment of Board meetings. Each Board member is expected to objectively discharge his duties and responsibilities at all times as fiduciaries in the best interests of the Company.

# CORPORATE GOVERNANCE

The attendance record of each director at meetings of the Board and Board Committees during the FY2023 is disclosed below:-

Name of Director	Board Meeting		ARC Meeting		NC Meeting		RC Meeting	
	No. Of Held	No. Of Attended	No. Of Held	No. Of Attended	No. Of Held	No. Of Attended	No. Of Held	No. Of Attended
Mdm. Loo Sok Ching	4	4	4	4*	1	1*	1	1*
Mr. Lim Te Hua	4	4	4	4*	1	1*	1	1*
Mr. Shankar Narasingam	4	4	4	4*	1	1*	1	1*
Mr. Wong Chee Meng Lawrence	4	4	4	4	1	1	1	1*
Mr. Kam Chai Hong	4	4	4	4	1	1*	1	1
Mr. Siow Chin How	4	4	4	4	1	1	1	1
Mr. Wang Han Lin	4	4	4	4*	1	1	1	1

\* By way of invitation.

## Provision 1.6 of the Code: Access to information

The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Management provides the Board with key information that is complete, adequate and in advance to enable the Directors to make timely decisions, effectively discharge their duties and make a balanced and informed assessment of the performance, position and prospects of the Company.

The Management provides members of the Board with quarterly management accounts, as well as relevant background and explanatory information relating to the matters that would be discussed in the Board meetings, prior to the scheduled meetings. All Directors are also furnished with timely updates on the financial position and any material development of the Group as and when necessary. Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to present to the Board and answer any queries that the Directors may have.

## Provision 1.7 of the Code: Access to Management and Company Secretary

The Directors are updated regularly on corporate governance requirements, changes in listing rules and regulations, and the performance of the Group. The Directors have separate and independent access to Management, including the Chief Executive Officer (“CEO”), the Group Financial Controller (“GFC”) and other key management personnel (“KMP”) as well as the Group’s internal and external auditors, and Company Secretary at all times.

The Company Secretary and/or her representative attends all Board and Board Committees meetings and ensures the Board procedures and the performance of the Group’s compliance obligations pursuant to the relevant statutes and regulations are followed. Under the direction of the Executive Chairperson and CEO, the Company Secretary ensures good information flows within the Board and Board Committees and between senior management and Non-Executive Directors, as well as facilitating orientation and assisting with professional development if required. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

The Directors, either individually or as a whole, have direct access to the Group’s independent professional advisors, if necessary, to enable each Director to discharge his responsibility effectively. Any cost of obtaining professional advice will be borne by the Company.

# CORPORATE GOVERNANCE

## Board Composition and Guidance

**Principle 2:** The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

### Provision 2.1 of the Code: Director's independence

As at the date of this Annual Report, the Board consists of seven (7) directors, of whom one (1) is Executive Chairperson ("**Chairperson**"), one (1) CEO cum Executive Director, one (1) Chief Operating Office ("**COO**") cum Executive Director and four (4) Independent Non-Executive Directors ("**INED**"). With more than half of the Board made up of independent directors, including independence from the substantial shareholders of the Company, the Board is capable of exercising independent and objective judgement on corporate affairs of the Group. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its stakeholders. No individual or small group of individuals dominates the Board's decision making.

The independence of each Director is assessed and reviewed annually by the NC. In the review and deliberation of the independence of the four (4) INEDs, the NC has considered the guidelines for independence set out in Provision 2.1 of the Code as well as the Catalist Rules, including whether a director has business relationships with the Group, its substantial shareholders or its officer and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independence business judgement in the interests of the Group.

Each Independent Director is required to complete an annual declaration to confirm his independence based on the applicable Listing Rules and the guidelines as set out in the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified under the applicable Listing Rules and the Code.

For the year under review, the NC has assessed and is satisfied that all the four (4) Non-Executive Directors are independent.

The Board recognises that Independent Directors may over time develop significant insights in the Group's business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. The independence of the Independent Directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form; such as the number of years which they have served on the Board.

Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine (9) years. As at the date of this Annual Report, none of the INEDs has served on the Board beyond nine (9) years from their respective date of appointment.

**Provision 2.2 of the Code:** Independent Directors make up a majority of the Board where the Chairman is not independent.

**Provision 2.3 of the Code:** Non-Executive Directors make up a majority of the Board

The Company has complied with the relevant provisions as majority of the Board are INEDs.

# CORPORATE GOVERNANCE

## Provision 2.4 of the Code: Board size and diversity

The profiles of the Directors and key information are set out on pages 12 to 15 of this Annual Report.

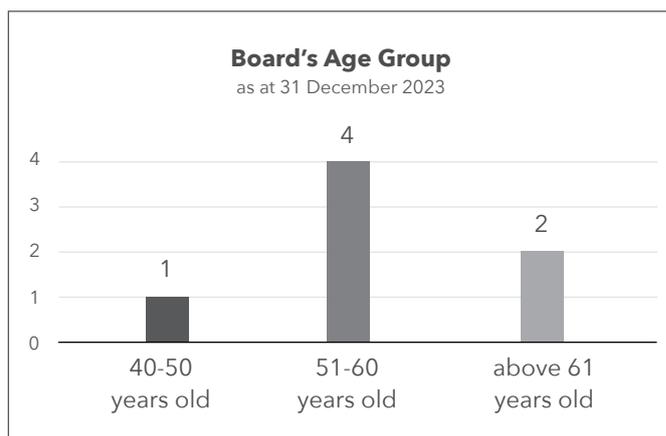
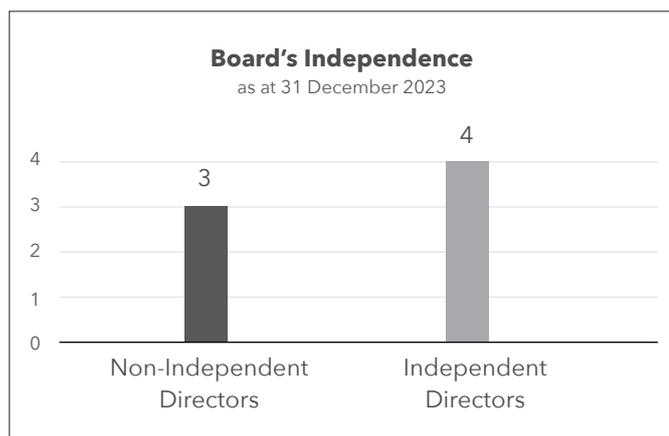
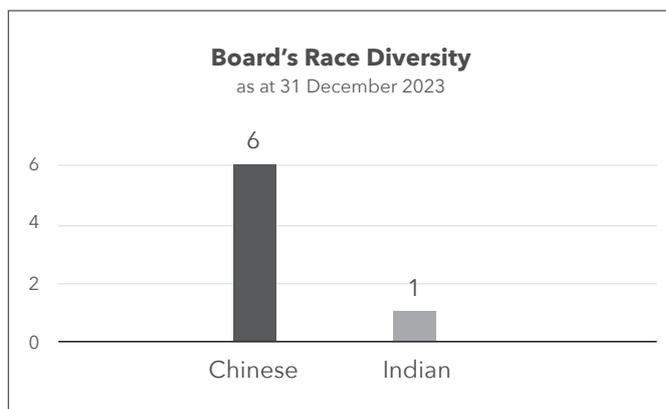
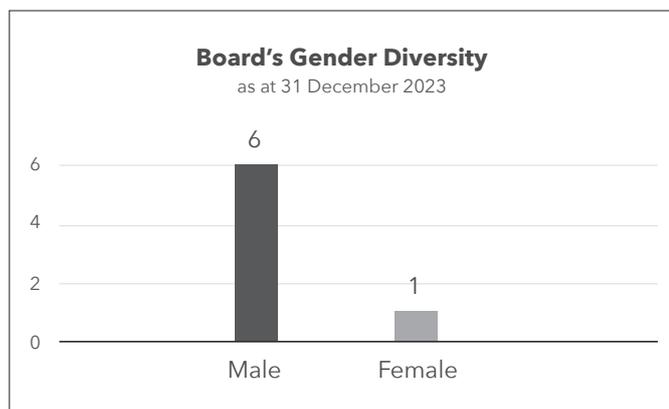
The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group’s businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, considers that a board size of seven (7) members is appropriate.

The Board believes that its current board size and the existing composition of the Board Committees effectively serve the Group. It provides diversity and allows for informed and constructive discussion and effective decision making at the Board meetings. The Board will, however, continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole.

In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

The Group’s Board Diversity Policy endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents.

The current Board composition reflects the Company’s commitment to Board diversity. The NC conducts its annual review of the composition of the Board, which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills and experiences, meet with the requirements of the Group at the point in time. Each Director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group’s strategy and the performance of its business. The diversity in the age, gender, independence and race of the current Board as at the date of this Annual Report is as follows:-



# CORPORATE GOVERNANCE

The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure that there is diversity (including gender diversity) to the Board.

## **Provision 2.5 of the Code: Meeting of Non-Executive Directors without Management**

The Independent Directors, led by the Lead Independent Director (“LID”), meet amongst themselves at least once a year without the presence of the Management and the Chairperson of the Board to discuss and evaluate the performance of the Management as well as the remuneration of the executive directors. The feedback and views expressed by the independent directors was communicated by the LID to the Board and/or the Executive Chairperson, as appropriate.

During the FY2023, the INEDs met once in the absence of Management.

## **Chairman and Chief Executive Officer**

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

## **Provision 3.1 of the Code: Separation of the roles of the Chairman and the Chief Executive Officer (“CEO”)**

The roles of the Chairperson of the Board and the CEO are separate to ensure clear distinction of responsibilities, appropriate balance of power and increased accountability. Mdm. Loo Sok Ching serves as the Executive Chairperson of the Group, whereas Mr. Lim Te Hua is the Group’s CEO. Mr. Lim Te Hua reports to the Board led by the Executive Chairperson.

The Chairperson and the CEO are not related to each other.

All major proposals and decisions made by the Chairperson and CEO are discussed and reviewed by the ARC. Their performance and appointment are reviewed periodically by the NC and the packages are reviewed periodically by the RC. As the ARC, NC and RC consist of all Independent Directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place.

## **Provision 3.2 of the Code: Division of responsibilities between the Chairman and CEO**

The Group’s Executive Chairperson, Mdm. Loo Sok Ching, plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. She leads the Board in its review of the Group’s strategies for sustainable growth, ensures the diversity of the Board, and provides guidance in the Group’s post-pandemic recovery and transformation efforts.

In addition to setting of business strategies for the Group and the monitoring of the translation of the Board’s decisions and directions into executive action, she is to ensure that each member of the Board and the Management works well together with integrity and competency. As the Chairperson, she with the assistance of the Company Secretary, schedules Board meetings as and when required and prepares the agenda for Board meetings and ensure sufficient allocation of time for thorough discussion of each agenda item, in particular strategic issues. She promotes an open environment for debate and ensures that Independent Directors are able to speak freely and contribute effectively.

In addition, she sets guidelines and exercises control over the quality, quantity, accurateness and timeliness of information flow between the Board and the Management. She plays a pivotal role in fostering constructive dialogue among stakeholders and provides close oversight, guidance and advice to the CEO and the Management. She also takes a leading role in ensuring the Group’s drive to achieve and maintain a high standard of corporate governance and sustainability practices with the full support of the Board, the Company Secretary and the Management.

As the Group’s CEO, Mr. Lim Te Hua manages the members of the Management team and is responsible for implementing and reviewing the business directions and strategies for the Group as endorsed by the Board, and for operational performance and organisational excellence.

# CORPORATE GOVERNANCE

## **Provision 3.3 of the Code: Lead Independent Director**

Taking cognisance that the Chairperson of the Board is an Executive Director and thus not independent, the Board has designated a LID who serves as a sounding board for the Chairperson and as an intermediary between the Non-Executive Independent Directors and the Chairperson. The current LID is Mr. Wong Chee Meng Lawrence who was appointed on 25 March 2022. The role of the LID is to co-ordinate and to lead the independent directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. All Independent Directors, led by the LID, meet at least once annually without the presence of Executive Directors and Management to discuss matters of significance which are thereon reported to the Chairperson accordingly.

He is available to shareholders and stakeholders should they have concerns which cannot be resolved or are inappropriate or inadequate to raise through the normal communication channels with the Chairperson or the Management.

There was no query or any matters which requires the LID's attention received in FY2023.

## **Board Membership**

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

### **Provision 4.1 of the Code: Role of the NC**

### **Provision 4.2 of the Code: Composition of NC**

The NC comprises the following three (3) members, all of whom including the Chairman, are INEDs and the LID is one of the members of the NC:-

- Mr. Wang Han Lin (Chairman)
- Mr. Siow Chin How (Member)
- Mr. Wong Chee Meng Lawrence (Member)

The written terms of reference of the NC have been approved and adopted, and includes the followings:-

- determining annually, and as and when circumstances require, whether or not a Director is independent, in accordance with the code;
- reviewing the composition of the Board to ensure the committee comprises an appropriate mix of skills, experience, core competencies and knowledge of our Group that the Board requires to function competently and efficiently. All Directors should be required to submit themselves for re-nomination and re-election at regular intervals and at least every three (3) years;
- deciding how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval by the Board, which address how the Board has enhanced long term shareholders' value. The Board will also implement a process to be proposed by the Nominating Committee for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board (if applicable);
- reviewing succession plans for the Directors; and
- reviewing and approving the employment of persons related to the Directors or Substantial Shareholders and the proposed terms of their employment.

The NC is responsible for identifying and nominating candidates for the Board, determining annually, whether a Director is independent in accordance with the guidelines set out in the Code, filling board vacancies as well as to put in place plans for succession.

# CORPORATE GOVERNANCE

## **Provision 4.3 of the Code: Director appointment and re-nomination**

### ***Process for Selection and Appointment of New Directors***

The NC is responsible for identifying candidates and reviewing all nominations for the appointments of new directors in the following order: (i) determining the desirable competencies for the appointment, and after consultation with the Management, (ii) assessing the suitability of the candidates and conducting an open dialogue to ensure that each candidate is aware of his role and obligations and (iii) submitting a final shortlist for recommendation to the Board.

The search and nomination process for new directors, led by the NC, is as follows:

- The NC evaluates the balance, skills, knowledge and experience of the existing Board and the requirements of the Group. In light of such evaluation, the NC determines the role and key attributes that an incoming director should have.
- After endorsement by the Board of the key attributes required, the NC taps on the networking resources of the existing Directors and seeks recommendations from them in relation to the potential candidates, and goes through a shortlisting process. If candidates identified from this process are not suitable, executive recruitment agencies are appointed to aid in the search process.
- The NC meets with the shortlisted candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.
- The NC recommends the most suitable candidate to the Board for appointment as Director.

### ***Process for Re-Appointment of Directors***

The role of the NC also includes the responsibility of reviewing the re-nomination of directors who retire by rotation, taking into consideration the director's integrity, independent mindedness, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC.

Pursuant to Regulation 98 of the Constitution of the Company, one-third of the Board are to retire from office by rotation and be subject to re-appointment at the Company's Annual General Meeting ("**AGM**"). In addition, Regulation 97 of the Constitution of the Company stipulates that a director newly appointed by the Board during the financial year must retire and submit himself/herself for re-appointment at the next AGM following his/her appointment. Thereafter, the director is subject to be re-appointed at least once every three (3) years at the Company's AGM.

Retiring Director is eligible to offer themselves for re-election. Each member of the NC abstains from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his own performance or re-nomination as Director.

At the forthcoming AGM of the Company, the following director will be retiring pursuant to Regulation 98 of the Company's Constitution:-

#### **Regulation 98**

1. Mdm. Loo Sok Ching
2. Mr. Wang Han Lin
3. Mr. Kam Chai Hong

Accordingly, the NC had recommended the aforesaid re-election of three (3) Directors and the Board had accepted the NC's recommendation. In recommending the re-election of these three (3) Directors, the NC has considered the Directors' overall contributions and performance. The details of the Directors seeking for re-election as required under Appendix 7F of the Catalyst Rules are set out on pages 79 to 84 of this Annual Report.

# CORPORATE GOVERNANCE

## **Provision 4.4 of the Code: Circumstances affecting director's independence**

As described under Provision 2.1 above, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to confirm his independence. Further, the NC determines annually, and as and when circumstances require, whether a Director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers and the checklist completed by each Independent Director. Having made its review, the NC is of the view that all Independent Directors have satisfied the criteria for independence.

During FY2023, there was no alternate director on the Board.

## **Provision 4.5 of the Code: Multiple directorships**

The NC ensures that new directors are aware of their duties and obligations. For re-nomination and re-appointment of directors, the NC takes into consideration the competing time commitments faced by directors and their ability to devote appropriate time and attention to the Group.

Each Director is required to confirm annually to the NC as to whether he or she has any issue with competing time commitments which may impact his or her ability to provide sufficient time and attention to his or her duties as a Director of the Company. Based on the Directors' annual confirmation and the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Committee meetings, the NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as directors of the Company in FY2023. The NC concluded that there is no need to impose a limit on the number of board representations at this stage.

## **Board Performance**

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

**Provision 5.1 of the Code: Performance criteria and process for evaluation of the effectiveness of the Board**

**Provision 5.2 of the Code: Disclosure of assessment of the Board, Board Committees and each Director**

### ***Board Evaluation Process***

The Board, through the NC, has used its best effort to ensure that directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience and the relevant skills set which are critical to the Group's business. It has also ensured that each director, with his special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

A formal Board performance evaluation, led by the NC, is conducted annually by means of a confidential questionnaire designed to assess the state of affairs of corporate governance matters in the Company, including the performance of each individual Board Committee. The areas of evaluation for Board performance include Board composition, Board information, Board process, Board accountability, communication with and review of top management and standards of conduct. The key areas of evaluation for Board Committee performance include committee composition and committee process.

The NC is of the view that it is more appropriate and effective to evaluate the performance of the Board as a whole, bearing in mind that each member of the Board contributes in different ways to the success of the Company and Board decisions are made collectively. The evaluation is separately completed by each Director to elicit his individual input, collated, analysed and discussed with the NC and the Board with comparatives from the previous year. Recommendations to further enhance the effectiveness of the Board and the various Board Committees are implemented, as appropriate. The NC had conducted a performance evaluation of the Board and the Board Committees for FY2023, and areas highlighted by the Directors in the evaluation were further deliberated on to improve corporate governance of the Group.

# CORPORATE GOVERNANCE

In addition, the NC, in considering the re-appointment of any Director, evaluates the performance of the Director separately, including the Director's contribution at the Board and Board Committees meetings, and his/her time commitment to the affairs of the Company. Each member of the NC shall abstain from deliberating and voting on any resolutions in respect of the assessment of his performance or re-appointment as Director.

There was no external consultant involved in the Board evaluation process in FY2023.

## **Board Evaluation Criteria**

Part of the evaluation process is through the review of the appraisal and evaluation forms, which considered an assessment of the following key performance criteria:

- Board size and composition of the Board
- Board independence
- Board processes
- Board information and accountability
- Board performance in discharging principal functions
- Board Committee performance
- Board time commitment
- Board diversity
- Overall contribution

The primary objective of the board evaluation exercise is to create a platform for the Board and its Board Committees' members to provide constructive feedback on the board procedures and processes and the changes which should be made to enhance the effectiveness of the Board and its Board Committees.

## **REMUNERATION MATTERS**

### **Procedures for Developing Remuneration Policies**

**Principle 6:** The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

**Provision 6.2 of the Code:** Composition of RC

### **RC Composition and Role**

The RC comprises the following three (3) members, all of whom including the Chairman, are INEDs.

- Mr. Siow Chin How (Chairman)
- Mr. Kam Chai Hong (Member)
- Mr. Wang Han Lin (Member)

The RC is responsible for ensuring a formal and transparent procedure for developing policies on director and executive remuneration, and for determining the remuneration packages of individual Directors and KMP.

# CORPORATE GOVERNANCE

The written terms of reference of the RC have been approved and adopted, including but not limited to, the followings:-

- reviewing and approving the remuneration for the Executive Directors, Executive Officers and employees related to the Executive Directors and controlling shareholders, to determine their specific remuneration packages and terms of employment and recommending the same to the Board for its approval;
- proposing, for adoption by the Board, measurable, appropriate and meaningful performance targets for assessing the performance of the key management personnel, individual Directors and of the Board as a whole;
- ensuring that the remuneration policies and systems of our Group, as approved by the Board, support our Group's objectives and strategies, and are consistently being administered and being adhered to within our Group;
- reviewing our Group's obligations arising in the event of termination of service contracts entered into between our Group and its 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;
- if necessary, seeking expert advice within and/or outside our Group on remuneration matters, to ensure that existing relationships, if any, between our Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;
- providing effective supervision and administration of our Group's share option scheme, and/or other equity-based plans and benefits-in-kind;
- reporting to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- holding a meeting of the Remuneration Committee at least once a year to coincide with key dates within the financial reporting and audit cycle.

**Provision 6.1 of the Code:      Role of the RC**

**Provision 6.3 of the Code:      RC to consider and ensure all aspects of remuneration are fair**

The RC reviews the reasonableness of the contracts of service of Executive Directors and KMP to ensure that their compensations commensurate with the responsibilities and risks involved in being a Director and that their remuneration packages are comparable within the industry and include a performance-related element with appropriate and meaningful measures of assessing performance.

The Independent Directors entitle to Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board, and subject to shareholders' approval at the AGM. Except as disclosed in this Annual Report, the Independent Directors did not entitle any other remunerations from the Company.

The Executive Directors have each entered into a service agreement with the Company ("**Service Agreements**"), under which the terms of their employment are stipulated, including a monthly base salary, annual wage supplement and benefits commensurate with the position. The Executive Directors are not entitled to Directors' fees and there are no post-retirement and severance benefits except the common practice of giving notice or salary in lieu of notice in the event of termination. The Service Agreements is valid for three (3) years and subject to a renewal upon its validity lapsed.

All recommendations made by the RC on remuneration of directors and key executives will be submitted for endorsement by the Board. None of the RC is involved in setting his remuneration package. Each RC member 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.

# CORPORATE GOVERNANCE

## **Provision 6.4 of the Code: Expert advice on remuneration**

The RC has explicit authority within its terms of reference to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary. There being no specific necessity, the RC did not seek the service of an external remuneration consultant to advise on remuneration matters in FY2023.

## **Level and Mix of Remuneration**

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.**

**Provision 7.1 and 7.3 of the Code: Remuneration of Executive Directors and key management personnel are appropriately structured to link rewards to performance.**

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the Executive Directors and KMP commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO (together with other KMP) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into consideration the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

Executive Directors do not receive directors' fees but are remunerated as members of Management. The remuneration packages of the Executive Directors and the KMP is linked to the performance of the Group as a whole, as well as the individual performance. This is to align the remuneration with the interests of shareholders and link rewards to corporate and individual performance to promote the long-term sustainability of the Group.

Service contracts for Executive Directors, are for a fixed appointment period and do not contain onerous removal clauses.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, and the performance of the Group's business units and individual employees. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is transparent, competitive, relevant and appropriate in finding a balance between the current and longer term objectives of the Company so as to be able to attract, retain and motivate talents without being excessive, and thereby maximise value for shareholders.

## **Provision 7.2 of the Code: Remuneration of Non-Executive Directors**

Non-Executive Directors have no service agreements (except for the letter of appointment) with the Company and their terms in office are specified in the Constitution. When reviewing the structure and level of directors' fee for the non-executive directors, the RC takes into consideration the directors' respective roles and responsibilities in the Board and its Board Committees and the frequency of Board and Board Committee meetings.

Each of the Non-Executive Directors receives a base director's fee. Directors who serve on the various Board Committees also receive additional fees in respect of each Board Committee that they serve on, with the Chairman of the Committees receiving a higher fee in respect of their service as Chairman of the respective Board Committees.

The structure of the fees payable to the Non-Executive directors of the Company for FY2023 is disclosed under Principle 8 below.

The RC is mindful that the remuneration for Non-Executive Directors should not be excessive so as not to compromise or reasonably be perceived to compromise their independence. No director is involved in deciding his or her own remuneration. The Board concurred with the RC that the proposed directors' fees for the year ended 31 December 2023 is appropriate and not excessive, taking into consideration the level of contributions by the directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the directors. Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company.

The Company currently does not have any share-based compensation scheme or any long-term incentive scheme involving the offer of shares or grant of options in place to encourage the Non-Executive directors to hold shares in the Company.

# CORPORATE GOVERNANCE

## Disclosure on Remuneration

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

**Provision 8.1 and 8.3 of the Code:** Remuneration disclosures of directors and key management personnel

**Provision 8.2 of the Code:** Remuneration of employee who are substantial shareholders, immediate family members of Executive Director or substantial shareholder

The compensation packages for employees including the Executive Directors and the KMP comprised a fixed component (in the form of a basic salary) and a variable component (normally consists of cash-based annual bonus) and benefits-in-kind, where applicable, considering amongst other factors, the individual's performance, the performance of the Group and industry practices.

When determining the fixed and variable components, the individual performance is taken into consideration and remuneration recommendations are reviewed by the RC in the light of any annual guidance from the National Wages Council, competitive market practices and information gathered from market surveys. This is further reviewed along with the Group's performance, taking into consideration specific key performance indicators (involving financial and non-financial indicators) tracked over time as compared to the targets to be achieved by the Group based on its short-term and long-term objectives. The Board exercises its discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Group. The overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Group's risk profile.

During the financial year under review, there was no termination, retirement or post-employment benefits granted to any Director or KMP.

## Disclosure of Remuneration

### (i) Remuneration of Directors

The breakdown of the total remuneration (in percentage terms) of the directors of the Company for the year ended 31 December 2023 is set out below:

Name of Directors	Remuneration Band	Fees	Salary	Bonus	Commission	Total Remuneration
Mdm. Loo Sok Ching	Band 4	-	28.74%	35.06%	36.20%	100%
Mr. Lim Te Hua	Band 3	-	32.75%	66.35%	0.90%	100%
Mr. Shankar Narasingam	Band 2	-	30.81%	69.19%	-	100%
Mr. Wong Chee Meng Lawrence	Band 1	100%	-	-	-	100%
Mr. Kam Chai Hong	Band 1	100%	-	-	-	100%
Mr. Siow Chin How	Band 1	100%	-	-	-	100%
Mr. Wang Han Lin	Band 1	100%	-	-	-	100%

- The salary and bonus amounts shown are inclusive of Employee Provident Fund contributions.
- The directors' fees are subject to shareholders' approval at the Annual General Meeting.
- Remuneration bands:
  - "Band 1" refers to compensation of between S\$0 and S\$250,000 per annum.
  - "Band 2" refers to compensation of between S\$250,001 and S\$500,000 per annum.
  - "Band 3" refers to compensation of between S\$500,001 and S\$750,000 per annum.
  - "Band 4" refers to compensation of between S\$750,001 and S\$1,000,000 per annum.

# CORPORATE GOVERNANCE

## (ii) Remuneration of Key Management Personnel

The Group has three (3) KMP who are not a Director or the CEO during FY2023. The details of the remuneration (in percentage term) of KMP of the Group (who are not Director or the CEO) for FY2023 are set out below:

<b>Name of Management Personnel</b>	<b>Remuneration Band</b>	<b>Salary</b>	<b>Bonus</b>	<b>Commission</b>	<b>Total</b>
Ms. Sim Ting Ling	Band 1	65.46%	34.54%	-	100%
Mr. Boo Chin Hwee	Band 1	28.01%	3.96%	68.03%	100%
Mr. Ang Khoon Poh	Band 1	64.14%	35.86%	-	100%

- The salary and bonus amounts shown are inclusive of Employee Provident Fund.
- Remuneration bands:
  - “Band 1” refers to compensation of between S\$0 and S\$250,000 per annum.
  - “Band 2” refers to compensation of between S\$250,001 and S\$500,000 per annum.

After careful consideration and taking into account the highly competitive business environment, commercially sensitive and confidential nature of the remuneration policies of the Company, the Board is of the view that notwithstanding the deviation from Provision 8.1 of the Code, the Company is transparent on its remuneration policies, which has been disclosed not only as part of compliance with Principle 8 but also in respect of Principle 7 of the Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of the Executive Directors and the factors taken into account for the remuneration of the Independent Directors. The Company has also disclosed the remuneration paid to each Director and KMP using remuneration bands, as well as the breakdown of the components of their remuneration, for transparency. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of each Director and KMP will not be prejudicial to the interest of shareholders and complies with the intent of Provision 8.1 of the Code.

The Company does not have any share-based compensation scheme or any long-term incentive scheme involving the offer of shares or options in place. The Board is of the view that such long-term incentive plan is not effective and that is difficult to determine how much such form of deferred remuneration contributions to the retention of employees and to motivate their performance.

## ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

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

**Provision 9.1 of the Code:** Board determines the nature and extend of risks

The Board regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as determine the Company's levels of risk tolerance and risk policies. In addition, the Board also regularly oversees the Management in the design, implementation and monitoring of the risk management and internal control systems to control, manage and mitigate these risks. The Management reviews the risk management and internal control systems and highlights all significant matters to the ARC and Board from time to time.

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework but recognises no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against the occurrence of materials errors or poor judgement in decision-making. In addition, it is essential to maintain adequate accounting records, develop and maintain an effective control environment within the Group.

# CORPORATE GOVERNANCE

The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks and internal controls. The ARC oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

## **Provision 9.2 of the Code: Assurance from the Board and KMP**

The ARC reviewed and assessed the adequacy and effectiveness of the Group's internal controls that address the Group's financial, operational, compliance and information technology risks, with the assistance of the internal and external auditors and the Management.

For the financial year under review:

- (i) written assurance was received from the CEO and the GFC that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (ii) written assurance was received from the CEO and the GFC that the Group's risk management and internal control systems in place were adequate and effective to address the financial, operational, compliance and information technology risks within the current scope of the Group's business operations.

The process of reviewing and strengthening the Group's control environment is an evolving process. Management will continue to devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

Through these reports, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's financial performance, position and prospects.

The Management provides all members of the Board with sufficient and timely information on its financial performance and potential issues prior to all scheduled Board and Board Committees meetings.

The Company has complied with Rule 1204(4)(b)(iv) of Catalist Rules in relation to the risk management policies and processes. Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, the reviews performed by the external auditors and internal auditors, as well as the written representation by the Management, the Board, with the concurrence of the ARC, is of the opinion that the risk management and internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 31 December 2023 to address the risks that the Group considers relevant and material to its operations.

# CORPORATE GOVERNANCE

## Audit and Risk Committee

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

**Provision 10.1 of the Code: Duties of ARC**

**Provision 10.2 of the Code: Composition of ARC**

**Provision 10.3 of the Code: ARC does not comprise former partners or directors of the Company's auditing firm**

The ARC comprises the following three (3) members, all whom including the Chairman, are INEDs and the LID is one of the members of the ARC and have recent and relevant accounting or related financial expertise or experience to discharge their responsibilities:

- Mr. Kam Chai Hong (Chairman)
- Mr. Siow Chin How (Member)
- Mr. Wong Chee Meng Lawrence (Member)

Mr. Kam Chai Hong, the Chairman of the ARC, possesses recent and relevant accounting or related financial management knowledge, whilst the other two (2) ARC members have regulatory, governance and industrial background. With the current composition, the Board believes that the ARC members are appropriately qualified to discharge their responsibilities as defined under the terms of reference, which have been approved by the Board. No former partner or director of the Company's existing auditing firm is a member of the ARC.

The ARC is authorised by the Board and has explicit authority to investigate any matter within its terms of reference. It has direct and unrestricted access to, and the co-operation of the Management and full discretion to invite any Executive Director or KMP to attend its meetings. The ARC has adequate resources, including access to external consultants, lawyers or other professionals as it sees fit to provide independent counsel and advice, to assist in the review or investigation on such matters within its terms of reference as it deems appropriate at the Company's expense.

The external auditors were also invited to be present at ARC meetings, as and when required, held during the year to, *inter alia*, answer or clarify any matter on accounting and auditing or internal controls. The ARC is of the opinion that the independence and objectivity of the external auditors have not been affected based on the amount of non-audit fees paid in FY2023.

The ARC met four (4) times in FY2023. The Executive Directors and GFC were invited to attend the meetings. The written terms of reference of the ARC has been approved and adopted, and they include the followings:-

- having oversight on the controls and safeguards to prevent a recurrence of the non-compliances with the regulatory requirements;
- assisting the Board in the discharge of its responsibilities on financial and reporting matters;
- reviewing the relevance and consistency of accounting standards, the significant reporting issues, recommendations and judgments made by external auditors so as to ensure the integrity of the financial statements of our Group;
- reviewing the assurance from the CEO and GFC on the financial records and financial statements of our Group;
- reviewing the adequacy, effectiveness, and independence of the external audit and internal audit function of our Group;
- reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of our Group's internal control and procedures (addressing financial, operational, information technology, compliance risks) and risk management systems (such review to be carried out internally or with the assistance of any competent third parties) and discussing issues and concerns, if any, prior to the incorporation of the Directors' comments in our Group's annual report;

# CORPORATE GOVERNANCE

- making recommendations to the 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 ensuring 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 bodies;
- where applicable, ensuring that the internal audit function has unfettered access to all our Group's documents, records, properties, and personnel, including the ARC, and has appropriate standing within our Group;
- reviewing our Group's financial risk areas, with a view to providing an independent oversight of our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, if the findings are material, to be immediately announced via SGXNET;
- reviewing the risk profile of our Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;
- considering the appointment or re-appointment of the external auditors and internal auditors, the level of their remuneration and matters relating to resignation or dismissal of the external auditors and internal auditors;
- conducting periodic reviews and approval of foreign exchange transactions and hedging policies (if any) undertaken by our Group;
- reviewing and approving transactions falling within the scope of Chapter 9 of the Catalist Rules;
- reviewing and establishing procedures for receipt, retention and treatment of complaints received by our Group, among others, criminal offences involving our Group or our employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group, and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- undertaking such other reviews and projects as may be requested by our Board of Directors and reporting to our Board its findings from time to time on matters arising and requiring the attention of our ARC; and
- generally undertaking such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

## **Whistleblowing Policy**

The Group has put in place a whistleblowing framework, endorsed by the ARC, which provides the mechanisms where employees may, in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to [whistleblow@5e-resources.com](mailto:whistleblow@5e-resources.com). Details of the whistleblowing policy, together with the dedicated whistleblowing communication channels (such as email address) have been made available to all employees. It has a well-defined process which ensures independent investigation of issues/ concerns raised and appropriate follow-up action and provides assurance that employees will be protected from reprisal within the limits of the law or victimisation for whistleblowing in good faith. Anonymous reporting will also be attended to and anonymity honoured.

The whistleblowing policy and procedures are reviewed by the ARC from time to time to ensure that they remain relevant.

The ARC reports to the Board on such matters at the Board meetings. Should the ARC receive reports relating to serious offences and/or criminal activities in the Group, the ARC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

The whistleblowing policy is published on the Company's website at <https://www.5e-resources.com/corporate-governance>, and a copy of the whistleblowing policy is also disseminated to all employees of the Group. As at the date of this Annual Report, there was no complaint, concerns of issue and whistleblowing report received through the whistleblowing channel.

# CORPORATE GOVERNANCE

## **Financial Reporting Matters**

The ARC reviews the financial statements, SGXNet announcements and all related disclosures to shareholders before submission to the Board for approval. In the process, the ARC reviews the key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the Group's financial performance to ensure the integrity and fairness of the financial statements.

In the review of the financial statements for FY2023, the ARC has discussed the following significant matters impacting the financial statements with the Management and the external auditors:

<b>Significant matters</b>	<b>How the ARC reviewed these matters and what decisions were made</b>
Revenue recognition for scheduled waste management services	<p>ARC reviewed the management's accounting for the revenue recognition for scheduled waste management services and the reasonableness of proportion of schedule waste management service contracts computed by management for revenue recognition.</p> <p>As a result of the above procedures, the AC agrees with management that the accounting treatment applied is appropriate.</p>

## **Internal Controls and Regulatory Compliance**

The ARC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain adequate and effective systems of internal control, with the overall objective of ensuring that the Management creates and maintains an effective control environment. The ARC provides a channel of communication between the Board, the Management, and the internal and external auditors on audit matters.

The ARC also has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management and full discretion to invite any Director to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The ARC meets with the internal and external auditors, without the presence of the Management, at least once a year.

Any change to accounting standards and issues which has a direct impact on financial statements will be highlighted to the ARC from time to time by the external auditors. The external auditors will work with the Management to ensure that the Group complies with the new accounting standards, if applicable.

The ARC reviews the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems through discussion with Management and its auditors and report to the Board annually.

The ARC reviews the assurance from the CEO and GFC on the financial records and financial statements.

## **External Audit**

The ARC reviews the scope and results of the audit carried out by the external auditors, Messrs. Foo Kon Tan LLP, the cost effectiveness of the audit and the independence and objectivity of the external auditors. It always seeks to balance the maintenance of objectivity of the external auditors and their ability to provide value-for-money professional services.

The ARC, in determining the independence and objectivity of the external auditors, reviewed all aspects of their relationships with them, including the processes, policies and safeguards adopted by the Group and external auditor relating to audit independence. The ARC also considered the nature and volume of the provision of the non-audit services in FY2023. Save for the fees paid for audit engagement, the non-audit services provided by the Company's external auditors, Messrs. Foo Kon Tan LLP are immaterial and would not affect the independence of the auditors. The ARC is of the opinion that the external auditors are independent and were adequate and effective in performing its audit.

# CORPORATE GOVERNANCE

	MYR\$	% of Fees
Audit fees	398,000	100.0
Non-audit fees	-	-
Total fees	398,000	100.0

The financial statements of the Company are audited by Messrs. Foo Kon Tan LLP and the financial statements of the Malaysian incorporated subsidiaries are audited by HLB Ler Lum Chew PLT. The ARC and the Board are of the view that the audit firms are adequately resourced, of appropriate standing within the international affiliation, have reviewed and are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the Company and that the Company has complied with Rule 712 and Rule 715 of the Catalist Rules of the SGX-ST.

In reviewing the nomination of Messrs. Foo Kon Tan LLP for re-appointment for the financial year ending 31 December 2024, the ARC has considered the adequacy of the resources, experience and competence of Messrs. Foo Kon Tan LLP, and has taken into account the Accounting and Corporate Regulatory Authority's ("ACRA") Audit Quality Indicators Disclosure Framework relating to Messrs. Foo Kon Tan LLP at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The ARC also considered the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and its ability to deliver their services professionally and within agreed timelines.

The ARC has recommended to the Board that the external auditors, Messrs. Foo Kon Tan LLP, be nominated for re-appointment as the external auditors of the Company at the forthcoming AGM of the Company to be held on 23 April 2024.

None of the ARC members are former partners or directors of the Company's external firm within the last twelve (12) months and none of the ARC members hold any financial interest in the external audit firm.

## **Provision 10.4 of the Code: Internal Audit Function**

The primary role of internal audit is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Group, reviewing the internal controls of the Group to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing that the Group to comply with the relevant laws, regulations and policies established.

The internal audit function plans its internal audit schedule in consultation with, but independent of the Management. The ARC examines the internal audit plan, determines the scope of audit examination and approves the internal audit budget. It also oversees the implementation of the improvements required on internal control weaknesses identified and ensures that Management provides the necessary co-operation to enable the internal auditors to perform its function. In addition, the internal auditors may be involved in ad-hoc projects initiated by the Management which require the assistance or/and assurance of the internal auditors in specific areas of concerns.

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

Messrs. Baker Tilly TFW LLP, the Company's internal auditors report primarily to the Chairman of the ARC and have unrestricted access to the documents, records, properties and personnel of the Company and of the Group. The main objective of the internal audit function is to assist the Group in evaluating and assessing the effectiveness of internal controls, and to highlight the areas where control weaknesses exist, if any. The Company continues to work with the internal auditors to identify other scope of work which will help to further enhance the robustness of the Company. The effectiveness of the Group's system of internal controls are in place to address the key financial, operational, compliance and information technology risks affecting the operations are reviewed by the ARC, together with the Board.

# CORPORATE GOVERNANCE

The Management is responsible for ensuring that the risks identified are relevant to the business environment and that controls or mitigating factors are in place. The Board reviews and approves policies and procedures for managing the identified risks. The ARC provides independent oversight to the effectiveness of the risk management process.

In compliance with Rule 1204(10) of the Catalyst Rules, the Board, with the concurrence of the ARC, is of the opinion that the Company has a robust and effective internal control system. The system of internal controls is sufficiently adequate and effective to address the information technology controls and risk management systems, as well as the financial, operational, compliance and information technology risks based on the internal controls established and maintained by the Group and reports from the internal auditors and external auditors.

The Board notes that the system of internal controls provides reasonable but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

The ARC has reviewed the independence, adequacy and effectiveness of the internal audit function at least annually to ensure that it is adequately resourced and has appropriate standing within the Company. Based on the review, the ARC was of the view that the internal audit function is independent, effective and adequately resourced.

The ARC approves the hiring, removal, evaluation and compensation of the internal auditors, who have unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC.

## **Code of Conduct and Business Ethics**

The Company has established a Code of Conduct and Business Ethics that sets the principles of the code of conduct and business ethics which applies to all employees of the Group. This code covers areas such as conduct in workplace, business conduct, protection of the Company's assets, confidentiality of information and conflict of interest. Directors, KMP and employees are expected to observe and uphold high standards of integrity which are in compliance with the Company's policies and the law and regulations of the countries in which it operates.

### **Provision 10.5 of the Code: ARC meets the auditor without the presence of management annually.**

The ARC shall meet external auditors and internal auditors without the presence of the Management at least once a year so that any matter can be raised directly. For FY2023, the ARC has met with the external auditors and internal auditors without the presence of the Management. These meetings enable the auditors to raise any issues in the course of their work directly to the ARC.

## **SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **Shareholder Rights and Conduct of General Meetings**

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

#### **Provision 11.1 of the Code: Shareholders' Rights**

#### **Provision 11.2 of the Code: Resolutions**

The Board is committed to being open and transparent in the conduct of the Company's affairs, while preserving the commercial interests of the Company. The Board is mindful of its obligations to provide timely and fair disclosure of material information in accordance with the Corporate Disclosure Policy. Financial Results, annual reports and other material information are released via SGXNet. Announcements released via SGXNet are also uploaded promptly on the Company's corporate website. The Company's website: <https://www.5e-resources.com/announcements>, contains regular up to date information and corporate profile of the Group. All shareholders and the public can access for more information of the Company through this website.

# CORPORATE GOVERNANCE

All resolutions at general meetings are voted on by poll so as to better reflect shareholders' shareholding interests and ensure greater transparency. Shareholders are briefed by the appointed polling agent on the poll voting procedures at the general meetings. The appointed scrutineer will ensure that the poll process is properly carried out and the counting of the votes is verified by the scrutineer. The poll voting results of all votes cast for, or against, or abstain, each resolution and the respective percentages are announced at the meeting and via SGXNet upon the conclusion of the general meetings.

## **Provision 11.3 of the Code: Attendance at General Meetings**

At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company and the Group.

The shareholders are invited to submit their questions for the AGM in advance of the meeting, and the Company will provide its responses via SGXNET and the corporate website prior to the commencement of the AGM on 23 April 2024. The Executive Chairperson, all the Directors (including the Chairmen of the ARC, NC and RC) and the external auditors, Messrs. Foo Kon Tan LLP, will endeavour to be present at the Company's AGM held on 23 April 2024 to address the shareholders' questions relating to the work of the Board and the Board Committees and the external auditors will assist the Directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

## **Provision 11.4 of the Code: Voting procedures**

Shareholders are encouraged to participate at the Company's general meetings. For those who hold their shares through nominee or custodial services, they are allowed, upon prior request through their nominee, to attend the general meetings as observers without being constrained by the two-proxy rule.

All shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group's strategies and visions. The Constitution allows a shareholder and corporation which provide nominee or custodial services to appoint not more than two (2) proxies to attend and vote at general meetings. The Constitution contains provision for any shareholder to vote in absentia, such as via mail, electronic mail or facsimile. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 72 hours before the time set for the general meetings.

Voting in absentia such as voting via mail, electronic mail or facsimile at the general meetings may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.

## **Provision 11.5 of the Code: Minutes of general meeting**

The Company Secretary shall prepare each item of special business in the notices of the shareholders' general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for each distinct issue. Minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board and Management are available to shareholders upon request.

The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's website, and the minutes will include the responses to the questions referred to the above.

## **Provision 11.6 of the Code: Dividend Policy**

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, operational and capital requirements, cash flow and financial conditions, as well as general business conditions and other factors which the Board may deem appropriate. The Board endeavours to maintain a balance between meeting shareholder's expectations and prudent capital management. The Board will review the dividend payment from time to time and any dividend declaration will be communicated to shareholders via announcement through SGXNET.

# CORPORATE GOVERNANCE

Taking into account the above stated factors, the Company has not declared any dividends for FY2023 in view of the increase in the budgeted cost for the Group's new plant expansion and after careful evaluation of the current financial position of the Company as well as taking into consideration the increase in interest rate for external financing, the Company has decided to reserve the cash available to finance the new plant expansion in order to improve the future earnings of the Company.

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

**Provision 12.1 of the Code: Communication with shareholders**

**Provision 12.2 and 12.3 of the Code: Investor relations policy**

## ***Disclosure of Information on Timely Basis***

The Group is firmly committed to corporate governance and transparency by disclosing to its stakeholders, including its shareholders, as much relevant information as is possible, in a timely, fair and transparent manner as well as to hearing its shareholders' views and addressing their concerns. By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility.

The Company has an Investor Relations ("IR") policy outlining the principles and practices adopted in the course of its investor relations activities, including communication with shareholders and the investment community.

## ***Investor Relations Practices***

Through the IR personnel, the Company communicates and engages with shareholders, analysts and other stakeholders to provide balanced, clear and pertinent information on a regular basis, as well as to attend to their queries or concerns and to keep the investors public apprised of the Group's corporate developments and financial performance. To enable shareholders to contact the Company easily, the contact details of the IR Personnel are set out on the Company's corporate website: <https://www.5e-resources.com/cont/contact-us>

The IR Policy reflects avenues for communication between shareholders and the Company, including shareholders' meetings, the Company's annual report and sustainability report, the information available on the Company's website, results announcements, meetings with analysts and media, and describes how shareholders may contact the Company should they have questions. The policy thus allows for an ongoing exchange of views with shareholders, thereby promoting regular, effective and fair communication.

## **MANAGING STAKEHOLDERS RELATIONSHIPS**

### **Engagement With Stakeholders**

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

**Provision 13.1 and 13.2 of the Code: Relationships with stakeholders**

In FY2023, the Group has reported its sustainability performance in accordance with the SGX Sustainability Report Guide, with reference to the Global Reporting Initiative ("GRI") reporting framework and has aligned its climate-related disclosures with the Task Force on Climate-related Financial Disclosures ("TCFD") in the four key areas of governance, strategy, risk management and metrics and targets. It has also mapped the material ESG topics to the United Nations Sustainable Development Goals ("UN SDGs"), and will continually review the Group's sustainable business strategy to improve the stewardship and reporting format.

# CORPORATE GOVERNANCE

The Group has identified key stakeholders as those who are impacted by the Group's business and operation activities, and have a significant impact on the Group's sustainability. Such stakeholders include employees, shareholders, workers, its consumers, its suppliers and business partners, communities, government and regulators, and its financiers. The Company engages its stakeholders through various channels to ensure that business interests of the Group are balanced against the needs and interests of its stakeholders.

The Group's policies including the Board Diversity Policy, the IR Policy and Whistleblowing Policy facilitate the Group's engagement with its key stakeholders.

Stakeholders may contact the Company through 'Contact Us' in the Company's corporate website: <https://www.5e-resources.com/cont/contact-us>.

## **Provision 13.3 of the Code: Communication with stakeholders**

### **Corporate Website**

The Company does not practise selective disclosure of material information. All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNet, press releases and the Company's corporate website - <https://www.5e-resources.com/>.

The comprehensive website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders. It has a dedicated 'Investor Relations' link which features the annual report, financial results, and related information.

## **Additional Information Required by the Catalist Rules of the SGX-ST**

### **1. DEALING IN SECURITIES**

In compliance with Rule 1204(19) of the Catalist Rules, the Company imposes a trading embargo on its Directors and employees of the Company from trading in its securities for the period of one (1) month prior to the announcement of the half-year and full-year financial results, or when they are in possession of unpublished material price-sensitive information.

An internal memorandum was circulated informing all persons covered by the policy that they are prohibited from dealing in the securities of the Company during the 'closed window' period until after the release of the results. The Company's internal memorandum includes the clause whereby an officer of the Company is prohibited from dealing in the Company's securities on short-term considerations.

All Directors are required to seek Board's approval before trading in the Company's shares and are also required to notify the Company Secretary of any change in his/her interest in the Company's shares within two business days of the change.

In view of the policy in place, the Board is of the opinion that the Company has complied with the recommended best practices on dealings in securities under Rule 1204(19) of the Catalist Rules.

In addition, directors, key management personnel and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also refrained from dealing in the Company's shares on short-term considerations. During FY2023, there was no trading of the Company's shares by Directors, KMP and connected persons.

### **2. NON-SPONSORSHIP FEES**

There were no non-sponsor fees paid or payable to its sponsor, RHT Capital Pte Ltd, for FY2023.

# CORPORATE GOVERNANCE

## 3. INTERESTED PERSON TRANSACTIONS (“IPTS”)

The ARC reviewed the Group’s IPTs to ensure that the transactions were executed at normal commercial terms and did not prejudice the interests of the Group and its minority shareholders.

The Company has not obtained a general mandate from shareholders for IPTs. Save from the IPTs disclosed in the Offer Document of the Company, there is no additional IPTs of S\$100,000 and above, and the ARC is satisfied that there were no material contracts of the Company and its subsidiaries involving the interest of the Executive Directors or any Director or controlling shareholder subsisted at the end of the financial year. In the event that a member of the ARC is involved in any IPTs, he or she will abstain from reviewing that particular transaction.

## 4. USE OF IPO PROCEEDS FROM IPO

The Group raised net proceeds of S\$8.0 million. As of the date of this Annual Report, the balance of net proceeds as follows:

	Allocation of net proceeds	Amount utilised as at the date of this Annual Report	Balance as at the date of this Annual Report
	S\$’000	S\$’000	S\$’000
Acquisition of an off-site storage plant including the land on which it is situated, for geographical business expansion	3,863	-	3,863
Capital investment in facilities, plants, machineries and/or equipment to enhance production efficiency and capacities	2,244	2,244 <sup>(1)</sup>	-
Expansion of our business through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaboration	1,169	-	1,169
General working capital purposes	741	741 <sup>(2)</sup>	-
<b>Total</b>	<b>8,017</b>	<b>2,985</b>	<b>5,032</b>

Notes:

(1) The amount of approximately S\$2,244,000 was utilised for payment to contractors and suppliers relating to the construction of the new plant at PTD 71200, Jalan Perak 2, Kawasan Perindustrian Pasir Gudang, Mukim Plentong, Johor, Malaysia.

(2) The breakdown of the utilisation of net proceeds to be used for general working capital purposes are as follows:

# CORPORATE GOVERNANCE

<b>Summary of Expenses</b>	<b>S\$'000</b>
Purchases from suppliers	239
Staff Cost	233
Utility Bills	96
Tax Payment	65
Professional Fees	98
Administrative expenses	10
<b>Total</b>	<b>741</b>

## 5. MATERIAL CONTRACTS

Save for the Service Agreements between the Executive Directors and the Company as mentioned above, there were no material contracts entered into by the Company or its subsidiaries involving the interests of its Chairperson or any Directors or controlling shareholders which are either still subsisting as at the end of financial year or if not then subsisting, entered into since the end of the previous financial year.

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mdm. Loo Sok Ching, Mr. Kam Chai Hong and Mr. Wang Han Lin are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 23 April 2024 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Catalyst Rule 720(5), the information relating to the Retiring Directors as set out in Appendix 7F is set out below:

	<b>Mdm. Loo Sok Ching</b>	<b>Mr. Kam Chai Hong</b>	<b>Mr. Wang Han Lin</b>
Date of Appointment	18 October 2021	25 March 2022	25 March 2022
Date of last re-appointment	N/A	20 April 2023	20 April 2023
Age	66	75	56
Country of principal residence	Malaysia	Malaysia	Malaysia
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the qualification, work experience and suitability of Mdm. Loo Sok Ching for re-appointment as a Chairperson and Executive Director of the Company.</p> <p>The Board has reviewed and concluded that Mdm. Loo Sok Ching possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>	<p>The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the qualification, work experience and suitability of Mr. Kam Chai Hong for re-appointment as a an Independent and Non-Executive Director of the Company, Chairman of the Audit and Risk Committee and a member Remuneration Committee of the Company.</p> <p>The Board has reviewed and concluded that Mr. Kam Chai Hong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>	<p>The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the qualification, work experience and suitability of Mr. Wang Han Lin for re-appointment as a an Independent and Non-Executive Director of the Company, Chairman of the Nominating Committee and a member of the Remuneration Committee of the Company.</p> <p>The Board has reviewed and concluded that Mr. Wang Han Lin possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive, responsible for responsible for the overall corporate strategy of our Group, spanning across all business segments such as marketing, R&D, logistics, finance and operations.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairperson and Executive Director	Independent and Non-Executive Director, Chairman of the Audit and Risk Committee and a member of the Remuneration Committee	Independent and Non-Executive Director, Chairman of the Nominating Committee and a member of the Remuneration Committee

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Mdm. Loo Sok Ching</b>	<b>Mr. Kam Chai Hong</b>	<b>Mr. Wang Han Lin</b>
Professional qualifications	N/A	<ul style="list-style-type: none"> <li>- Member of Association of Chartered Certified Accountant</li> <li>- Member of Accountant from Malaysian Institute of Accountants</li> <li>- Associate of Chartered Tax Institute of Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>- Degree in Bachelor of Economics from Monash University, Australia</li> <li>- Degree in Bachelor of Law from Monash University, Australia</li> <li>- Advocate &amp; Solicitor, the Malaysian Bar</li> </ul>
Working experience and occupation(s) during the past 10 years	<p><b>March 2005 to November 2022</b> Non-Executive Director of Wentel Engineering Sdn. Bhd.</p> <p><b>May 2010 to December 2021</b> Advisor of 5E Resources Sdn. Bhd.</p> <p><b>December 2021 to present</b> Executive Director of 5E Resources Sdn. Bhd.</p> <p><b>July 2002 to present</b> Non-Executive Director of Wencor (M) Sdn. Bhd.</p> <p><b>April 2012 to present</b> Non-Executive Director of Grandhill Property Sdn. Bhd.</p> <p><b>October 2021 to present</b> Chairperson and Executive Director of the Company</p>	<p><b>January 1996 to August 2016</b> Independent Non-Executive Director of Yinson Holdings Berhad</p> <p><b>January 1992 to present</b> Executive Director of C.H. Kam Taxation Services Sdn. Bhd.</p> <p><b>February 1991 to present</b> Executive Director of C.H. Kam Consultancy (2005) Sdn. Bhd.</p> <p><b>June 1981 to present</b> Managing Partner of Syarikat C.H. Kam (AF 0326)</p>	<p><b>January 2002 to present</b> Managing Partner of Wang &amp; S. B. Wong, Advocates &amp; Solicitors</p>
Shareholding interest in the listed issuer and its subsidiaries	39,339,900 shares (Direct Interest) 47,164,284 shares (Deemed Interest)	Nil	Nil
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of Interest (including any competing business)	No	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Mdm. Loo Sok Ching</b>	<b>Mr. Kam Chai Hong</b>	<b>Mr. Wang Han Lin</b>
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Present	<p><u>Listed company</u></p> <ul style="list-style-type: none"> <li>• Director of 5E Resources Limited</li> </ul> <p><u>Non-listed companies</u></p> <ul style="list-style-type: none"> <li>• Director of Diamante Development Sdn. Bhd.</li> <li>• Director of Golden Oriental Realty Sdn. Bhd.</li> <li>• Director of Grandhill Property Sdn. Bhd.</li> <li>• Director of Grandhill Realty Sdn. Bhd.</li> <li>• Director of Ocean Megaview Sdn. Bhd.</li> <li>• Director of Sutera Potensi Sdn. Bhd.</li> <li>• Director of Wei Wei Property Sdn. Bhd.</li> <li>• Director of Wencor (M) Sdn. Bhd. Sdn. Bhd.</li> <li>• Director of Wencor Holdings Sdn. Bhd.</li> <li>• Director of Wentel Engineering Holdings Berhad</li> <li>• Director of Kersani Food (M) Sdn. Bhd.</li> <li>• Director of 5E Holdings Sdn. Bhd.</li> <li>• Director of 5E Resources Sdn. Bhd.</li> <li>• Director of TS Heuls Chemical &amp; Engineering Sdn. Bhd.</li> </ul>	<p><u>Listed company</u></p> <ul style="list-style-type: none"> <li>• Director of 5E Resources Limited</li> </ul> <p><u>Non-listed companies</u></p> <ul style="list-style-type: none"> <li>• Director of C.H. Kam Consultancy (2005) Sdn. Bhd.</li> <li>• Director of C.H. Kam Taxation Services Sdn. Bhd.</li> <li>• Managing Partner of Syarikat C.H. Kam (AF 0326)</li> <li>• Committee Member of Johore Bahru Foon Yew Associated Chinese Schools</li> <li>• First Vice President of Persekutuan Tiong-Hua, Johor Baru</li> </ul>	<p><u>Listed company</u></p> <ul style="list-style-type: none"> <li>• Director of 5E Resources Limited</li> </ul> <p><u>Non-listed companies</u></p> <ul style="list-style-type: none"> <li>• Director of 3W Realty Sdn. Bhd.</li> <li>• Director of Berlian Harmoni Sdn. Bhd.</li> <li>• Director of Bright Aim Capital Sdn. Bhd.</li> <li>• Director of Exotic Fiesta Sdn. Bhd.</li> <li>• Director of Impian Optimis Sdn. Bhd.</li> <li>• Director of Industri Taman Sri Yaacob Sdn. Bhd.</li> <li>• Director of KK Wang Capital Sdn. Bhd.</li> <li>• Director of OKB Venture Sdn. Bhd.</li> <li>• Director of SWWT Holdings Sdn. Bhd.</li> <li>• Director of Teras Dayabumi Sdn. Bhd.</li> <li>• Director of Wang and Wang Holdings Sdn. Bhd.</li> <li>• Director of WHL Capital Holdings Sdn. Bhd.</li> <li>• Managing Partner of Wang &amp; S.B. Wong</li> <li>• Director of AASIS Sdn. Bhd.</li> </ul>
Past (for the last 5 years)	<ul style="list-style-type: none"> <li>• Reitozo Pacific Sdn. Bhd.</li> <li>• Field Benefit Ltd</li> <li>• Wentel Enterprises Corporation</li> <li>• Wentel Engineering Pte. Ltd.</li> <li>• Wanfy (M) Sdn. Bhd.</li> <li>• Wentel Engineering Sdn. Bhd.</li> </ul>	<ul style="list-style-type: none"> <li>• Hokkien Huay Kuan Johor Bahharu</li> <li>• C H Kam Consultancy Sdn. Bhd.</li> </ul>	<ul style="list-style-type: none"> <li>• United Pioneer Resources Sdn. Bhd.</li> <li>• Global Tone Marketing Sdn. Bhd.</li> <li>• Global Tone Worldwide Sdn. Bhd.</li> </ul>

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Mdm. Loo Sok Ching</b>	<b>Mr. Kam Chai Hong</b>	<b>Mr. Wang Han Lin</b>
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Mdm. Loo Sok Ching</b>	<b>Mr. Kam Chai Hong</b>	<b>Mr. Wang Han Lin</b>
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mdm. Loo Sok Ching	Mr. Kam Chai Hong	Mr. Wang Han Lin
(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	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

We are pleased to submit this statement to the members together with the audited consolidated financial statements of 5E Resources Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") for the financial year ended 31 December 2023, and the Company's statement of financial position as at 31 December 2023 and statement of changes in equity for the financial year ended 31 December 2023.

In our opinion:

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, the changes in equity of the Group and the Company, and the financial performance and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, 1967 (the "**Act**") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## NAME OF DIRECTORS

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

Loo Sok Ching  
Siow Chin How  
Lim Te Hua  
Shankar A/L Narasingam  
Wong Chee Meng Lawrence  
Kam Chai Hong  
Wang Han Lin

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

## DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONT'D)

Name of director	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at	As at	As at	As at
	1.1.2023	31.12.2023	1.1.2023	31.12.2023
<b>The Company -</b>				
<b>5E Resources Limited</b>				
			<u>Number of ordinary shares</u>	
Lim Te Hua	15,888,522	15,888,522	-	-
Loo Sok Ching	39,339,900	39,339,900	47,164,284	47,164,284
Shankar A/L Narasingam	6,582,078	6,582,078	-	-

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2024.

## AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee at the end of the financial year were as follows:

Mr Kam Chai Hong - Chairman  
Mr Siow Chin How - Member  
Mr Wong Chee Meng Lawrence - Member

All members of the Audit and Risk Committee are independent and non-executive directors.

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Act. In performing those functions, the Audit and Risk Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the statement of financial position and statement of the changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2023 before their submission to the Board of Directors.

The Audit and Risk Committee has recommended to the Board that the independent auditor, Foo Kon Tan LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

## INDEPENDENT AUDITOR

At the extraordinary general meeting of the Company held on 4 October 2023, Foo Kon Tan LLP was appointed as the independent auditor of the Company.

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the directors

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LOO SOK CHING

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LIM TE HUA

Dated: 1 April 2024

# INDEPENDENT AUDITOR'S REPORT

To the members of 5E Resources Limited

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of 5E Resources Limited (the "**Company**") and its subsidiaries (the "**Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

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

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue recognition for scheduled waste management services (Note 4)

In 2023, revenue recognised from scheduled waste management services amounted to RM 68.5 million representing 86% of the Group's total revenue.

Revenue from scheduled waste management services is recognised over time when performance obligations of services promised in the contract are satisfied in accordance with SFRS(I) 15 - Revenue from Contracts with Customers.

Management's judgement is required in estimating the stage of completion and measurement of progress towards satisfaction of performance obligations as of period end which affects the timing of the revenue recognition.

#### *Our responses and work performed:*

We obtained an understanding of the scheduled waste management services contracts and revenue recognition process through discussion with management and assessed the appropriateness of the method to measure progress of contracts to recognise revenue. We have reviewed and agreed total contract sum to supporting documents and assessed the reasonableness of proportion of scheduled waste management service contracts computed by management for revenue recognition, and assessed the adequacy of the disclosures in the financial statements.

# INDEPENDENT AUDITOR'S REPORT

To the members of 5E Resources Limited

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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

## RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

# INDEPENDENT AUDITOR'S REPORT

To the members of 5E Resources Limited

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

# INDEPENDENT AUDITOR'S REPORT

To the members of 5E Resources Limited

## OTHER MATTER

The financial statements for the year ended 31 December 2022 were audited by another firm of auditors whose report dated 31 March 2023 expressed an unmodified opinion on those financial statements.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Kong Chih Hsiang, Raymond.

Foo Kon Tan LLP  
Public Accountants and Chartered Accountants  
Singapore, 1 April 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>MYR'000</b>	<b>MYR'000</b>
Revenue from contracts with customers	4	79,961	64,969
Cost of sales	6	(40,149)	(35,190)
<b>Gross profit</b>		39,812	29,779
Other income			
- Interest income	4	1,838	803
- Grant income		-	947
- Others		-	21
Other gains - net	5	419	318
Administrative expenses	6	(10,594)	(10,661)
Selling and distribution expenses	6	(3,069)	(3,349)
Finance expenses	8	(542)	(473)
Net impairment reversal on trade receivables	13	36	5
<b>Profit before income tax</b>		27,900	17,390
Income tax expense	9	(6,339)	(5,070)
<b>Net profit and total comprehensive income for the financial year</b>		21,561	12,320
<b>Net profit and total comprehensive income for the financial year attributable to:</b>			
- Owners of the Company		21,561	12,320
<b>Earnings per share attributable to equity holders of the Company (in MYR cents)</b>			
- Basic and diluted earnings per share	10	14.6	9.2

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

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	The Group		The Company	
		2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	11	62,450	60,924	867	895
Short-term deposits	12	85	489	-	-
Trade and other receivables	13	13,234	10,414	25,847	24,648
Inventories	14	414	540	-	-
<b>Total current assets</b>		<b>76,183</b>	<b>72,367</b>	<b>26,714</b>	<b>25,543</b>
<b>Non-Current Assets</b>					
Investments in subsidiaries	15	-	-	55,886	55,886
Property, plant and equipment	16	46,569	34,214	-	-
Prepayment for purchase of property, plant and equipment	16	-	290	-	-
Right-of-use assets	17	15,429	16,127	-	-
<b>Total non-current assets</b>		<b>61,998</b>	<b>50,631</b>	<b>55,886</b>	<b>55,886</b>
<b>Total assets</b>		<b>138,181</b>	<b>122,998</b>	<b>82,600</b>	<b>81,429</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Current income tax liabilities	9	665	1,624	-	-
Lease liabilities	17	98	256	-	-
Trade and other payables	18	11,877	10,963	510	1,105
Borrowings	19	457	361	-	-
<b>Total current liabilities</b>		<b>13,097</b>	<b>13,204</b>	<b>510</b>	<b>1,105</b>
<b>Non-Current Liabilities</b>					
Lease liabilities	17	9,864	9,898	-	-
Borrowings	19	2,275	2,252	-	-
Deferred tax liabilities	20	1,350	1,849	-	-
<b>Total non-current liabilities</b>		<b>13,489</b>	<b>13,999</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>26,586</b>	<b>27,203</b>	<b>510</b>	<b>1,105</b>
<b>Net assets</b>		<b>111,595</b>	<b>95,795</b>	<b>82,090</b>	<b>80,324</b>
<b>EQUITY</b>					
<b>Capital and reserves</b>					
Share capital	21(a)	84,977	84,977	84,977	84,977
Treasury shares	21(b)	(857)	-	(857)	-
Reserves	21(c)	(59,250)	(59,250)	-	-
Retained profits/(accumulated losses)		86,725	70,068	(2,030)	(4,653)
<b>Total equity</b>		<b>111,595</b>	<b>95,795</b>	<b>82,090</b>	<b>80,324</b>

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

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

The Group	Attributable to owners of the Company				Total equity MYR'000
	Share capital MYR'000	Treasury shares MYR'000	Reserves MYR'000	Retained profits MYR'000	
	Note 21(a)	Note 21(b)	Note 21(c)		
At 1 January 2022	55,886	-	(59,250)	57,748	54,384
Net profit and total comprehensive income for the financial year	-	-	-	12,320	12,320
<b>Transactions with owners:</b>					
- Issuance of new shares during the financial year	31,502	-	-	-	31,502
- Share issue costs, recognised directly in equity	(2,411)	-	-	-	(2,411)
	29,091	-	-	-	29,091
At 31 December 2022	84,977	-	(59,250)	70,068	95,795
Net profit and total comprehensive income for the financial year	-	-	-	21,561	21,561
<b>Transactions with owners:</b>					
- Dividends (Note 21 (d))	-	-	-	(4,904)	(4,904)
- Purchase of treasury shares	-	(857)	-	-	(857)
	-	(857)	-	(4,904)	(5,761)
<b>At 31 December 2023</b>	<b>84,977</b>	<b>(857)</b>	<b>(59,250)</b>	<b>86,725</b>	<b>111,595</b>

The Company	Attributable to owners of the Company			
	Share capital MYR'000	Treasury shares MYR'000	Accumulated losses MYR'000	Total equity MYR'000
	<b>Balance as at date of incorporation</b>	*	-	-
Net loss and total comprehensive loss for the financial period	-	-	(4,653)	(4,653)
<b>Transactions with owners:</b>				
- Issuance of shares during the financial year				
- Acquisition of subsidiary	55,886	-	-	55,886
- Issuance of new shares	31,502	-	-	31,502
- Share issue costs	(2,411)	-	-	(2,411)
	84,977	-	-	84,977
At 31 December 2022	84,977	-	(4,653)	80,324
Net profit and total comprehensive income for the financial year	-	-	7,527	7,527
<b>Transactions with owners:</b>				
- Dividends (Note 21 (d))	-	-	(4,904)	(4,904)
- Purchase of treasury shares	-	(857)	-	(857)
	-	(857)	(4,904)	(5,761)
<b>At 31 December 2023</b>	<b>84,977</b>	<b>(857)</b>	<b>(2,030)</b>	<b>82,090</b>

\* denotes MYR3

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

		Year ended 31 December 2023	Year ended 31 December 2022
	Note	MYR'000	MYR'000
<b>Cash Flows from Operating Activities</b>			
Profit before taxation		27,900	17,390
<i>Adjustments for:</i>			
Property, plant and equipment			
- Depreciation	16	2,699	2,512
- Written off	5	3	92
- Gain on disposal	5	(83)	-
Depreciation of right-of-use assets	17	710	810
Interest income	4	(1,838)	(803)
Finance expenses	8	542	473
Net impairment reversal on trade receivables	13	(36)	(5)
Unrealised gain on foreign exchange		(108)	(62)
Gain on lease modification		(1)	-
Operating profit before working capital changes		29,788	20,407
Changes in inventories		126	(41)
Changes in trade and other receivables		(2,798)	2,165
Changes in trade and other payables		3,778	60
Cash generated from operations		30,894	22,591
Income tax paid	9	(7,797)	(5,796)
Net cash generated from operating activities		23,097	16,795
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment	16	(17,196)	(3,642)
Proceed from disposal of property, plant and equipment		155	-
Repayment from related parties		14	41
Withdrawal/(placement) of short-term deposits		404	(400)
Interest received		1,838	796
Net cash used in investing activities		(14,785)	(3,205)
<b>Cash Flows from Financing Activities</b>			
Repayment of borrowings	Note A	(388)	(3,315)
Repayment of lease liabilities	Note A	(203)	(243)
Interest paid	Note A	(542)	(179)
Proceeds from issuance of shares	21(a)	-	31,502
Purchase of treasury shares	21(b)	(857)	-
Dividends paid	21(d)	(4,904)	-
Listing expenses charged to equity		-	(2,411)
Net cash (used in)/generated from financing activities		(6,894)	25,354
Net increase in cash and cash equivalents		1,418	38,944
Cash and cash equivalents at beginning of year		60,924	21,918
Effect of exchange rate changes on cash and cash equivalents		108	62
Cash and cash equivalents at end of year	11	62,450	60,924

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

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the financial year ended 31 December 2023

Note A:

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

	<b>Lease liabilities MYR'000 (Note 17)</b>	<b>Term loans MYR'000 (Note 19)</b>	<b>Hire purchase liabilities MYR'000 (Note 19)</b>	<b>Total MYR'000</b>
At 1 January 2022	327	5,928	-	6,255
<u>Cash flows:</u>				
Repayment of borrowings	-	(3,315)	-	(3,315)
Repayment of lease liabilities	(243)	-	-	(243)
Interest paid	(93)	(86)	-	(179)
	(336)	(3,401)	-	(3,737)
<u>Non-cash flows:</u>				
Interest expense	387	86	-	473
New leases	9,776	-	-	9,776
	10,163	86		10,249
At 31 December 2022	10,154	2,613	-	12,767
<u>Cash flows:</u>				
Repayment of borrowings	-	(363)	(25)	(388)
Repayment of lease liabilities	(203)	-	-	(203)
Interest paid	(536)	-	(6)	(542)
	(739)	(363)	(31)	(1,133)
<u>Non-cash flows:</u>				
Interest expense	536	-	6	542
Lease modification	11	-	-	11
New leases	-	-	507	507
	547	-	513	1,060
<b>At 31 December 2023</b>	<b>9,962</b>	<b>2,250</b>	<b>482</b>	<b>12,694</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 1 GENERAL INFORMATION, THE RESTRUCTURING EXERCISE

### 1.1 General Information

The financial statements of the Group and the Company for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' statement.

The Company was incorporated in Singapore on 18 October 2021 as a private company limited by shares. On 25 March 2022, the Company was converted to a public limited company and the Company's name was changed to "5E Resources Limited". The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 12 May 2022.

The address of the Company's registered office is 30 Cecil Street, #19-08 Prudential Tower, Singapore 047912.

The Company is an investment holding company. The Company and its subsidiaries (collectively known as the "**Group**"), are principally engaged in the provision of scheduled waste management services, sales of recovered and recycled products and trading of chemicals. The principal activities of its significant subsidiaries are disclosed in Note 15 of the financial statements.

### 1.2 Restructuring exercise

The Group undertook the following transactions as part of a corporate reorganisation implemented for its listing on the Catalist Board of the Singapore Exchange Securities Trading Limited.

#### (a) Incorporation of the Company

The Company was incorporated in Singapore on 18 October 2021 under the Companies Act 1967 (the "**Act**") as a private company limited by shares with an issued and paid-up share capital of S\$1 (approximately MYR3).

#### (b) Acquisition of subsidiaries

- (i) Acquisition of 5E Resources Sdn. Bhd. ("**5E Resources**") by 5E Holdings Sdn. Bhd. ("**5E Holdings**")

On 9 December 2020, a share sale agreement was entered into between 5E Holdings as the purchaser and Mdm. Loo Sok Ching ("**Mdm. Loo**"), Mr. Wong Kim Fatt ("**Mr. KF Wong**"), Mr. Ban Kim Wah ("**Mr. Ban**"), Mr. Lim Te Hua ("**Mr. Lim**") and Mr. Shankar A/L Narasingam ("**Mr. Shankar**") as the vendors pursuant to which 5E Holdings acquired the entire issued share capital in 5E Resources held by the vendors at deemed cost of MYR42,871,000, which was determined with reference to the net asset value of 5E Resources as at 31 October 2020 and was settled by the allotment and issue of an aggregate of 1,000 shares in 5E Holdings to the vendors. Upon completion of the transfers on 30 December 2020, 5E Resources became wholly-owned by 5E Holdings.

- (ii) Acquisition of TS Heuls Chemical & Engineering Sdn. Bhd. ("**TS Heuls**") by 5E Resources

On 18 December 2020, a share sale agreement (as supplemented by a letter of variation dated 3 March 2021) was entered into between 5E Resources as the purchaser and Mr. KF Wong and Mr. Ban as the vendors pursuant to which 5E Resources acquired the entire equity interest in TS Heuls at a cash consideration of MYR4,495,000. The consideration was determined with reference to the net asset value of TS Heuls as at 31 October 2020. Upon completion of the acquisition on 30 December 2020, TS Heuls became wholly-owned by 5E Resources.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 1 GENERAL INFORMATION, THE RESTRUCTURING EXERCISE (CONT'D)

### 1.2 Restructuring exercise (Cont'd)

#### (b) Acquisition of subsidiaries (Cont'd)

##### (iii) Acquisition of 5E Holdings by the Company

5E Holdings is a wholly-owned subsidiary of 5E International Holdings Limited ("**5E International**"). 5E International was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 1 December 2021. On 14 December 2021, a sale and purchase agreement was entered into between 5E International as the purchaser and Mdm. Loo, Mr. KF Wong, Mr. Ban, Mr. Lim and Mr. Shankar as the vendors pursuant to which 5E International acquired the entire issued share capital in 5E Holdings held by the vendors at an aggregate nominal consideration of MYR5.00. Upon completion of the transfers, 5E Holdings became wholly-owned by 5E International.

On 28 December 2021, a share sale agreement was entered into between the Company as the purchaser and 5E International as the vendor, pursuant to which the Company acquired the entire issued share capital in 5E Holdings held by the vendor at deemed cost of MYR55,886,000, which was determined with reference to the net asset value of 5E Holdings as at 31 October 2021, and was settled by way of the allotment and issuance of 18,162,000 new shares to the vendor. Upon completion of the acquisition on 22 March 2022, 5E Holdings became a directly wholly-owned subsidiary of the Group.

#### (c) Conversion of the Company into a public company

On 25 March 2022, the Company was converted into a public company limited by shares and its name was changed from 5E Resources Pte. Ltd. to 5E Resources Limited.

#### (d) Share split

On 25 March 2022, the Company effected a share split exercise which resulted in 1 share being sub-divided into 6 shares. Following the share split, the issued and paid-up share capital was S\$18,162,000 (MYR55,886,000 equivalent) comprising 108,975,000 shares.

#### (e) Listing of 5E Resources

On 12 May 2022, 5E Resources was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied throughout the financial years, unless otherwise stated.

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standard (International) ("**SFRS(I)s**") under historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

In 2022, resulting from the above Restructuring Exercise, the financial statements of the Group had been prepared using the principles of merger accounting on the basis that the Group was controlled by the ultimate group of controlling shareholders both before and after the Restructuring Exercise.

### 2.2 Standards issued and effective that are applicable to the Group

The Group and the Company have adopted all new and revised SFRS(I) and amendments to SFRS(I), effective for the current financial year that are relevant to them.

- SFRS(I) 17 *Insurance Contracts*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8 *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12 *International Tax Reform – Pillar Two Model Rules*

The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except as discussed below:

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

The Group has adopted the amendments from 1 January 2023. The amendments are applied to transactions that occurred on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, deferred tax asset and deferred tax liability shall be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Group previously accounted for deferred tax on leases by recognising the deferred tax asset or liability on a net basis. As at 31 December 2022, deferred tax assets (net) of MYR165,000 were disclosed in Note 20 to the Group's FY2022 financial statements.

As of 31 December 2023, the taxable temporary differences in relation to right-of-use assets amounted to MYR8.9 million (2022 - MYR9.4 million); and the corresponding deductible temporary differences in relation to lease liabilities amounted to MYR9.9 million (2022 - MYR10.1 million), respectively.

On adoption of the amendments, the Group has re-grossed and recognised a deferred tax liability of MYR2.1 million (2022 - MYR2.3 million) in relation to its right-of-use assets, and a deferred tax asset of MYR2.4 million (2022 - MYR2.4 million) in relation to its lease liabilities, respectively.

There is no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of SFRS(I) 1-12. There is also no impact on the opening retained earnings as at 1 January 2022 and 2023 as a result of the change.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I) and amendments to SFRS(I) that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's accounting policies in the period of their initial application.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1	<i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 16	<i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	<i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to SFRS(I) 1-21	<i>Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be determined

## 2.4 Revenue recognition

Revenue is recognised when or as the control of the goods or service is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

(a) Scheduled waste management services

Revenue from scheduled waste management services are recognised net of discount over time as performance obligations of services promised in the contract is satisfied.

The scheduled waste management services are fixed-price contracts. Revenue is recognised based on the actual service provided at the end of the financial year as a proportion of the total services to be provided. This is determined based on the time period over which the services are provided.

(b) Sales of recovered and recycled products and chemical trading

Revenue from sales of recovered and recycled products and chemical trading are recognised net of discount at the point in time when control of the goods has transferred to customer. Depending on the terms of the contract with the customer, control transfers either upon delivery of the goods to locations specified by the customer or acceptance of the goods by the customer.

(c) Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and included as part of "other income" in the consolidated statement of comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2.5 Employee compensation

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

### (a) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

### (b) Employees' leave entitlements

Employee entitlements to annual leave are recognised when they are accrued to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of consolidated statement of financial position. Employee entitlements to sick leave and maternity or paternity leaves are not recognised until the time of leave.

### (c) Profit sharing and bonus plan

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises an accrual when it is contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

## 2.6 Leases

### Accounting by lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

- Right-of-use assets

Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Leasehold land is amortised over the leasehold period of 60 years. The other right-of-use assets are depreciated over lease period of 3 to 23 years.

Right-of-use assets are presented as a separate line item on the statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.6 Leases (Cont'd)

#### Accounting by lessee (Cont'd)

- Lease liabilities

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

Lease payments include the following:

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

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short-term and low value leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value assets. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

### 2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.8 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

### 2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

Net realisable value represents the estimated selling price less the estimated costs to completion and the estimated costs necessary to make the sale.

### 2.10 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.7).

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance are expensed in the consolidated statement of comprehensive income during the reporting period in which they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.10 Property, plant and equipment (Cont'd)

Depreciation of all items of property, plant and equipment is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives, as follows:

	<u>Estimated useful life</u>
Buildings	40 - 50 years
Plant and machinery	3 - 10 years
Furniture and office equipment	2.5 - 10 years
Motor vehicles	5 years

Depreciation on assets under construction commences when the assets are ready for their intended use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses) - net" in the consolidated statement of comprehensive income.

### 2.11 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

### 2.12 Impairment of non-financial assets

Property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

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

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.13 Financial assets

#### (a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

The Group does not hold any financial assets measured at fair value through profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

The Group classifies its debt instruments at amortised cost.

#### Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the statement of comprehensive income.

#### (b) Impairment

The Group assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

While cash and cash equivalents and other receivables are also subject to the impairment requirements of SFRS(I) 9, the identified impairment loss was immaterial.

#### (c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.14 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

### 2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

### 2.16 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at their fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

### 2.17 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("**treasury shares**"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

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

### 2.18 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2.19 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The functional currency of the Company is Malaysian Ringgit ("**MYR**"). The consolidated financial statements are presented in MYR.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within "finance expenses - net". All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within "Other gains/(losses) - net".

## 2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors of the Group.

## 2.21 Group accounting

### Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2.21 Group accounting (Cont'd)

### Subsidiaries (Cont'd)

#### (i) Consolidation (Cont'd)

##### Business combination under common control

The acquisition of TS Heuls Chemical & Engineering Sdn. Bhd. ("**TS Heuls**") by 5E Resources Sdn. Bhd. ("**5E Resources**") was accounted for as a business combination under common control.

SFRS(I) 3 does not apply to business combination under common control and is a choice of accounting policy. In considering the accounting policy to be adopted, management has considered the substance and the specific facts and circumstances surrounding the business combination.

Management considered that predecessor accounting best reflected the substance of the business combination under common control as:

- TS Heuls was wholly owned by 5E Resources and there was no non-controlling interest involved;
- the consideration for the transfer was set at the existing book values of TS Heuls; and
- both 5E Resources and TS Heuls were managed together before and after the combination.

Under the predecessor accounting, the net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. The assets and liabilities of the acquired entity or business were recorded at the book values as stated in the financial statements of the controlling party. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party or parties' interests.

#### (ii) Disposals of subsidiaries

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

#### (iii) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

## 2.22 Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants related to expenses are recognised in profit or loss over the periods necessary to match the related costs for which the grants are intended to compensate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (a) *Estimation of stage of completion for scheduled waste management services*

The revenue from scheduled waste management services are recognised over time when performance obligations of services as promised in the contract is satisfied. Revenue is recognised based on the waste management services completed at the end of the financial year relative to the total services to be provided under the contract. This is determined based on the time period over which the services are provided.

Management has to estimate the time period to complete the services to determine the Group's recognition of revenue.

Significant assumptions are used to estimate the total estimated time period which affect the accuracy of revenue recognition based on the percentage-of-completion. In making these assumptions, management has relied on past experience.

As at 31 December 2023, the remaining waste management services has yet to be completed is insignificant.

### (b) *Useful lives and residual values of plant and machinery*

The costs of plant and machinery are depreciated on a straight-line basis over their useful lives. Management exercises its judgement in estimating the useful lives and residual values of the depreciable assets. The estimated useful lives reflect management's estimate of the period that the Group intends to derive future economic benefits from the use of the depreciable asset.

The Group reviews annually the estimated useful lives of plant and machinery based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that the Group's future results could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives by 1 year would increase the Group's annual depreciation expense by MYR286,000 (2022 - MYR218,000).

### (c) *Impairment of trade receivables*

The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation.

To measure the expected credit losses, these receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months and the corresponding credit losses experienced within this period. The historical loss rates are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and inflationary rate in Malaysia to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Any possible changes in these inputs could result in revision to the loss allowance recorded by the Group.

Management has considered a range of possible outcomes, ie a baseline scenario and the worst-case scenario in computing the expected credit allowance ("ECL"). In the baseline scenario, management incorporated the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables and made adjustments to the expected loss rates accordingly. In the worst-case scenario, management considered a further increase in expected loss rate as computed in the baseline scenario. A probability-weighting of occurrence was subsequently applied to these two different scenarios to derive at the expected credit loss allowance to be made.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

### (c) Impairment of trade receivables (Cont'd)

A 20% increase in the probability-weighting would increase the loss allowance by MYR39,000 and MYR30,000 for 31 December 2023 and 31 December 2022 respectively.

## 4 REVENUE AND SEGMENT INFORMATION

The chief operating decision maker ("CODM") has been identified as the Executive Directors of the Group who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The Group is principally engaged in scheduled waste management services, sales of recovered and recycled products and chemical trading. Information reported to CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group. For the financial years ended 31 December 2023 and 2022, there are three operating segments based on business type: (1) scheduled waste management services, (2) sales of recovered and recycled products, and (3) chemical trading.

The CODM considers the business from activities perspective and assesses the performance of the operating segments based on a measure of gross profit for the purposes of allocating resources. No analysis of segment assets or segment liabilities is regularly provided to the CODM. These reports are prepared on the same basis as the consolidated financial statements.

Transactions between operating segments are carried out on agreed terms. The effects of such intersegment transactions and balances arising thereof are eliminated.

	<b>Year ended 31 December 2023</b>			
	<b>Scheduled waste management services MYR'000</b>	<b>Sales of recovered and recycled products MYR'000</b>	<b>Chemical trading MYR'000</b>	<b>Total MYR'000</b>
<b>The Group</b>				
<b>Segment revenue</b>				
Total revenue	68,519	9,991	3,296	81,806
Intersegment revenue elimination	-	(1)	(1,844)	(1,845)
Revenue from external customers	68,519	9,990	1,452	79,961
<b>Segment results</b>	37,240	1,511	1,061	39,812
Other income - interest income				1,838
Other gains				419
Administrative expenses				(10,594)
Selling and distribution expenses				(3,069)
Finance expenses				(542)
Net reversal of impairment loss on trade receivables				36
<b>Profit before income tax</b>				<b>27,900</b>
<b>Significant non-cash items</b>				
Depreciation of property, plant and equipment	2,373	324	2	2,699
Depreciation of right-of-use assets	598	82	30	710
Additions:				
Property, plant and equipment	13,302	1,815	12	15,129
Right-of-use assets	-	-	12	12

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4 REVENUE AND SEGMENT INFORMATION (CONT'D)

	Year ended 31 December 2022			
	Scheduled waste management services	Sales of recovered and recycled products	Chemical trading	Total
The Group	MYR'000	MYR'000	MYR'000	MYR'000
<b>Segment revenue</b>				
Total revenue	53,282	10,078	3,713	67,073
Intersegment revenue elimination	-	(1)	(2,103)	(2,104)
Revenue from external customers	53,282	10,077	1,610	64,969
<b>Segment results</b>				
Other income				
- interest income				803
- others				968
Other gains				318
Administrative expenses				(10,661)
Selling and distribution expenses				(3,349)
Finance expenses				(473)
Net reversal of impairment loss on trade receivables				5
<b>Profit before income tax</b>				<b>17,390</b>
<b>Significant non-cash items</b>				
Depreciation of property, plant and equipment	2,171	339	2	2,512
Depreciation of right-of-use assets	677	106	27	810
Additions:				
Property, plant and equipment	7,068	-	-	7,068
Right-of-use assets	9,776	-	-	9,776

Most of the Group's revenue is generated from customers located in Malaysia and all the assets of the Group are located in Malaysia. Accordingly, no geographical segment analysis is presented.

For the financial year ended 31 December 2023, there was a customer which contributed 21.6% of the Group's total revenue. In the previous financial year, there was a customer which contributed 10.2% of the Group's total revenue.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4 REVENUE AND SEGMENT INFORMATION (CONT'D)

Timing of revenue recognition is as follows:

	2023	2022
<b>The Group</b>	<b>MYR'000</b>	<b>MYR'000</b>
Over time		
- scheduled waste management services	68,519	53,282
Point in time		
- sales of recovered and recycled products	9,990	10,077
- chemical trading	1,452	1,610
	11,442	11,687
	79,961	64,969

Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current financial year relates to carried-forward contract liabilities:

	2023	2022
<b>The Group</b>	<b>MYR'000</b>	<b>MYR'000</b>
Revenue recognised that was included in the contract liabilities balance at the beginning of year	51	73

Management expects that contract liabilities amounting to MYR51,000 (2022 - MYR73,000) will be recognised as revenue within 12 months from the financial reporting date.

## 5 OTHER GAINS - NET

	2023	2022
<b>The Group</b>	<b>MYR'000</b>	<b>MYR'000</b>
Gain on disposal of property, plant and equipment	83	-
Write-off of property, plant and equipment	(3)	(92)
Currency exchange gain - net	339	410
	419	318

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 6 EXPENSES BY NATURE

<b>The Group</b>	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Audit fees:		
- Auditor of the Company	238	531
- Other auditors - network firms	160	206
Non-audit fees:		
- Audit-related services ("ARS"):		
- Auditor of the Company	-	64
- Other auditors - network firms	-	4
Non-ARS: Other auditors - network firms	-	37
Directors' fees (Note 7)	537	517
Employee compensation (Note 7)	16,276	12,940
Cost of inventories sold (Note 14)	10,281	6,883
Depreciation of property, plant and equipment (Note 16)	2,699	2,512
Depreciation of right-of-use assets (Note 17(c))	710	810
Short-term leases (Note 17(c))	283	101
Consumables	1,077	905
Fuel oil and petrol	1,180	2,230
Professional fees	1,046	3,073
Referral fees	-	243
Repair and maintenance fee	3,809	3,692
Sludge disposal	5,634	6,916
Subcontractor charges	2,091	579
Transportation charges	2,303	2,068
Utility expense	2,396	2,038
Others	3,092	2,851
	<b>53,812</b>	<b>49,200</b>
<u>Represented by:</u>		
Cost of sales	40,149	35,190
Administrative expenses	10,594	10,661
Selling and distribution expenses	3,069	3,349
	<b>53,812</b>	<b>49,200</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 7 EMPLOYEE COMPENSATION

	2023	2022
<b>The Group</b>	<b>MYR'000</b>	<b>MYR'000</b>
Salaries, bonuses and other benefits	15,405	12,289
Employer's contribution to defined contribution plan	1,306	1,074
Others	102	94
	16,813	13,457

## 8 FINANCE EXPENSES

	2023	2022
<b>The Group</b>	<b>MYR'000</b>	<b>MYR'000</b>
Interest expense on borrowings	6	86
Interest expense on lease liabilities	536	387
	542	473

## 9 INCOME TAX EXPENSE

	2023	2022
<b>The Group</b>	<b>MYR'000</b>	<b>MYR'000</b>
Tax expense attributable to profit is made up of:		
Current income tax		
- current year	7,011	5,439
- (over)/under provision in prior year	(173)	209
Deferred income tax credit (Note 20)	(499)	(578)
	6,339	5,070

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 9 INCOME TAX EXPENSE (CONT'D)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rates of income tax as follows:

<b>The Group</b>	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Profit before income tax	27,900	17,390
Tax calculated at Malaysia statutory tax rate of 24%	6,696	4,174
Effect of:		
- Income not subject to tax	(19)	-
- Expenses not deductible for tax purposes	117	687
- Deductible temporary differences not recognised in prior years	(282)	-
- (Over)/under provision in prior year	(173)	209
<b>Tax charge</b>	<b>6,339</b>	<b>5,070</b>
Movement of current income tax liabilities:		
As of beginning of the year	1,624	1,772
Income tax paid	(7,797)	(5,796)
Tax expense	7,011	5,439
(Over)/under provision in prior year	(173)	209
<b>As of end of the year</b>	<b>665</b>	<b>1,624</b>

## 10 EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing net profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

<b>The Group</b>	<b>2023</b>	<b>2022</b>
Net profit attributable to owners of the Company (MYR'000)	21,561	12,320
Weighted average number of ordinary shares in issue ('000)	147,377	133,657
Basic earnings per share (in MYR cents)	14.6	9.2

- The weighted average number of ordinary shares in 2022 was derived from the number of ordinary shares in issue by the Company, adjusted retrospectively for the effects of restructuring as disclosed in Note 1.2(d).
- The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions in 2023.

### (b) Diluted earnings per share

For the years ended 31 December 2023 and 2022, diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2023	2022	2023	2022
	MYR'000	MYR'000	MYR'000	MYR'000
Cash and bank balances	17,234	14,944	867	895
Deposits with licensed banks	45,216	45,980	-	-
	62,450	60,924	867	895

The deposits, denominated in MYR, have a maturity period of 1 to 3 months (2022 - 1 to 3 months) and earned interest at the rates of 2.80% to 4.20% (2022 - 1.50% to 3.55%) per annum.

## 12 SHORT-TERM DEPOSITS

The Group	2023	2022
	MYR'000	MYR'000
Deposits with licensed banks	85	489

The deposits, denominated in MYR, have a maturity period of 365 days (2022 - 365 days) and earn interest at the rate of 2.80% (2022 - 2.06%) per annum.

## 13 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2023	2022	2023	2022
	MYR'000	MYR'000	MYR'000	MYR'000
Trade receivables	11,644	8,620	-	-
Less: Loss allowance provision	(153)	(189)	-	-
	11,491	8,431	-	-
Other receivables - subsidiary	-	-	25,837	23,677
Other receivables - related parties	4	18	-	-
Other receivables - non-related parties	-	1	-	-
Deposits	1,456	917	-	-
<b>Financial assets at amortised cost</b>	12,951	9,367	25,837	23,677
Contract assets	43	-	-	-
Grant receivable	-	947	-	947
Prepaid expenses	10	88	10	24
Prepayment to suppliers	230	12	-	-
	13,234	10,414	25,847	24,648

Other receivables due from subsidiary, related and non-related parties are unsecured, interest free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13 TRADE AND OTHER RECEIVABLES (CONT'D)

The movement of loss allowance provision during the year is as follows:

<b>The Group</b>	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
At beginning of year	189	194
Reversal during the year	(36)	(5)
At end of year	153	189

The change in gross carrying amount of the trade receivables that contributed to the change in loss allowance above was due to the increase in the gross carrying amount of trade receivables from MYR8.6 million in 2022 to MYR11.6 million in 2023, set off against the decrease in balance due more than 90 days from 2.7% of total gross carrying amount in 2022 to 2.4% of total gross carrying amount, resulting in a decrease in loss allowance of MYR36,000.

## 14 INVENTORIES

<b>The Group</b>	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Raw materials	253	224
Finished goods	25	59
Trading goods	49	116
Machinery spare parts	99	153
	426	552
Less: Allowance for slow moving inventories	(12)	(12)
	414	540

The cost of inventories recognised as expenses and included in "cost of inventories sold" amounted to MYR10,281,000 (2022 - MYR6,883,000) (Note 6).

## 15 INVESTMENTS IN SUBSIDIARIES

<b>The Company</b>	<b>MYR'000</b>
<b>Unquoted equity shares, at cost</b>	
Balance at date of incorporation	*
Acquisition of subsidiary (Note 1.2(b)(iii))	55,886
<b>At 31 December 2023 and 2022</b>	<b>55,886</b>

\* Denotes MYR3

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 15 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Company's subsidiaries at the reporting date are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest equity held by the Company	
			2023	2022
			%	%
<b>Directly held</b>				
5E Holdings Sdn. Bhd. <sup>(1)</sup>	Malaysia	Investment holding	100	100
<b>Indirectly held</b>				
5E Resources Sdn. Bhd. <sup>(1)</sup>	Malaysia	Scheduled waste management services and sales of recovered recovered and recycled products	100	100
TS Heuls Chemicals & Engineering Sdn. Bhd. <sup>(1)</sup>	Malaysia	Trading of chemicals	100	100

(1) Audited by HLB Ler Lum Chew PLT in 2023

## 16 PROPERTY, PLANT AND EQUIPMENT

The Group	Buildings MYR'000	Plant and machinery MYR'000	Furniture and office equipment MYR'000	Motor vehicles MYR'000	Work in progress MYR'000	Total MYR'000
<b>Cost</b>						
At 1 January 2022	22,455	23,841	3,771	4,236	-	54,303
Additions	-	690	293	122	5,963	7,068
Disposal	-	(424)	(231)	(3)	-	(658)
At 31 December 2022	22,455	24,107	3,833	4,355	5,963	60,713
Additions	14	1,162	95	4,017	9,841	15,129
Disposal	-	(409)	(57)	(250)	-	(716)
<b>At 31 December 2023</b>	<b>22,469</b>	<b>24,860</b>	<b>3,871</b>	<b>8,122</b>	<b>15,804</b>	<b>75,126</b>
<b>Accumulated depreciation</b>						
At 1 January 2022	2,243	17,058	2,484	2,768	-	24,553
Depreciation for the year	486	1,191	375	460	-	2,512
Disposal	-	(383)	(180)	(3)	-	(566)
At 31 December 2022	2,729	17,866	2,679	3,225	-	26,499
Depreciation for the year	486	1,285	344	584	-	2,699
Disposal	-	(405)	(57)	(179)	-	(641)
<b>At 31 December 2023</b>	<b>3,215</b>	<b>18,746</b>	<b>2,966</b>	<b>3,630</b>	<b>-</b>	<b>28,557</b>
<b>Carrying amount</b>						
<b>At 31 December 2023</b>	<b>19,254</b>	<b>6,114</b>	<b>905</b>	<b>4,492</b>	<b>15,804</b>	<b>46,569</b>
At 31 December 2022	19,726	6,241	1,154	1,130	5,963	34,214

Work in progress relates to the construction of the Group's new plant located in Johor, Malaysia, with completion expected in the next 12 months.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Right-of-use of assets acquired under hire purchase are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 17.

Bank borrowings (Note 19) are secured on buildings of the Group with carrying amounts of MYR19,254,000 (2022 - MYR19,726,000).

Purchase of property, plant and equipment as reflected in consolidated statement of cashflows is as follows:

<b>The Group</b>	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Property, plant and equipment additions	15,129	7,068
Prepayment made for purchase of property, plant and equipment	-	290
Capital expenditure accrued/ payable	(1,149)	(4,013)
Repayment of capital expenditure accrued/ payable in prior year	4,013	367
Right-of-use assets acquired under hire purchase	(507)	-
Cash prepaid in respect of purchases made in previous financial year	(290)	(70)
Cash disbursed for purchase of property, plant and equipment	17,196	3,642

## 17 RIGHT-OF-USE ASSETS AND LEASES

### (a) Nature of the Group's leasing activities

The Group has obtained the rights to use 3 parcels of leasehold land from the Malaysia government. The lease period granted to the Group is 60 years, expiring on 2045, 2067 and 2071 respectively. Leasing arrangements of the Group comprised the following:

- (i) Type I leases - Leases whereby the Group is required to make upfront payments on lease inception for the entire lease payments under the terms of the land use rights agreement with the Malaysia government.
- (ii) Type II leases - Leases whereby the Group is required to make monthly lease payments for the use rights of assets, which include buildings and motor vehicles.

Extension and termination options are included in the leases of buildings. The options are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. These options have been included in the measurement of the lease liabilities.

Certain of the Group's land use rights (Type I leases) have been pledged to a financial institution to secure the Group's borrowings (Note 19).

There are no externally imposed covenants on these lease arrangements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 17 RIGHT-OF-USE ASSETS AND LEASES (CONT'D)

(b) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position presents the following amounts relating to leases:

<b>The Group</b>	<b>2023</b> <b>MYR'000</b>	<b>2022</b> <b>MYR'000</b>
<b>Right-of-use assets</b>		
Type I leases	6,490	6,663
Type II leases	8,939	9,464
	<b>15,429</b>	<b>16,127</b>
<b>Lease liabilities</b>		
Current	98	256
Non-current	9,864	9,898
	<b>9,962</b>	<b>10,154</b>
<u>Assets acquired under hire purchase</u>		
Right-of-use assets classified within property, plant and equipment - "motor vehicles" (Note 16)	569	-
Lease liabilities classified within borrowings (Note 19):		
Non-current	389	-
Current	93	-
	<b>482</b>	<b>-</b>

Movement of right-of-use assets is as follows:

<b>The Group</b>	<b>Leasehold land</b> <b>MYR'000</b>	<b>Buildings</b> <b>MYR'000</b>	<b>Motor vehicles</b> <b>MYR'000</b>	<b>Total</b> <b>MYR'000</b>
<b>2023</b>				
At 1 January 2023	15,890	170	67	16,127
Additions	-	12	-	12
Depreciation for the year	(514)	(129)	(67)	(710)
<b>At 31 December 2023</b>	<b>15,376</b>	<b>53</b>	<b>-</b>	<b>15,429</b>
Cost	17,131	242	391	17,764
Less: Accumulated depreciation	(1,755)	(189)	(391)	(2,335)
<b>Net carrying amount</b>	<b>15,376</b>	<b>53</b>	<b>-</b>	<b>15,429</b>
<b>2022</b>				
At 1 January 2022	6,835	97	229	7,161
Additions	9,643	133	-	9,776
Depreciation for the year	(588)	(60)	(162)	(810)
At 31 December 2022	<b>15,890</b>	<b>170</b>	<b>67</b>	<b>16,127</b>
Cost	17,131	230	391	17,752
Less: Accumulated depreciation	(1,241)	(60)	(324)	(1,625)
<b>Net carrying amount</b>	<b>15,890</b>	<b>170</b>	<b>67</b>	<b>16,127</b>

Bank borrowings (Note 19) are secured on land use rights of the Group with carrying amounts of MYR1,736,000 (2022 - MYR1,816,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 17 RIGHT-OF-USE ASSETS AND LEASES (CONT'D)

(c) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income show the following amounts relating to leases:

	<b>2023</b>	<b>2022</b>
<b>The Group</b>	<b>MYR'000</b>	<b>MYR'000</b>
Depreciation of right-of-use assets (Note 6)	710	810
Interest expense on lease liabilities (Note 8)	536	387
Expenses relating to short-term leases (included in administrative expenses) (Note 6)	283	101

The total cash outflow for leases are as follows:

	<b>2023</b>	<b>2022</b>
<b>The Group</b>	<b>MYR'000</b>	<b>MYR'000</b>
Lease payments within financing activities	739	336
Cash flows relating to short-term leases included in administrative expense	283	101
Total cash outflow for leases	1,022	437

## 18 TRADE AND OTHER PAYABLES

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
Trade payables	1,499	991	-	-
Other payables - non-related parties	2,502	1,484	119	180
Capital expenditure payable/ accrued	1,149	4,013	-	-
Accrued payroll costs	5,959	3,731	138	517
Accrued expenses	625	680	253	408
Financial liabilities at amortised cost	11,734	10,899	510	1,105
Contract liabilities	143	64	-	-
	11,877	10,963	510	1,105

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19 BORROWINGS

<b>The Group</b>	<b>2023</b> <b>MYR'000</b>	<b>2022</b> <b>MYR'000</b>
<b>Non-current</b>		
Term loans (secured)	1,886	2,252
Hire purchase liabilities (Note 17 (b))	389	-
	2,275	2,252
<b>Current</b>		
Term loans (secured)	364	361
Hire purchase liabilities (Note 17 (b))	93	-
	457	361
<b>Total borrowings</b>	2,732	2,613

Loans from financial institutions are secured by certain leasehold land classified under right-of-use assets (Note 17) and buildings (Note 16), corporate guarantee by a subsidiary, 5E Holdings Sdn. Bhd., and additionally guaranteed jointly and severally by certain Directors and shareholders of the Company. These borrowings bear floating interest rates. The weighted average interest rate of the borrowings is 4.42% (2022 - 4.17%) per annum. The hire purchase liabilities bear fixed interest rates ranging from 2.33% to 2.36%.

## 20 DEFERRED TAX LIABILITIES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The amounts, determined after appropriate offsetting, are shown on the consolidated statement of financial position as follows:

<b>The Group</b>	<b>2023</b> <b>MYR'000</b>	<b>2022</b> <b>MYR'000</b>
Deferred tax liabilities	1,350	1,849

The movement on the deferred income tax account is as follows:

<b>The Group</b>	<b>2023</b> <b>MYR'000</b>	<b>2022</b> <b>MYR'000</b>
At beginning of the year	1,849	2,427
(Credited)/ charged to consolidated statement of comprehensive income (Note 9)		
- property, plant and equipment	173	(28)
- hire purchase	(115)	-
- lease liabilities	(81)	(164)
- loss allowance provision	9	1
- accruals	(485)	(387)
	(499)	(578)
At end of the year	1,350	1,849

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 20 DEFERRED TAX LIABILITIES (CONT'D)

The movement on the deferred income tax account is as follows (Cont'd):

The Group	2023	2022
	MYR'000	MYR'000
<b>Deferred tax assets</b>		
Lease liabilities	2,378	2,432
Loss allowance provision	37	46
Hire purchase	115	-
Accruals	872	387
	3,402	2,865
Offsetting	(3,402)	(2,865)
	-	-
<b>Deferred tax liabilities</b>		
Property, plant and equipment	2,620	2,447
Right-of-use assets	2,132	2,267
Offsetting	(3,402)	(2,865)
	1,350	1,849

## 21 SHARE CAPITAL, TREASURY SHARES AND RESERVES

### (a) Share capital

The Group and the Company	2023	2022	2023	2022
	No. of ordinary shares		MYR'000	MYR'000
<b>Issued and fully paid with no par value</b>				
Balance at beginning of year	147,474,784	108,974,784	84,977	55,886
Issuance of new shares upon listing	-	38,500,000	-	31,502
Share issue cost, recognised directly in equity	-	-	-	(2,411)
Balance at end of year	147,474,784	147,474,784	84,977	84,977

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

The newly issued shares rank pari passu in all aspects with the previously issued shares.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 21 SHARE CAPITAL, TREASURY SHARES AND RESERVES (CONT'D)

### (b) Treasury shares

The Group and the Company	2023	2022	2023	2022
	No. of ordinary shares		MYR'000	MYR'000
Balance at beginning of year	-	-	-	-
Purchased during the year	956,400	-	857	-
Balance at end of the year	956,400	-	857	-

### (c) Reserves

The Group	Capital reorganisation reserve - (i)	Other reserve - (ii)	Total
	MYR'000	MYR'000	MYR'000
At 31 December 2023 and 2022 and 1 January 2022	(54,805)	(4,445)	(59,250)

- (i) Capital reorganisation reserve

Capital reorganisation reserve represents the following:

- the difference between the share capital of the Company issued to acquire 5E Holdings of MYR55,886,000 and the existing share capital of 5E Holdings, which amounted to MYR42,872,000 as at the date of acquisition, which resulted in a debit balance of approximately MYR13,014,000; and
- the difference between the share capital of 5E Holdings issued to acquire 5E Resources of MYR42,871,000 and the existing share capital of 5E Resources, which amounted to MYR1,080,000 as at the date of acquisition, which resulted in a debit balance of approximately MYR41,791,000.

- (ii) Other reserve

The acquisition of TS Heuls by 5E Resources is regarded as business combination under common control. The Group applies predecessor accounting to account for business combinations under common control. Under predecessor accounting, assets and liabilities acquired are not restated to their respective fair values. They are recognised at the carrying amounts from the financial statements of the Group and adjusted to conform with the accounting policies adopted by the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities of the acquired entity is recognised as a reserve.

A charge of MYR4,445,000 has been recognised within the other reserve and this represent the difference between the share capital of TS Heuls of MYR50,000 as at 31 December 2021 and the consideration payable of MYR4,495,000 as disclosed in Note 1.2(b)(ii) to the financial statements.

### (d) Dividends

Final tax exempted (one-tier) dividend of S\$0.01 per ordinary share (approximately MYR0.0327 per ordinary share) for the financial year ended 31 December 2022.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22 FINANCIAL RISK MANAGEMENT

### Financial risk factors

The Group's activities expose it to market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and has established detailed policies such as authority levels and oversight responsibilities.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in Malaysia and most of its transactions are denominated in MYR. The Group's exposure to foreign exchange risk is minimal. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

<b>The Group</b>	<b>SGD MYR'000</b>	<b>USD MYR'000</b>	<b>Total MYR'000</b>
<b>31 December 2023</b>			
Cash and bank balances	3,679	1,164	4,843
<b>31 December 2022</b>			
Cash and bank balances	895	563	1,458

There were no financial instruments denominated in foreign currency at the end of the previous reporting period.

Sensitivity analysis for foreign currency risk

Any reasonably possible change in the foreign currency rates at the end of the reporting period does not have material impact on the profit after tax and hence, no sensitivity analysis is presented.

(ii) Price risk

The Group is not exposed to price risk as it does not hold any equity financial assets.

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest-bearing assets and liabilities are bank borrowings, short-term deposits and cash and cash equivalents. Therefore, the Group's interest rate risk mainly arises from bank borrowings, short-term deposits and cash and cash equivalents.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22 FINANCIAL RISK MANAGEMENT (CONT'D)

### Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(iii) Cash flow and fair value interest rate risk (Cont'd)

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

<b>The Group</b>	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Variable rate borrowings (Note 19)	2,250	2,613

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates. Impact on post-tax profit with the fluctuation of interest rate is as follows:

<b>The Group</b>	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Interest rates - increase/decrease by 100 basis points	17	20

An analysis by maturities is provided in Note 22(c) below.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation, resulting in financial loss to the Group. The Group is exposed to credit risks in relation to its cash and cash equivalents, short-term deposits and trade and other receivables. The Group's maximum exposure to credit risk is the carrying amounts of these financial assets.

(i) Risk management

The Group adopts the policy of dealing only with customers of appropriate credit standing and history where appropriate to mitigate credit risk. For cash and cash equivalents and short-term deposits, the Group adopts the policy of dealing with financial institutions with high credit ratings.

Credit exposure to an individual customer is restricted by the credit limit approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller and reported to the management and Board of Directors.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position. The Group's major classes of financial assets are cash and cash equivalents, short-term deposits and trade and other receivables.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22 FINANCIAL RISK MANAGEMENT (CONT'D)

### Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

(ii) *Impairment of financial assets*

#### Cash and cash equivalents and short-term deposits

The Group places their cash deposits with banks which are rated AAA and AA1 based on Risk Assessment Model ("RAM") ratings and are considered to have a low credit risk. The cash and cash equivalents and short-term deposits are measured on 12-month expected credit losses and subject to immaterial credit loss.

#### Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by SFRS(I) 9, which permits the use of the lifetime expected credit loss provision for all trade receivables.

To measure the expected credit losses, these receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months and the corresponding credit losses experienced within this period. The historical loss rates are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and inflationary rate in Malaysia to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group considers a financial assets to be in default if the counterparty fails to make contractual payments within 90 days when they fall due. Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group when a debtor fails to make contractual payments on debts greater than 365 days past due. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The following table contains an analysis of the credit risk exposure of trade receivables (external) for which a loss allowance is recognised using the simplified approach. The gross carrying amount of trade receivables below also represents the Group's maximum exposure to credit risk on these assets:

#### Trade receivables

	Current	Overdue			Total
		1 - 90 days	91-180 days	> 180 days	
<b>The Group</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
<b>31 December 2023</b>					
Expected loss rate (%)	0.4	1	24	-	
Gross carrying amount:					
- external trade receivables	5,865	5,505	274	-	11,644
Less: Loss allowance	(24)	(64)	(65)	-	(153)
Carrying amount (net of loss allowance)	5,841	5,441	209	-	11,491

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22 FINANCIAL RISK MANAGEMENT (CONT'D)

### Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

(ii) Impairment of financial assets (Cont'd)

Trade receivables (Cont'd)

	Current	Overdue			Total
		1 - 90 days	91-180 days	> 180 days	
<b>The Group</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
<b>31 December 2022</b>					
Expected loss rate (%)	1	1	41	100	
Gross carrying amount:					
- external trade receivables	4,565	3,821	161	73	8,620
Less: Loss allowance	(26)	(24)	(66)	(73)	(189)
Carrying amount (net of loss allowance)	4,539	3,797	95	-	8,431

Other receivables

As at 31 December 2023, the Group's other receivables amounted to MYR4,000 (2022 - MYR19,000). Management has assessed these other receivables and determined that the other receivables are fully recoverable, and no loss allowance is to be recorded.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The table below analyses non-derivative financial liabilities of the Group into relevant maturity grouping based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22 FINANCIAL RISK MANAGEMENT (CONT'D)

### Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

The Group	Contractual undiscounted cash flows					
	Carrying amount MYR'000	Less than 1 year MYR'000	Between 1 and 2 years MYR'000	Between 2 and 5 years MYR'000	Over 5 years MYR'000	Total MYR'000
<b>At 31 December 2023</b>						
Lease liabilities (Note 17)	9,962	557	552	1,734	14,195	17,038
Trade and other payables (Note 18)	11,734	11,734	-	-	-	11,734
Borrowings (Note 19)	2,732	477	477	1,401	924	3,279
	24,428	12,768	1,029	3,135	15,119	32,051
<b>At 31 December 2022</b>						
Lease liabilities (Note 17)	10,154	736	574	1,682	14,779	17,771
Trade and other payables (Note 18)	10,899	10,899	-	-	-	10,899
Borrowings (Note 19)	2,613	361	361	1,081	1,305	3,108
	23,666	11,996	935	2,763	16,084	31,778

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group	2023 MYR'000	2022 MYR'000
Lease liabilities (Note 17)	9,962	10,154
Bank borrowings (Note 19)	2,732	2,613
	12,694	12,767
Total equity	111,595	95,795
Debt-to-equity ratio	0.11	0.13

There are no externally imposed capital requirements that the Group is required to comply with as at 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22 FINANCIAL RISK MANAGEMENT (CONT'D)

### Financial risk factors (Cont'd)

(e) Fair value measurements

Financial instruments carried at fair value or where fair value was disclosed can be categorised by levels of the inputs to valuation techniques used to measure fair value. The inputs are categorised into three levels within a fair value hierarchy as follows:

- (i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 - Valuation techniques for the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no changes in valuation techniques during the financial years ended 31 December 2023 and 2022.

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms. The fair values of term loans approximate their carrying amounts as they are repriced to market interest rates on or near the reporting date.

(f) Financial instruments by category

The carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost are as follows:

	Note	The Group		The Company	
		2023	2022	2023	2022
		MYR'000	MYR'000	MYR'000	MYR'000
Financial assets at amortised cost:					
Cash and cash equivalents	11	62,450	60,924	867	895
Short-term deposits	12	85	489	-	-
Trade and other receivables	13	12,951	9,367	25,837	23,677
		75,529	70,780	26,704	24,572
Financial liabilities at amortised cost:					
Lease liabilities	17	9,962	10,154	-	-
Trade and other payables	18	11,734	10,899	510	1,105
Borrowings	19	2,732	2,613	-	-
		24,428	23,666	510	1,105

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Related party transactions

The ultimate group of controlling shareholders of the Group comprise Mr. KF Wong, Mdm. Loo and Mr. Ban. Related parties are entities controlled by individuals within the ultimate group of controlling shareholders of the Group.

<b>The Group</b>	<b>2023</b> <b>MYR'000</b>	<b>2022</b> <b>MYR'000</b>
<i>With entities controlled by the two of the ultimate controlling shareholders of the Group:</i>		
Provision of scheduled waste management services	166	185
Sales of goods	1	-
Cleaning services charges	(2)	-
Payment on behalf for the services charges and utility expenses	-	(5)

(b) Balances with related parties

<b>The Group</b>	<b>2023</b> <b>MYR'000</b>	<b>2022</b> <b>MYR'000</b>
<i>With entities controlled by the two of the ultimate controlling shareholders of the Group:</i>		
• Trade receivables	4	18

(c) Key management personnel compensation

The key management personnel of the Group include Executive Directors and certain members of senior management of the Group.

Key management personnel compensation is as follows:

<b>The Group</b>	<b>2023</b> <b>MYR'000</b>	<b>2022</b> <b>MYR'000</b>
Salaries, bonuses and other benefits	7,736	5,526
Defined contribution plan	709	489
	<b>8,445</b>	<b>6,015</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 24 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not provided for in the financial statements is as follows:

<b>The Group</b>	<b>2023</b> <b>MYR'000</b>	<b>2022</b> <b>MYR'000</b>
Property, plant and equipment	87	10,489

## 25 PRIOR YEAR RECLASSIFICATIONS

The following reclassification to the financial statement captions in the consolidated statement of cash flows for the financial year ended 31 December 2022 were made to conform to the current year's presentation as required in accordance with SFRS(I) 1-7 Cash Flow Statements, as summarised below:

	<b>Net cash generated from operating activities</b>	<b>Net cash used in investing activities</b>	<b>Net cash generated from financing activities</b>	<b>Net increase in cash and cash equivalents</b>
	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
As reported	20,441	(6,851)	25,354	38,944
Reclassifications:				
Changes in trade and other payables	(3,646)	-	-	-
Purchase of property, plant and equipment	-	3,646	-	-
<b>As restated</b>	<b>16,795</b>	<b>(3,205)</b>	<b>25,354</b>	<b>38,944</b>

# STATISTICS OF SHAREHOLDINGS

As at 21 March 2024

Class of shares	: Ordinary shares
Total number of ordinary shares (excluding treasury shares and subsidiary holdings)	: 143,662,084
Voting rights	: 1 vote per ordinary share
Total number of treasury shares held and percentage	: 3,812,700 (2.654%)
Total number of subsidiary holdings held and percentage	: Nil

## ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	0	0.00	0	0.00
100 - 1,000	51	34.46	49,800	0.03
1,001 - 10,000	44	29.73	271,600	0.19
10,001 - 1,000,000	47	31.76	8,239,500	5.74
1,000,001 and above	6	4.05	135,101,184	94.04
	148	100.00	143,662,084	100.00

## TOP 20 SHAREHOLDERS

No.	Name	No. of Shares	%
1	UOB Kay Hian Private Limited	112,267,062	78.15
2	Lim Te Hua	15,888,522	11.06
3	Alvin Toh Seh Cheen	2,627,700	1.83
4	Boon Kim Peng	1,998,000	1.39
5	Maybank Securities Pte. Ltd.	1,235,900	0.86
6	Tan Chye Hoon	1,084,000	0.75
7	Tee Suet Ling	922,000	0.64
8	DBS Nominees (Private) Limited	709,700	0.49
9	Lee Tze Ping	633,300	0.44
10	Chang Choon Wee	493,200	0.34
11	Victor Seow Phoyen	477,000	0.33
12	Quay Chew Jin	475,900	0.33
13	Chang Mei Lan	460,000	0.32
14	Lee Fook Chuen	380,000	0.26
15	Loo Jia Le	380,000	0.26
16	Tan Kok Ching	350,000	0.24
17	ABN Amro Clearing Bank N.V.	314,200	0.22
18	Chua Hoi Tek	269,000	0.19
19	Phillip Securities Pte Ltd	235,800	0.16
20	Kee Chein Hwei	200,000	0.14
		141,401,284	98.40

# STATISTICS OF SHAREHOLDINGS

As at 21 March 2024

## Substantial Shareholders as at 21 March 2024

(As recorded in the Register of Substantial Shareholders)

No.	Name	Direct Interest		Deemed Interest	
		No. of shares held	%	No. of shares held	%
1.	Loo Sok Ching <sup>(1)</sup>	39,339,900	27.38	47,164,284	32.83
2.	Wong Kim Fatt <sup>(1)</sup>	30,262,296	21.06	56,241,888	39.15
3.	Ban Kim Wah <sup>(1)</sup>	16,901,988	11.77	69,602,196	48.45
4.	Lim Te Hua	15,888,522	11.06	-	-

### Notes:

- (1) Mdm. Loo Sok Ching is the spouse of Mr. Wong Kim Fatt and Mr. Ban Kim Wah is the younger brother of Mr. Wong Kim Fatt. Accordingly, pursuant to Section 7 of the Companies Act and Section 4 of the SFA, Mdm. Loo Sok Ching, Mr. Wong Kim Fatt and Mr. Ban Kim Wah are deemed to have an interest in the Shares held by one another.

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

As at 21 March 2024, 24.15% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited which requires at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed at all times held by the public.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of 5E Resources Limited (the “**Company**”) will be held on Tuesday, 23 April 2024 at 10.00 a.m. at R1 Arena, Level 4, Lifelong Learning Institute Pte. Ltd., 11 Eunos Road 8, Singapore 408601 to transact the following businesses:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2023 together with the Independent Auditors’ Report thereon. **(Resolution 1)**
  
2. To re-elect the following Directors of the Company who will be retiring pursuant to Regulation 98 of the Constitution of the Company, and being eligible, offered themselves for re-election.
  - 2.1 Mdm. Loo Sok Ching **(Resolution 2)**
  - 2.2 Mr. Kam Chai Hong **(Resolution 3)**
  - 2.3 Mr. Wang Han Lin **(Resolution 4)**

[See Explanatory Note (i)]
  
3. To approve the payment of Directors’ fees of S\$158,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears. **(Resolution 5)**
  
4. To re-appoint Messrs. Foo Kon Tan LLP as the Company’s Auditors and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
  
5. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

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

6. Authority to allot and issue shares

That pursuant to Section 161 of the Singapore Companies Act 1967 (the “**Companies Act**”) and Rule 806 Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (a) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);
- (b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of any convertible securities;
  - (ii) new Shares arising from the exercising of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of Shares;Adjustments in accordance with sub-paragraphs (b)(i) or (b)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution.
- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution, for the time being, of the Company; and
- (d) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments, whichever is the earliest.

**(Resolution 7)**

[See Explanatory Note (ii)]

# NOTICE OF ANNUAL GENERAL MEETING

## 7. Renewal of Share Buyback Mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares (“**Shares**”) in the issued share capital of the Company not exceeding in aggregate the Maximum Buyback Shares (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) on-market purchases (each a “**Market Purchase**”), transacted on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) or any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
  - (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with an “equal access scheme” as defined in Section 76C of the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

- (b) the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:
- (i) the conclusion of the next AGM of the Company following the passing of this Resolution or the date by which such AGM is required by law to be held;
  - (ii) the date on which the purchase or acquisition of Shares have been carried out to the full extent of the Share Buyback Mandate; or
  - (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by shareholders of the Company in general meeting.
- (c) In this Resolution:

“**Maximum Buyback Shares**” means the number of Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution, unless the Company has, at any time during the Relevant Period (as defined hereinafter), reduced its share capital in accordance with the applicable provisions of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings held by the Company);

“**Relevant Period**” means the period commencing from the date of the passing of this Resolution and expiring on the earliest of the date the next AGM of the Company is held or is required by law to be held, or the date the Share Buyback Mandate is revoked or varied by the Company in general meeting, or the date on which purchases and acquisitions of Shares pursuant to Share Buyback Mandate are carried out to the full extent mandated; and

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

# NOTICE OF ANNUAL GENERAL MEETING

**“Average Closing Price”** is the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five (5)-Market Day period;

**“day of the making of the offer”** means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

**“Market Day”** means a day on which the SGX-ST is open for trading in securities; and

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

**(Resolution 8)**

[See Explanatory Note (iii)]

By Order of the Board

Sharon Lim Siew Choo  
Company Secretary  
Singapore, 8 April 2024

## Explanatory Notes:

- (i) Mdm. Loo Sok Ching, upon re-election as a Director of the Company, will remain as the Chairperson and Executive Director of the Company. She is also a substantial shareholder of the Company. Please refer to Additional Information on Directors Seeking Re-election on page 79 to page 84 of the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST.

Mr. Kam Chai Hong, upon re-election as a Director of the Company, will remain as an Independent and Non-Executive Director, the Chairman of the Audit and Risk Committee and a member of Remuneration Committee and the Board considers him independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST. Please refer to Additional Information on Directors Seeking Re-election on page 79 to page 84 of the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST.

Mr. Wang Han Lin, upon re-election as a Director of the Company, will remain as an Independent and Non-Executive Director, the Chairman of the Nominating Committee, a member of the Remuneration Committee and the Board considers him independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST. Please refer to Additional Information on Directors Seeking Re-election on page 79 to page 84 of the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST.

- (ii) The Ordinary Resolution 7, if passed, will authorise the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

# NOTICE OF ANNUAL GENERAL MEETING

- (iii) The Ordinary Resolution 8, if passed, will authorise the Directors of the Company to purchase or otherwise acquire the Maximum Buyback Shares at such price(s) as may be determined by the Directors from time to time up to the Maximum Price and will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company following the passing of Ordinary Resolution granting the said authority or date by which such AGM is required by law to be held (whereupon it will lapse, unless renewed at such meeting), or it is revoked or varied by the Company in general meeting, or the date on which purchases and acquisitions of Shares pursuant to Share Buyback Mandate are carried out to the full extent mandated, whichever is the earliest. Please refer to Appendix for more details.

## Notes:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. (a) A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend and vote at the AGM of the Company.  
  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.  
  
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
3. A proxy need not be a member of the Company.
4. A member of the Company which is a corporation is entitled to appoint its authorised representatives or proxies to vote on his behalf.
5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), if required by law, be duly stamped and lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 or via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia) by 10:00 a.m. on 20 April 2024 (being seventy-two (72) hours before the time appointed for holding the AGM of the Company).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited ("CDP") at least seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote on any or all of the resolutions. In view of Section 81SJ(4) of the Securities and Futures Act 2001, Singapore, a Depositor shall not be regarded as a shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP at least -seventy-two (72) hours before the AGM. Any shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the AGM will not be entitled to attend and vote at the AGM.

## ACCESS TO DOCUMENTS OR INFORMATION RELATING TO THE AGM

All documents and information relating to the business of the AGM (including the Annual Report and Appendix, together with the enclosed Notice of AGM, the accompanying Proxy Form and the Request Form) have been published on the Company's website at the URL <https://www.5e-resources.com/> and SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of the Notice of AGM, Proxy Form and the Request Form have also been despatched by post to Shareholders. Shareholders who wish to receive a printed copy of the Annual Report and Appendix are required to complete the Request Form and return it to the Company by 15 April 2024:-

- (a) [ir@5e-resources.com](mailto:ir@5e-resources.com); or
- (b) via post to the Company's registered address at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

# NOTICE OF ANNUAL GENERAL MEETING

## SUBMISSION OF QUESTIONS PRIOR TO THE AGM

Shareholders may submit questions related to the resolution to be tabled at the AGM via email to [ir@5e-resources.com](mailto:ir@5e-resources.com) or by post to 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712. Questions must be submitted not later than 10:00 a.m. on 15 April 2024 so that relevant and substantial queries may be addressed during the AGM proceedings. The responses would be published on SGXNet and, if available, the Company's corporate website on 18 April 2024. Any relevant and subsequent queries received after 15 April 2024 will be addressed at the AGM and through the publication of the minutes of the AGM on SGXNet and the Company's website within one (1) month after the date of AGM.

Shareholders or their corporate representative must state his/her full name, identification/registration number and whether he/she is a shareholder or a corporate representative of a corporate shareholder. Any question without the identification details will not be addressed.

## ATTENDANCE AT THE AGM

Due to the limited sitting capacity of the venue, only shareholders whose names appear in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM or the appointed proxy or proxies shall be entitled to attend the AGM of the Company.

## PERSONAL DATA PRIVACY:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) or the Chairperson of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

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

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*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").*

*This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.*

*The contact person for the Sponsor is Mr. Leong Weng Tuck - Registered Professional, 36 Robinson Road, #10-06 City House, Singapore 068877, [sponsor@rhtgoc.com](mailto:sponsor@rhtgoc.com).*

## APPENDIX DATED 8 APRIL 2024

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

This Appendix is circulated to the Shareholders (as defined herein) together with the Annual Report of 5E Resources Limited (the "**Company**"). Its purpose is to provide the Shareholders with information relating to and explaining to Shareholders the rationale for the proposed renewal of the Share Buyback Mandate (as defined herein) to be tabled at the AGM (as defined herein) held on 23 April 2024 at 10:00 a.m. at R1 Arena, Level 4, Lifelong Learning Institute Pte. Ltd., 11 Eunos Road 8, Singapore 408601. The Notice of Annual General Meeting ("**AGM**"), a Proxy Form and a Request Form (to request for this Appendix) are enclosed with the Annual Report.

If you have sold or transferred your shares in the capital of the Company ("**Shares**") held through Central Depository (Pte) Limited ("**CDP**"), you need not forward this Appendix and the Annual Report with the Notice of AGM, the accompanying Proxy Form and the Request Form to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix, the Notice of AGM, the accompanying Proxy Form and the Request Form to be sent to the purchaser or the transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Appendix together with the Notice of AGM, the accompanying Proxy Form and the Request Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer of Shares was effected, for onward transmission to the purchaser or the transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for the compliance with relevant rules of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

This Appendix has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Mr Leong Weng Tuck, Registered Professional, RHT Capital Pte. Ltd, at 36 Robinson Road, #10-06 City House, Singapore 068877, [sponsor@rhtgoc.com](mailto:sponsor@rhtgoc.com).

**A printed copy of this Appendix will NOT be despatched to Shareholders.** Printed copies of the Notice of AGM, the accompanying Proxy Form and the Request Form have been despatched to Shareholders. This Appendix (together with the enclosed Notice of AGM, the accompanying Proxy Form and the Request Form) have been made available on the Company's website at the URL <https://www.5e-resources.com/> and SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.



**5E RESOURCES LIMITED**

(Company Registration No.: 202136285K)  
(Incorporated in the Republic of Singapore)

**APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING**

in relation to

**THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

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## CONTENTS

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DEFINITIONS .....	143
LETTER TO SHAREHOLDERS .....	147
1. INTRODUCTION .....	147
2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE .....	147
3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....	161
4. TAX IMPLICATIONS .....	161
5. DIRECTORS' RECOMMENDATION .....	161
6. ACTIONS TO BE TAKEN BY SHAREHOLDERS .....	162
7. DIRECTORS' RESPONSIBILITY STATEMENT .....	162
8. DOCUMENTS AVAILABLE FOR INSPECTION .....	162

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## DEFINITIONS

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In this Appendix, the following definitions apply throughout except where the context otherwise requires:

<b>"2023 AGM"</b>	:	The AGM held on 20 April 2023
<b>"2024 AGM"</b>	:	The AGM scheduled to be held on 23 April 2024 at 10:00 a.m.
<b>"ACRA"</b>	:	The Accounting & Corporate Regulatory Authority of Singapore
<b>"AGM"</b>	:	The annual general meeting of the Company
<b>"Annual Report"</b>	:	The annual report of the Company in respect of the financial year ended 31 December 2023
<b>"Appendix"</b>	:	This Appendix to the Notice of AGM dated 8 April 2024
<b>"Associate"</b>	:	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:-  (i) his immediate family;  (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and  (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;  (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
<b>"Average Closing Price"</b>	:	Has the meaning ascribed to it in Paragraph 2.3.4 of this Appendix
<b>"Board"</b>	:	The board of directors of the Company for the time being
<b>"Business Day"</b>	:	A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore
<b>"Catalist"</b>	:	The sponsor-supervised listing platform of the SGX-ST
<b>"Catalist Rules"</b>	:	Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
<b>"CDP"</b>	:	The Central Depository (Pte) Limited
<b>"Company"</b>	:	5E Resources Limited

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## DEFINITIONS

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<b>"Companies Act"</b>	:	Companies Act 1967 of Singapore, as amended from time to time
<b>"Constitution"</b>	:	The constitution of the Company, as amended, supplemented or modified from time to time
<b>"Controlling Shareholder"</b>	:	A person who:-  (a) holds directly or indirectly 15% or more of the total voting right in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or  (b) in fact exercises control over the Company
<b>"Director(s)"</b>	:	The directors of the Company as at the Latest Practicable Date
<b>"EPS"</b>	:	Earnings per Share
<b>"FY" or "Financial Year"</b>	:	Financial year ended or, as the case may be, ending 31 December
<b>"Group"</b>	:	The Company and its Subsidiaries from time to time
<b>"Latest Practicable Date"</b>	:	25 March 2024, being the latest practicable date prior to uploading of this Appendix on SGXNet and the Company's website
<b>"Market Day(s)"</b>	:	A day or days on which the SGX-ST is open for securities trading
<b>"Market Purchase(s)"</b>	:	Has the meaning as ascribed in Paragraph 2.3.3 of this Appendix
<b>"Maximum Price"</b>	:	Has the meaning ascribed to it in Paragraph 2.3.4 of this Appendix
<b>"MYR"</b>	:	Ringgit Malaysia
<b>"NAV"</b>	:	Net asset value
<b>"Notice of AGM"</b>	:	Has the meaning ascribed to it in Paragraph 1.1 of this Appendix
<b>"NTA"</b>	:	Net tangible assets of the Group
<b>"Off-Market Purchases"</b>	:	Has the meaning ascribed in Paragraph 2.3.3 of this Appendix
<b>"Ordinary Resolution"</b>	:	The ordinary resolution in relation to the proposed renewal of the Share Buyback Mandate as set out in the Notice of AGM
<b>"PDPA"</b>	:	The Personal Data Protection Act 2012 of Singapore as amended, modified, or supplemented from time to time

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## DEFINITIONS

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<b>"Proxy Form"</b>	:	The proxy form in respect of the AGM as set out in Annual Report for FY2023
<b>"Relevant Period"</b>	:	The period commencing from the date on which the resolution in relation to the proposed renewal of the Share Buyback Mandate is passed at the general meeting and expiring on the earliest of the date the next AGM is held or is required by law to be held, or the date on which the Share Buyback is carried out to the full extent mandated, or the date the said mandate is revoked or varied by the Company in a general meeting
<b>"Securities Account"</b>	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>"Securities and Futures Act" or "SFA"</b>	:	Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
<b>"SGX-ST"</b>	:	Singapore Exchange Securities Trading Limited
<b>"Share Buyback"</b>	:	The purchase or acquisition of issued Share(s) by the Company pursuant to the terms of the Share Buyback Mandate
<b>"Share Buyback Mandate"</b>	:	The general mandate to enable the Company to purchase or otherwise acquire its Shares
<b>"Shareholders"</b>	:	Registered holders of Shares in the register of members of the Company, except where the registered holder is CDP, in which case the term <b>"Shareholders"</b> shall, in relation to such shares, mean the Depositors who have Shares entered against their name in the Depository Registry of CDP. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
<b>"Shares"</b>	:	Ordinary shares in the issued capital of the Company
<b>"Subsidiaries"</b>	:	The subsidiaries of the Company (as defined in Section 5 of the Companies Act) and <b>"Subsidiary"</b> shall be construed accordingly
<b>"Substantial Shareholder"</b>	:	A person who:-  (a) has an interest or interests in one (1) or more voting shares (excluding treasury shares) in the Company; and  (b) the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares (excluding treasury shares) in the Company
<b>"Take-over Code"</b>	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
<b>"S\$" and "cents"</b>	:	Singapore dollars and cents, respectively
<b>"%"</b>	:	Percentage or per centum

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## DEFINITIONS

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The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act. The terms "**subsidiary**", "**subsidiary holdings**" and "**treasury shares**" shall have the meanings ascribed to them in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations and limited liability partnerships.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules, the Take-over Code, or any modification thereof and not otherwise defined in the Appendix shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Catalist Rules, or the Take-over Code or such modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included in this Appendix between the listed amounts and the totals thereof and/or the respective percentages are due to rounding. Accordingly, figure shown as totals in certain tables in this Appendix may not be an arithmetic aggregation of the figures that precede them. Where applicable, figures and percentages are rounded to the nearest two decimal places.

Unless otherwise stated, all conversions in this Appendix between MYR and S\$ shall be based on the exchange rate of MYR3.5093 to S\$1.00 as at the Latest Practicable Date. This exchange rate should not be construed as a representation that the MYR amounts could have been, or could be, converted into S\$ at the rate stated, or at all, and *vice versa*.

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## LETTER TO SHAREHOLDERS

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### 5E RESOURCES LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 202136285K)

#### Directors:

Loo Sok Ching (Chairperson and Executive Director)  
Lim Te Hua (Executive Director and Chief Executive Officer)  
Shankar Narasingam (Executive Director and Chief Operating Officer)  
Wong Chee Meng Lawrence (Lead Independent Director and Non-Executive Director)  
Kam Chai Hong (Independent and Non-Executive Director)  
Siow Chin How (Independent and Non-Executive Director)  
Wang Han Lin (Independent and Non-Executive Director)

#### Registered Office:

30 Cecil Street #19-08  
Prudential Tower  
Singapore 049712

8 April 2024

**To: The Shareholders of 5E Resources Limited**

Dear Sir / Madam,

#### RENEWAL OF THE SHARE BUYBACK MANDATE

##### 1. INTRODUCTION

###### 1.1 AGM

We refer to the notice of the 2024 AGM dated 8 April 2024 ("**Notice of AGM**") to the Shareholders of the Company accompanying the Annual Report convening the 2024 AGM and Resolution 8 under the heading of "Special Business" set out in the Notice of AGM in relation to the proposed renewal of the Share Buyback Mandate.

###### 1.2 PURPOSE OF THIS APPENDIX

The purpose of this Appendix is to provide Shareholders with details in respect of the proposed renewal of the Share Buyback Mandate and to seek Shareholders' approval for the resolution in respect thereof to be tabled at the 2024 AGM.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.

###### 1.3 Legal Adviser

The Company has appointed Donaldson & Burkinshaw LLP as its legal adviser in connection with the proposed renewal of the Share Buyback Mandate.

##### 2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

###### 2.1 INTRODUCTION

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Catalyst Rules and such other laws and regulations as may, for the time being, be applicable. The Company is also required to obtain the approval of its Shareholders at a general meeting if it wishes to purchase or acquire its own Shares. Accordingly, approval is being sought from Shareholders at the 2024 AGM for the renewal of the Share Buyback Mandate.

At the 2023 AGM, Shareholders had approved the adoption of the Share Buyback Mandate to enable the Company to purchase or otherwise acquire its Shares. The rationale for the authority and limitations on, and the financial effects of, the Share Mandate Buyback Mandate were set out in the appendix to the Company's notice of the 2023 AGM dated 5 April 2023.

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## LETTER TO SHAREHOLDERS

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The Share Buyback Mandate will expire on the date of the forthcoming 2024 AGM. Accordingly, the Directors propose that the Share Buyback Mandate be renewed at the forthcoming 2024 AGM, to take effect until the conclusion of the next following AGM or such date as the next AGM is required by law to be held, unless prior thereto, the Share Buyback is carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting.

### 2.2 Rationale for Share Buyback Mandate

The rationale for the Company to undertake the purchase or acquisition of its issued Shares, is as follows:

- (a) the Directors are constantly seeking to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. Amongst other corporate actions, Share Buybacks at the appropriate price level are one of the ways through which the return on equity of the Company may be enhanced;
- (b) the Share Buyback Mandate will give the Directors the flexibility to purchase or acquire Shares as and when circumstances permit;
- (c) the Share Buyback Mandate will provide the Company with greater flexibility in managing its capital and maximizing returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Buyback Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost efficient manner; and
- (d) the Directors further believe that a Share Buyback by the Company may help mitigate short-term market or price volatility, offset the effects of short-term share speculation or demand and bolster Shareholders' confidence.

The purchase or acquisition of Shares will only be undertaken if the Directors believe it can benefit the Company and its Shareholders. No purchase or acquisition of Shares will be made in circumstances which would or may have a material adverse effect on the listing status of the Shares on the SGX-ST, the liquidity and capital adequacy positions of the Company or the Group, or result in the Company being delisted from the SGX-ST.

### 2.3 Authority and Limits on the Share Buyback Mandate

The authority and limits placed on the purchases or acquisitions of Shares by the Company under the renewed Share Buyback Mandate are summarised below:

#### 2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired by the Company during the Relevant Period shall not exceed 10% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings, if any) as at the date of the AGM at which the proposed renewal of the Share Buyback Mandate was approved, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 781 of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit.

Purely for illustrative purposes only, the total number of issued and paid-up Shares (excluding 5,412,700 treasury shares and subsidiary holdings) of the Company as at the Latest Practicable Date is 142,062,084 Shares. Assuming no further Shares are issued on or prior to the 2024 AGM, not more than 14,206,208 Shares (representing 10% of the total number of issued and paid-up Shares excluding 5,412,700 treasury shares and subsidiary holdings) as at that date may be purchased or acquired by the Company pursuant to the proposed renewed Share Buyback Mandate.

Shareholders should note that this limit of 10% is subject further to the public float requirement as set out in detail in Paragraph 2.10 of this Appendix.

### 2.3.2 **Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company on and from the date of the AGM at which the proposed renewal of the Share Buyback Mandate is approved, up to the earlier of:-

- (a) the conclusion of the next AGM or the date by which such AGM of the Company is held or required by law to be held;
- (b) the date on which the purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next AGM of the Company or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM.

### 2.3.3 **Manner of Purchases or Acquisitions of Shares**

Purchases or acquisitions of Shares can be effected by the Company by way of:-

- (a) on-market purchases transacted on the SGX-ST or any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buyback ("**Market Purchase(s)**"); and/or
- (b) off-market purchases (if effected otherwise than on a securities exchange) in accordance with an "equal access scheme" as defined in Section 76C of the Companies Act ("**Off-Market Purchase(s)**").

In an Off-Market Purchase, the Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Catalyst Rules, the Companies Act, the Constitution and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Companies Act, an Off-Market Purchase must satisfy all the following conditions:-

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:-
  - (i) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividends entitlements;
  - (ii) differences in consideration attributable to the fact that the offers may relate to Shares with different amounts remaining unpaid; and
  - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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## LETTER TO SHAREHOLDERS

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Pursuant to Rule 870 of the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it must issue an offer document to all Shareholders containing at least the following information:-

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off- Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions of Shares; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

### 2.3.4 Purchase Price

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share purchased or acquired pursuant to the Share Buyback Mandate will be determined by the Directors, provided that such purchase price must not exceed:-

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

For the above purposes of determining the Maximum Price:-

**"Average Closing Price"** means the average of the closing market prices of a Share over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-Market Day period and the day on which the purchases are made.

**"date of making of the offer"** means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

## 2.4 Status of Purchased or Acquired Shares

Under Section 76B of the Companies Act, any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on such cancellation) unless such Share is held by the Company as treasury shares to the extent permitted in accordance with Section 76H of the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

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## LETTER TO SHAREHOLDERS

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All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and (where applicable) the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase or acquisition of Shares by the Company, the Directors may decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the interest of the Company at that time.

### 2.5 Treasury Shares

Under the Companies Act, the Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Certain of the provisions on treasury shares under the Companies Act are summarised below:-

#### 2.5.1 Maximum Holdings

The aggregate number of Shares held as treasury shares shall not at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months from the day the aforesaid limit is first exceeded or such further periods as ACRA may allow.

#### 2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of the treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed.

The treasury shares may be sub-divided or consolidated, so long as the total value of the treasury shares after such subdivision or consolidation is the same as the total value of the treasury shares before the sub-division or consolidation, as the case may be.

#### 2.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:-

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

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## LETTER TO SHAREHOLDERS

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Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “usage”), stating the following:-

- (a) the date of the usage;
- (b) the purpose of the usage;
- (c) the number of treasury shares comprised in the usage;
- (d) the number of treasury shares before and after the usage;
- (e) the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage; and
- (f) the value of the treasury shares comprised in the usage.

### 2.6 Reporting Requirements

Within thirty (30) days of the passing of the Ordinary Resolution to approve the proposed renewal of the Share Buyback Mandate, the Company shall, pursuant to Section 76B(9)(a) of the Companies Act, lodge a copy of such resolution with ACRA.

In addition, the Company shall, under Section 76B(9)(b) of the Companies Act, notify ACRA in the prescribed form within thirty (30) days of any purchase or acquisition of Shares on the SGX-ST under the proposed renewed Share Buyback Mandate. Such notification shall include, *inter alia*, the details of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition of Shares and the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other particulars as may be required by ACRA.

Rule 871 of the Catalist Rules specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.:-

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; or
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in the form of Appendix 8D of the Catalist Rules and shall include such details the SGX-ST may prescribe. The Company will make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

### 2.7 Sources of Funds

In purchasing or acquiring its own Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Constitution, the Catalist Rules and the applicable laws in Singapore.

The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

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## LETTER TO SHAREHOLDERS

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It is an offence for a Director or an officer of the Company to approve or authorize the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to Section 76F(4) of the Companies Act, a company is solvent if at the date of the payment referred to in Section 76F(1) of the Companies Act:-

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if –
  - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
  - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due in the normal course of business during the period of twelve (12) months immediately following the date of payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase, acquisition or release, become less than the value of its liabilities (including contingent liabilities).

The Companies Act currently permits the Company to purchase or acquire its Shares out of capital, as well as from its distributable profits, so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act).

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance purchases or acquisitions of its Shares pursuant to the Share Buyback Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of Shares will depend on, inter alia, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. However, in considering the option of external financing, the Board will consider particularly the prevailing gearing level of the Group and the cost of such external financing. The Board will only make purchases or acquisitions of Shares pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

### 2.8 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, inter alia, the number of Shares purchased or otherwise acquired, whether purchase or acquisition is made out of capital or profits, the purchase price paid for such Shares and the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or otherwise acquired are cancelled or held as treasury shares.

#### 2.8.1 Key Assumptions

The financial effects set out in Paragraph 2.8 of this Appendix have been prepared based on the latest audited financial statements of the Company for the most recently completed financial year, being the financial year ended 31 December 2023, and on the following key assumptions:-

- (a) Purchase or Acquisition out of Capital and/or Profits

Pursuant to the Companies Act, any payment made by the Company in consideration of the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits, so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

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## LETTER TO SHAREHOLDERS

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Where the consideration (including brokerage, stamp duties, applicable goods and services tax and other related expenses) paid by the Company for the purchase or acquisition of Shares is made out of capital, this will not reduce the amount available for the distribution of cash dividends by the Company. In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations of assets or estimates of liabilities. In determining the value of the contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

(b) Number of Shares Purchased or Acquired

As at the Latest Practicable Date, the total number of issued and paid-up Shares (excluding 5,412,700 treasury shares and subsidiary holdings) of the Company is 142,062,084. Assuming no further Shares are issued on or prior to the 2024 AGM, not more than 14,206,208 Shares (representing 10% of the 142,062,084 Shares in issue excluding 5,412,700 treasury shares and subsidiary holdings) as at that date may be purchased or acquired by the Company pursuant to the Share Buyback Mandate ("**Maximum Buyback Shares**").

(c) Aggregate Consideration Paid for Maximum Buyback Shares

Assuming that the Company purchases or acquires or made an offer to purchase the Maximum Buyback Shares, the maximum amount of funds (excluding related expenses of the purchase or acquisition) required for the purchase or acquisition of 14,206,208 Shares:

- (i) in the case of Market Purchases by the Company under the Maximum Price of S\$0.315 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares over the last five Market Days on the SGX-ST preceding the Latest Practicable Date on which transactions in the Shares were recorded) is approximately S\$4.5 million (approximately MYR15.7 million (based on exchange rate of S\$1:MYR3.5093) as at the Latest Practicable Date).
- (ii) in the case of Off-Market Purchases by the Company under the Maximum Price of S\$0.360 per Share (being the price equivalent to 20% above the Average Closing Price of the Shares over the last five Market Days on the SGX-ST preceding the Latest Practicable Date on which transactions in the Shares were recorded) is approximately S\$5.1 million (approximately MYR17.9 million (based on exchange rate of S\$1:MYR3.5093) as at the Latest Practicable Date).

### 2.8.2 Illustrative Financial Effects

The financial effects of the purchases and acquisitions of Shares as set out below are purely for illustrative purposes only and do not reflect the actual financial performance or position of the Group. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for FY2023 and are not necessarily representative of future financial performance of the Group.

On the basis of the key assumptions set out in Paragraph 2.8.1 above and assuming the following:-

- (a) the purchase or acquisition of Shares is financed solely by internal source of funds;
- (b) transaction costs are disregarded; and
- (c) the Company had purchased or acquired Maximum Buyback Shares (representing 10% of its issued Shares (excluding treasury shares and subsidiary holdings) at the Latest Practicable Date),

the financial effects of the purchase or acquisition of 14,206,208 Shares by the Company pursuant to the Share Buyback Mandate on the audited financial statements of the Company and the Group for FY2023 are set out below.

**LETTER TO SHAREHOLDERS**

**(a) Market Purchases of 10% issued Shares made entirely out of capital**

	<b>GROUP</b>			<b>COMPANY</b>		
	<b>Before Share Buyback</b>	<b>After Market Purchase</b>	<b>Purchased Shares Cancelled</b>	<b>Before Share Buyback</b>	<b>After Market Purchase</b>	<b>Purchased Shares held as Treasury Shares</b>
<b>As at 31 December 2023</b>						
<b>(MYR'000)</b>						
Issued capital and reserves	25,727	10,023	25,727	84,977	69,273	84,977
Treasury shares	(857)	(857)	(16,561)	(857)	(857)	(16,561)
NTA attributable to Shareholders <sup>(1)</sup>	111,595	95,891	95,891	82,089	66,385	66,385
Current assets	76,183	60,479	60,479	26,714	11,010	11,010
Current liabilities	13,097	13,097	13,097	510	510	510
Working capital	63,086	47,382	47,382	26,204	10,500	10,500
Total borrowings <sup>(2)</sup>	12,694	12,694	12,694	-	-	-
Cash and cash equivalents	62,450	46,746	46,746	867	(14,837)	(14,837)
Net profit/ (loss) attributable to Shareholders	21,561	21,561	21,561	7,527	7,527	7,527
<b>('000)</b>						
Treasury shares	956	956	15,163	956	956	15,163
Total outstanding number of Shares	146,518	132,312	132,312	146,518	132,312	132,312
Weighted average number of Shares	147,377	133,170	133,170	147,377	133,170	133,170
<b>Financial Ratios</b>						
NTA per Share <sup>(3)</sup> (cents)	76.16	72.47	72.47	56.03	50.17	50.17
Gearing ratio <sup>(4)</sup> (times)	0.11	0.13	0.13	-	-	-
Current ratio (times)	5.82	4.62	4.62	52.38	21.59	21.59
EPS <sup>(5)</sup> (cents)	14.63	16.19	16.19	0.05	0.06	0.06

**Notes:**

- (1) NTA as disclosed above excludes non-controlling interests and intangible assets.
- (2) Total borrowings pertain to lease liabilities and bank borrowings.
- (3) NTA per Share equals to NTA attributable to Shareholders divided by the number of Shares outstanding as at 31 December 2023.
- (4) Gearing ratio represents total borrowing divided by total equity.
- (5) EPS is calculated based on net profit attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding treasury shares).

**LETTER TO SHAREHOLDERS**

**(b) Off-Market Purchases of 10% of issued Shares made entirely out of capital**

	<b>GROUP</b>			<b>COMPANY</b>		
	<b>Before Share Buyback</b>	<b>After Market Purchase</b>	<b>Purchased Shares Cancelled</b>	<b>Before Share Buyback</b>	<b>After Market Purchase</b>	<b>Purchased Shares held as Treasury Shares</b>
<b>As at 31 December 2023</b>						
<b>(MYR'000)</b>						
Issued capital and reserves	25,727	78,780	25,727	84,977	67,030	84,977
Treasury shares	(857)	(857)	(18,804)	(857)	(857)	(18,804)
NTA attributable to Shareholders <sup>(1)</sup>	111,595	93,648	93,648	82,089	64,142	64,142
Current assets	76,183	58,236	58,236	26,714	8,767	8,767
Current liabilities	13,097	13,097	13,097	510	510	510
Working capital	63,086	45,139	45,139	26,204	8,257	8,257
Total borrowings <sup>(2)</sup>	12,694	12,694	12,694	-	-	-
Cash and cash equivalents	62,450	44,503	44,503	867	(17,080)	(17,080)
Net profit/ (loss) attributable to Shareholders	21,561	21,561	21,561	7,527	7,527	7,527
<b>('000)</b>						
Treasury shares	956	956	15,163	956	956	15,163
Total outstanding number of Shares	146,518	132,312	132,312	146,518	132,312	132,312
Weighted average number of Shares	147,377	133,170	133,170	147,377	133,170	133,170
<b>Financial Ratios</b>						
NTA per Share <sup>(3)</sup> (cents)	76.16	70.78	70.78	56.03	48.48	48.48
Gearing ratio <sup>(4)</sup> (times)	0.11	0.14	0.14	-	-	-
Current ratio (times)	5.82	4.45	4.45	52.38	17.19	17.19
EPS <sup>(5)</sup> (cents)	14.63	16.19	16.19	0.05	0.06	0.06

**Notes:**

- (1) Total borrowings pertain to lease liabilities and bank borrowings.
- (2) NTA as disclosed above excludes non-controlling interests and intangible assets.
- (3) NTA per Share equals to NTA attributable to Shareholders divided by the number of Shares outstanding as at 31 December 2023.
- (4) Gearing ratio represents total borrowing divided by total equity.
- (5) EPS is calculated based on net profit attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding treasury shares).

**Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY2023, and is not necessarily representative of the future financial performance of the Company and the Group.**

The actual impact will depend on the number and price of the Shares bought back. The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect to the financial position of the Company or the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buyback taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as trading liquidity, share market conditions and performance of the Shares).

It should be noted that although the Share Buyback Mandate would authorize the Company to purchase or otherwise acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire 10% of the issued Shares. In addition, the Company may cancel, or hold as treasury shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, trading liquidity, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

## **2.9 Take-over Implications Arising from Share Buybacks**

Appendix 2 of the Take-over Code ("**Appendix 2**") contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

### **2.9.1 Obligation to make a Take-over Offer**

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him/her increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**") if such increase results in the change of effective control, or as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

### **2.9.2 Persons Acting in Concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be acting in concert with each other:-

- (a) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

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## LETTER TO SHAREHOLDERS

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- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status. The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

### 2.9.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or, if such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate unless so required by the Companies Act.

The details of the shareholdings of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are set out in Paragraph 3 below. Save as disclosed in Paragraph 3 below, the Directors and the Substantial Shareholders of the Company do not have any interest, whether direct or indirect, in the Shares.

**The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether an obligation to make a take-over offer under the Take-over Code would arise as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate should consult the Securities Industry Council and/or their professional advisers and/or the relevant authorities at the earliest opportunity.**

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## LETTER TO SHAREHOLDERS

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### 2.9.4 Loo Sok Ching and persons acting in concert

As at the Latest Practicable Date, Loo Sok Ching holds 39,339,900 Shares, representing approximately 27.69% of the issued Shares (excluding treasury shares and subsidiary holdings). Loo Sok Ching and the following parties are presumed to be parties acting in concert pursuant to the Take-over Code:

- (a) Wong Kim Fatt, who is the spouse of Loo Sok Ching, who holds approximately 21.30% of the issued Shares (excluding treasury shares and subsidiary holdings); and
- (b) Ban Kim Wah, who is the younger brother of Wong Kim Fatt (who is the spouse of Loo Sok Ching), who holds approximately 11.90% of the issued Shares (excluding treasury shares and subsidiary holdings),

(Loo Sok Ching, Wong Kim Fatt and Ban Kim Wah shall collectively be referred to as the “**Relevant Shareholders**”)

As at the Latest Practicable Date, the Relevant Shareholders own or control an aggregate of 86,504,184 Shares representing approximately 60.89% of the total voting rights of the Company.

Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date as set out in Paragraph 3 of this Appendix, as the Relevant Shareholders collectively hold more than 50% of the issued share capital of the Company, Rule 14 of the Take-over Code will not be triggered as a result of the increase in their shareholding percentage arising from the Share Buyback.

The Directors are not aware of any other Shareholders of the Company who would become obliged to make a take-over offer under Rule 14 of the Take-over Code if the Company undertakes, as permitted by the Share Buyback Mandate, Share Purchases up to the maximum limit of 10% of its Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

### 2.10 Listing Status of Shares on the SGX-ST

Rule 723 of the Catalist Rules requires a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders.

The expression “**public**” is defined under the Catalist Rules as persons other than (a) the directors, chief executive officer, substantial shareholders or controlling shareholders of a company and its subsidiaries and (b) the associates (as defined in the Catalist Rules) of the persons described in paragraph (a).

As at the Latest Practicable Date, there are 33,087,300 Shares in the hands of the public, representing 23.29% of the issued Shares of the Company (excluding treasury shares). Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the proposed renewed Share Buyback Mandate from the public on the Latest Practicable Date, the number of Shares in the hands of the public would be reduced to 18,881,092 Shares, representing 14.77% of the issued Shares of the Company (excluding treasury shares).

As such, the Company is able to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the proposed renewed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST. In any case, the Company will ensure that the number of Shares it purchases or acquires subsequently, whether pursuant to the Share Buyback Mandate or otherwise, will not result in the number of Shares remaining in the hands of the public to fall below 10% of the total number of issued shares of the Company (excluding treasury shares, preference shares and convertible equity securities) or to such a level as to cause trading illiquidity or to affect orderly trading.

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## LETTER TO SHAREHOLDERS

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### 2.11 Timing of Purchases

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed renewed Share Buyback Mandate at any time after a price-sensitive matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price sensitive information has been publicly announced. In particular, in line with the best practices on securities dealings set out in Rule 1207(19)(c) of the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one month before the announcement of the Company’s half-year and full-year financial results (if the Company does not announce its quarterly financial statements) and the period of two weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of the financial year and one month before the announcement of the Company’s full year financial statements (if the Company announces its quarterly financial statements, whether required by SGX-ST or otherwise), as the case may be, and ending on the date of announcement of the relevant financial results.

### 2.12 Share Buybacks in the previous twelve (12) months

Information on the Share Buyback carried out by the Company during the 12-month period immediately preceding the Latest Practicable Date is set out below:

<b>Date of Share Buyback</b>	<b>Type of transaction</b>	<b>Total number of Shares purchased</b>	<b>Price paid per Share (S\$)</b>	<b>Total consideration (S\$)</b>
25 September 2023	Market Purchase	109,800	0.23592	26,043.90
17 November 2023	Market Purchase	100,000	0.2525	25,397.64
27 November 2023	Market Purchase	149,000	0.251678	37,719.10
28 November 2023	Market Purchase	332,000	0.255798	85,420.60
30 November 2023	Market Purchase	45,600	0.26	11,925.52
13 December 2023	Market Purchase	100,000	0.26445	26,599.62
26 December 2023	Market Purchase	120,000	0.26842	32,398.62
12 March 2024	Market Purchase	700,000	0.282999	198,720.13
13 March 2024	Market Purchase	386,300	0.285588	110,668.55
14 March 2024	Market Purchase	50,000	0.29	14,584.95
15 March 2024	Market Purchase	600,000	0.298679	179,769.06
18 March 2024	Market Purchase	420,000	0.3	126,395.02
19 March 2024	Market Purchase	700,000	0.3016	211,781.61
20 March 2024	Market Purchase	600,000	0.3	180,564.14
21 March 2024	Market Purchase	700,000	0.299485	210,296.48
25 March 2024	Market Purchase	300,000	0.296580	89,397.18

## LETTER TO SHAREHOLDERS

### 3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders before and after the Share Buyback pursuant to the Share Buyback Mandate, assuming (i) the Company purchases and cancels the Maximum Buyback Shares and (ii) there is no change to the number of Shares (whether direct or deemed) held by each of the Directors and Substantial Shareholders as at the Latest Practicable Date, are set out below:-

	As at the Latest Practicable Date <sup>(1)</sup>						After the Share Buyback
	Direct Interest		Deemed Interest		Total Interest		Total Interest <sup>(3)</sup>
	Number of Shares	%	Number of Shares	%	Number of Shares	%	%
<b>Directors</b>							
Loo Sok Ching <sup>(2)</sup>	39,339,900	27.69	47,164,284	33.20	86,504,184	60.89	67.66
Lim Te Hua	15,888,522	11.18	-	-	15,888,522	11.18	12.43
Shankar Narasingam	6,582,078	4.63	-	-	6,582,078	4.63	5.15
Wong Chee Meng Lawrence	-	-	-	-	-	-	-
Kam Chai Hong	-	-	-	-	-	-	-
Siow Chin How	-	-	-	-	-	-	-
Wang Han Lin	-	-	-	-	-	-	-
<b>Substantial Shareholders (other than Directors)</b>							
Ban Kim Wah <sup>(2)</sup>	16,901,988	11.90	69,602,196	48.99	86,504,184	60.89	67.66
Wong Kim Fatt <sup>(2)</sup>	30,262,296	21.30	56,241,888	39.59	86,504,184	60.89	67.66

**Notes:**

- (1) Based on 142,062,084 Shares in issue (excluding 5,412,700 Shares held as treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) Wong Kim Fatt is the spouse of Loo Sok Ching and Ban Kim Wah is the younger brother of Wong Kim Fatt. Accordingly, pursuant to Section 7 of the Companies Act and Section 4 of the SFA, Loo Sok Ching, Wong Kim Fatt and Ban Kim Wah are deemed to have an interest in the Shares held by one another.
- (3) Assuming the Company purchases and cancels or acquires the Maximum Buyback Shares, being 14,206,208 Shares pursuant to the Share Buyback Mandate, the percentage after the Share Buyback is calculated based on 127,855,876 Shares.

### 4. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share Buyback by the Company or who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

### 5. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 8 relating to the proposed renewal of the Share Buyback Mandate (set out in the Notice of AGM) to be proposed at the AGM.

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## LETTER TO SHAREHOLDERS

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### 6. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and wish to appoint a proxy to attend, speak and vote on their behalf should complete, sign and return the attached proxy form in accordance with the instructions printed thereon and as soon as possible and, in any event, so as to arrive at the registered office of the Company located at 30 Cecil Street #19-08 Prudential Tower Singapore 049712 or via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia) by 10:00 a.m. on 20 April 2024 (being seventy-two (72) hours before the time set for holding the AGM of the Company). The completion and return of a proxy form by a Shareholder does not preclude him/her from attending and voting in person at the AGM if he/she wishes to do so, in place of his/her proxy.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

### 8. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time, copies of the following documents are available for inspection at the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712, during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (i) the Constitution of the Company; and
- (ii) the Annual Report of the Company for the financial year ended 31 December 2023.

Yours faithfully

For and on behalf of the Board of  
**5E Resources Limited**

Loo Sok Ching  
Chairperson and Executive Director

8 April 2024

# 5E RESOURCES LIMITED

Company Registration No. 202136285K  
(Incorporated in the Republic of Singapore)

## ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

### IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act 1967 may appoint more than 2 proxies to attend, speak and vote at the Annual General Meeting.
2. Investors who hold shares under the Supplementary Retirement Scheme ("SRS investors") may attend and cast their votes at the AGM in person. SRS Investors who are unable to attend the AGM but would like to vote may inform their SRS Operators at least seven (7) working days before the AGM to appoint the Chairperson of the AGM to act as their proxy, in which case, SRS Investors shall be precluded from attending the AGM. This Proxy Form is **NOT VALID** for use and shall be ineffective for all intents and purposes if used or purported to be used by SRS investors.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC No. / Passport No. / Company No.)

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

being a \*member/members of 5E Resources Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%

or failing the person, or either or both of the persons, referred to above, the Chairperson of the Annual General Meeting ("AGM") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of the Company to be held on Tuesday, 23 April 2024 at 10:00 a.m. at R1 Arena, Level 4, Lifelong Learning Institute Pte. Ltd., 11 Eunos Road 8, Singapore 408601 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on the resolution(s) proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

The Proxy Form is made available on SGXNet and the Company's corporate website.

**(Please indicate your votes "For", "Against" or "Abstain" from voting with a tick "✓" within the box provided. Alternatively, please indicate the number of votes as appropriate.)**

No.	Resolutions relating to:	Number of Votes		
		For	Against	Abstain
1	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2023 together with the Independent Auditors' Report thereon.			
2	Re-election of Mdm. Loo Sok Ching as a Director.			
3	Re-election of Mr. Kam Chai Hong as a Director.			
4	Re-election of Mr. Wang Han Lin as a Director.			
5	Approval of Directors' fees amounting to S\$158,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears.			
6	Re-appointment of Messrs. Foo Kon Tan LLP as the Company's Auditors and authorise the Directors of the Company to fix their remuneration.			
7	Authority to allot and issue shares.			
8	Renewal of Share Buyback Mandate.			

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

\_\_\_\_\_  
Signature of Member(s) and,  
Common Seal of Corporate Member

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

\* Delete where inapplicable

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**

**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at the AGM of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead.
3. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholdings concerned to be represented by each proxy shall be specified in the form of proxy.
4. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" means:

- (a) A banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) A person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
  - (c) The Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. A proxy need not be a member of the Company.
  6. Where a member appoints more than one proxy, the member must specify the proportion of shareholdings to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his/her appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
  7. The instrument appointing a proxy must be deposited at the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 or via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia) by 10:00 a.m. on 20 April 2024 (being seventy-two (72) hours before the time appointed for holding the AGM of the Company).
  8. Completion and return of the instrument appointing a proxy or proxies by a member shall not preclude him from attending and voting at the AGM if he so wishes. Any appointment of a proxy or proxies by a member shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
  9. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorized. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.
  10. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy or proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 April 2024.

**GENERAL**

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

# CORPORATE INFORMATION



## REGISTERED OFFICE

30 Cecil Street  
#19-08 Prudential Tower  
Singapore 049712  
Tel: (60) 7252 1288  
Fax: (60) 7256 0688  
Email: enquiry@5e-resources.com

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## BOARD OF DIRECTORS

### Loo Sok Ching

Chairperson and Executive Director

### Lim Te Hua

Executive Director and Chief Executive Officer

### Shankar A/L Narasingam

Executive Director and Chief Operating Officer

### Wong Chee Meng Lawrence

Lead Independent and Non-Executive Director

### Kam Chai Hong

Independent and Non-Executive Director

### Siow Chin How

Independent and Non-Executive Director

### Wang Han Lin

Independent and Non-Executive Director

## NOMINATING COMMITTEE

Wang Han Lin (Chairman)  
Siow Chin How  
Wong Chee Meng Lawrence

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## REMUNERATION COMMITTEE

Siow Chin How (Chairman)  
Kam Chai Hong  
Wang Han Lin

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## AUDIT AND RISK COMMITTEE

Kam Chai Hong (Chairman)  
Siow Chin How  
Wong Chee Meng Lawrence

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## COMPANY SECRETARY

Sharon Lim Siew Choo (ACS, ACG)

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## SPONSOR

### RHT Capital Pte. Ltd.

36 Robinson Road  
#10-06 City House  
Singapore 068877

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## SHARE REGISTRAR AND SHARE TRANSFER OFFICE

### In.Corp Corporate Services Pte. Ltd.

30 Cecil Street  
#19-08 Prudential Tower  
Singapore 049712

## AUDITOR

### Foo Kon Tan LLP

1 Raffles Place  
#04-61/62 One Raffles Place Tower 2  
Singapore 048616

Partner-in-charge:

Kong Chih Hsiang, Raymond  
(a member of the Institute of Singapore Chartered Accountants)

Financial year appointed:

31 December 2023

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## WEBSITE

[www.5e-resources.com](http://www.5e-resources.com)



**5E RESOURCES LIMITED**

PLO 738, Jalan Platinum Utama, Zon 12B, Pasir Gudang Industrial Area,  
81700 Pasir Gudang, Johor Darul Takzim, Malaysia  
(Company Registration Number: 202136285K)