

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) of the Addvalue Technologies Ltd (the “**Company**”) is committed to ensure that high standards of corporate governance and transparency are practiced for the protection of the interests of the shareholders of the Company (the “**Shareholders**”).

This report sets out the Company’s corporate governance practices for the financial year ended 31 March 2023. It outlines the Company’s corporate governance processes with specific reference to the Code of Corporate Governance 2018 (the “**Code**”) issued by the Monetary Authority of Singapore (the “**MAS**”) on 6 August 2018. The Board is pleased to inform that the Company is substantially in compliance with the principles and provisions of the Code. In areas where the Company deviates from the Code, the rationale is provided.

BOARD MATTERS

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.

The Directors of the Company are:

Mr Richard J Denny ¹	Chairman and Independent Director
Mr Tan Khai Pang	Chief Executive Officer (“ CEO ”)
Mr Wong Ming Ghee, Bernard	Non-Executive and Independent Director
Ms Goh Liang Choo ²	Non-Executive and Independent Director
Mr Paul C Burke	Non-Executive and Non-Independent Director
Mr Chua Chwee Koh	Non-Executive and Non-Independent Director

1 Mr Richard J Denny was appointed as the Non-Executive Chairman effective 1 April 2023.

2 Ms Goh Liang Choo was appointed as an Independent Director effective from 10 November 2022.

PROVISION 1.1 BOARD’S ROLE

All Directors recognise and will objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board, comprising one executive Director (“**Executive Director**”), two non-executive and non-independent Directors (collectively, the “**Non-Executive Directors**”, and each an “**Non-Executive Director**”) and three non-executive and independent Directors (collectively, the “**Independent Directors**”, and each an “**Independent Director**”), is responsible for protecting and enhancing long-term value of the Shareholders. It provides directions and guidance to the overall management (the “**Management**”) of the Company and its subsidiaries (the “**Group**”).

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The primary role of the Board includes the following:

- Steering, setting, approving policies and strategic objectives of the Group
- Ensuring that the necessary resources are in place for the Group to meet its strategic objectives
- Reviewing and approving the financial performance of the Group, including its half and full year financial results' announcements
- Ensuring that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets; to achieve an appropriate balance between risks and company performance; and to ensure transparency and accountability to key stakeholder groups
- Instilling an ethical corporate culture and ensuring that the values, standards, policies and practices of the Group are consistent with its culture

PROVISION 1.2 DIRECTORS' DUTIES AND RESPONSIBILITIES

The Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group.

The Company has in place a process of induction, training and development for both new and existing Directors.

Newly appointed Directors will be given an orientation program to familiarize themselves with the Group's operation. The experience and competency of each Director contribute to the overall effective management of the Group. Incoming Directors joining the Board will be given briefing by the Management, the CEO and, where appropriate, the Company's legal advisers, on their duties and obligations as director, and on the Group's organization structure, business and governance practice and arrangements, including the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive and trade-sensitive information.

Ms Goh Liang Choo was appointed Independent Director effective from 10 November 2022. She had received briefings from the Nominating Committee and Management to orientate her in the Company's business and governance practices. Ms Goh, as a first-time director of a listed company, is undergoing the prescribed training by SGX-ST.

During the financial year reported on, the Directors had received updates on regulatory changes to the listing rules of the SGX-ST (the "**Listing Rules**"), the accounting standards and the Code. The Chairman updated the Board at each Board meeting on business and strategic developments and also highlights the salient issues as well as the risk management considerations for the Group. The Directors were also updated by the external auditor and/or the Company Secretary during Board meetings and by circulations, the changes and development in accounting standards and/or regulatory changes to the Listing Rules and the Code. Information on training programmes, courses, conferences, seminars and workshops relevant to their discharge of director's duties were circulated to the Directors on a regular basis, of which some were attended or participated by the Directors during the year.

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PROVISION 1.3

MATTERS REQUIRING BOARD APPROVAL

The Board has adopted internal guidelines governing matters reserved for the Board's approval, which include the following:

- Review the performance of the Group, including approval of the results announcements and annual budget of the Group
- Approval of the corporate strategy and direction of the Group
- Approval of transactions involving a conflict of interest for a substantial Shareholder or a Director or an interested person
- Material acquisition and/or disposal
- Corporate or financial restructuring
- Declaration of dividends and other returns to Shareholders
- Appointment of new Directors and re-appointment of Directors

PROVISION 1.4

DELEGATION OF AUTHORITY TO BOARD COMMITTEES

To facilitate effective management, certain roles have been delegated to various Board members by the establishment of an Audit Committee ("**AC**"), a Nominating and Remuneration Committee ("**NRC**"), a Risk Committee ("**RC**") and a Board Exco Committee ("**Board Exco**"). These committees (collectively the "**Committees**", and each a "**Committee**") function within clearly defined terms of reference which are reviewed on a regular basis.

BOARD EXCO COMMITTEE ("**BOARD EXCO**")

The Board Exco is made up of one Non-Executive Non-Independent Director, Mr Chua Chwee Koh, who is the Chairman of Board Exco and one Executive Director namely, Mr Tan Khai Pang who is the CEO. The Board Exco oversees the management of the business and affairs of the Group and its duties and responsibilities include the following:

1. Review and recommend for adoption by the Board, annual budgets and long-term business plans to achieve the objectives of the Company.
2. Provide guidance to management at all stages of the strategic planning process.
3. Review the monthly and year-to-date financial results and forecast and determine whether corrective action is necessary to be taken by management.
4. Review and recommend mergers and acquisitions, disposals of businesses, and investments to the Board.
5. Operate within authorization limits approved by the Board.

Other than the Board Exco, the following Board Committees, which are made up of Independent Directors or a majority of Independent Directors, provide further safeguards to prevent an uneven concentration of power, authority and decision in a single individual:

1. Audit Committee ("**AC**")
2. Nominating and Remuneration Committee ("**NRC**")
3. Risk Committee ("**RC**")

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The effectiveness of each Committee is also closely monitored. The names of the Committee members, the terms of reference, any delegation of the Board's authority to make decisions and each Committee's activities, are disclosed in this report under Principles 4 to 10 thereof.

The Board and the various committees, as at the date of this report, comprise the following members:

Name of Director	Board membership	Board Committees			
		AC	NRC	RC	Board Exco
Mr Richard J Denny ¹	Chairman and Independent director	Member	Member	Chairman	-
Mr Tan Khai Pang	CEO	-	-	Member	Member
Mr Wong Ming Ghee, Bernard	Independent Director	Member	Chairman	Member	-
Ms Goh Liang Choo ²	Independent Director	Chairman	Member	Member	-
Mr Paul C Burke	Non-Executive Director	-	-	-	-
Mr Chua Chwee Koh	Non-Executive Director	-	-	-	Chairman

1 Dr Chan Kum Lok, Colin retired from the position of Executive Chairman and director on 31 March 2023 and will assume the role of Advisor to the Board and the CEO effective from 1 April 2023. With Dr Colin Chan's retirement as Executive Chairman, the Board has elected Mr Richard J Denny as the Non-Executive Chairman effective from 1 April 2023. Accordingly, Mr Denny will cease to be the Lead Independent Director effective on the same date.

2 Ms Goh Liang Choo was appointed as an Independent Director effective from 10 November 2022. Ms Goh assumed the appointment of Chairman of AC and Member of NRC on the same date.

PROVISION 1.5

MEETINGS OF BOARD AND BOARD COMMITTEES

The Board meets regularly, formally or otherwise, and as warranted by particular circumstances or as deemed appropriate by the Board members. Attendance via audio or audio-visual equipment is permitted under Article 110(4) of the Company's Constitution. To assist the Board in fulfilling its responsibilities, the Board will be provided with management reports and papers containing adequate, relevant and timely information to support the decision-making process. The Board ensures that Director with other listed board representations, if any, gives sufficient time and attention to the affairs of the Group.

During the financial year reported on, the Company convened 6 Board meetings, 4 AC meetings, 4 NRC meeting, and 22 Board Exco meetings. The RC held its inaugural meeting on 9 May 2023.

Besides formal meetings, Board members also met at informal meetings or via teleconferencing or communicate via emails to discuss specific issues related to the Company's development.

While the Board considers Directors' attendance at Board meetings to be important, it does not consider that to be the only criterion to measure their contributions. Other than participating in these meetings, Board members also rendered guidance and advice on various matters relating to the Group and convened discussions when needed. The Board ensures that Directors give sufficient time and attention to the affairs of the Group.

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The Directors' attendance at the above-mentioned meetings are detailed as follows:

Director	Board	AC	NRC ^(a)	RC ^(b)	Board Exco
Number of meetings held	6	4	4	0	22
Name of Directors	Number of meetings attended				
Mr Richard J Denny	6	4	4	0	N/A
Mr Tan Khai Pang ¹	5	4	2	0	22
Mr Wong Ming Ghee, Bernard	6	4	4	0	N/A
Ms Goh Liang Choo ²	4	2	2	0	N/A
Mr Paul C Burke	6	N/A	N/A	N/A	N/A
Mr Chua Chwee Koh	6	N/A	N/A	N/A	22
Dr Chan Kum Lok, Colin ³	6	N/A	N/A	N/A	22

(a) Prior to merger of the Nominating Committee and the Remuneration Committees on 10 November 2022, each committee held one (1) meeting which attributed to two (2) meetings.

(b) A separate Risk Committee ("RC") is established on 10 November and convened its inaugural meeting on 9 May 2023.

1 Mr Tan Khai Pang was a member of the Nominating Committee and the Remuneration Committee before both committees merge with effect from 10 November 2022.

2 Ms Goh Liang Choo was appointed as an Independent Director effective from 10 November 2022.

3 Dr Chan Kum Lok Colin retired from his position as Executive Chairman and Director on 31 March 2023 and assume the role as Advisor to the Board and to the Chief Executive Officer with effect on and from 1 April 2023. Accordingly, he will also relinquish his role as a member of the Board Exco Committee.

N/A - Not applicable, as the Directors are non-members of the Board Committees.

PROVISION 1.6

BOARD'S ACCESS TO INFORMATION

The Management of the Company provides the Board with balanced and understandable accounts of the Group's performance, financial position and business prospects on a regular basis. They also specify major issues that are relevant to the Group's performance. Periodic financial summary reports, budgets, forecasts and other disclosure documents are provided to the Board, where appropriate, prior to Board meetings.

PROVISION 1.7

BOARD'S ACCESS TO MANAGEMENT, COMPANY SECRETARY AND EXTERNAL ADVISERS

The Board has separate and independent access to the Company Secretary and the Management. The Company Secretary ensures that board procedures and applicable rules and regulations are followed. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Board has adopted a policy to seek independent professional advice, in order for the Directors to effectively discharge their duties and responsibilities. Costs of such advice would be borne by the Company.

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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

INDEPENDENT ELEMENT ON THE BOARD

The Board comprises six members, three of whom, namely Mr Richard J Denny, Mr Wong Ming Ghee, Bernard and Ms Goh Liang Choo are Independent Directors. The remaining three members comprise two Non-Executive Directors and one Executive Director who is also the CEO.

The criterion for independence is based on the definition given in the Code and in the Listing Rules. The Code has defined an “independent” director as one who is independent in conduct, character and judgment and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgment with a view to the best interests of the company. Under the Listing Rules, an independent director is not one who is or has been employed by the company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the company or any of its related corporations and whose remuneration is determined by the remuneration committee.

All the Independent Directors of the Company have confirmed their independence and that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgment pursuant to the Listing Rules. None of the independent Directors have served on Board for more than nine years from the date of their respective appointments.

PROVISIONS 2.2 AND 2.3

COMPOSITION OF INDEPENDENT DIRECTORS AND NON-EXECUTIVE DIRECTORS ON THE BOARD

Under Rule 210(5)(c) of the SGX-ST Listing Manual, the Board must have at least two Independent Directors who make up at least one-third of the board. In the event of any retirement or resignation which renders the issuer unable to meet any of the foregoing requirements, the Company should endeavour to fill the vacancy within two months, but in any case not later than three months. The composition of our Board complies with the Listing Rule.

Under Provision 2.2 of the Code, the independent directors should make up a majority of the board where the chairman is not an independent director. Under Provision 2.3 of the Code, the non-executive directors should make up a majority of the board.

Dr Colin Chan Kum Lok retired from his position as Executive Chairman and Director on 31 March 2023 and assumed the role of Advisor to the Board and to the CEO with effect on and from 1 April 2023. With the retirement of Dr Chan from his position as Executive Chairman and following the recommendations of the Code, the Board appointed Mr Richard J Denny as the Independent and Non-executive Chairman of the Company with effect from 1 April 2023. With the appointment of an Independent Chairman, there is no requirement under the Code to have a Lead Independent Director. Accordingly, Mr Richard J Denny ceased to be the Lead Independent Director with effect from the same date.

Consequently, the reconstituted Board with effect from 1 April 2023 comprises six directors of which three are Non-Executive and Independent Directors, two are Non-Executive Directors and one is an Executive Director. The majority of the Board comprises Non-Executive Directors in compliance with Provision 2.3 of the Code. The reconstituted Board has a good balance of authority and power within the Board. In addition, each of the NRC, AC and RC, which assists the Board in its functions, comprises all Independent Directors. For the Board Exco comprising a Non-Executive Director who is the chairman and an Executive Director, all decisions have to be unanimous, otherwise, the matter will be referred to the Board for approval. Hence, the Board is of the view that there is a strong independence element within the Board which is consistent with Principle 2 of the Code.

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PROVISION 2.4

BOARD SIZE AND DIVERSITY

The composition of the Board is reviewed on an annual basis by the NRC. The NRC is of the opinion that the current size of the Board is adequate, taking into account the nature and scope of the Group's operations.

The Board has in place a Board Diversity Policy to ensure that the Board has an appropriate level of diversity of thoughts and backgrounds to enable wider perspectives which encourage more effective discussions, better decision-making and governance of the Company and its businesses. The Board members collectively have the necessary skills and competencies, covering business and management experience, industry knowledge and strategic planning skills, for the effective functioning of the Board and informed decision-making.

Annually the NRC reviews and assesses the Board composition, and recommends the appointment of new directors, where applicable. For new and continuing appointments, the NRC will consider factors such as skills, experience, age, gender, educational and professional background, tenure of service and other relevant personal attributes that are important and needed to support good decision making at the Board level. As gender is an important aspect of diversity, the NRC will strive to ensure that the search for candidates for Board appointments will include female candidates that meet the set requirements for a new candidate, if the opportunity arises.

Mr Tan Khai Pang, one of the co-founders of the Company has more than 30 years of experience in the business. Mr Richard J Denny, with over 40 years of experience in the space and satellite sector, held a range of positions spanning across the technical and operational functions of Inmarsat plc ("Inmarsat") and was responsible for Inmarsat's fleet of satellites, network operations activities, satellite gateways, spectrum regulatory and spectrum management activities as well as satellite navigation services. Mr Paul C Burke is an entrepreneur with over 25 years of experience in the aviation industry and product design and manufacturing for the e-mobility market. Besides being the Asia Pacific Region Head of The Lubrizol Corporation for 10 years, Mr Wong Ming Ghee, Bernard has a career spanning 36 years with Mobil, BP and Lubrizol, with 19 years based in the PRC. Hence, he has vast experience in the petroleum and chemicals industries with focus on Asia Pacific. Mr Chua Chwee Koh has 22 years of experience in Singapore Armed Forces and subsequently spent another 17 years with Certis CISCO in leading and transforming its business operations. Ms Goh brings with her more than 30 years of management and international experience spanning her career in Shell International, UBS Warburg (London), General Electric Company (USA) and Ernst & Young Singapore. Ms Goh's broad and deep expertise includes financial management, board governance, acquisitions and business integrations, risk management, external audit, business and process transformation.

The Company is of the view that the Board, as a whole, provides core competencies necessary to meet the Group's requirements, taking into account the nature and scope of the Group's operations; in particular Mr Denny and Mr Burke, with their backgrounds and experience, bring with them wide perspectives which encourage more effective discussions and better decision-making. In addition, Ms Goh being a chartered accountant and the first female director of the Company further strengthen diversity in the Board.

The Board has achieved its target of appropriate level of diversity of thoughts and backgrounds to enable wider perspectives as set out in its diversity policy. For any appointment to the Board or in any Board renewal where applicable, the NRC will ensure the candidate must be of the right fit, taking into account the relevant strategies and needs of the Group at that time. The NRC will continue to review the Board's diversity policy to ensure its effectiveness and where applicable, will recommend appropriate revisions to the Board for consideration and approval.

The details of the Directors' background and experience are set out in the "Board of Directors" section of this Annual Report.

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PROVISION 2.5

ROLE OF NON-EXECUTIVE DIRECTORS

During the financial year reported on, the Non-Executive Directors constructively challenge and help develop both the Group's short-term and long-term business strategies. Management's progress and performance in implementing such agreed business strategies are monitored by the Non-Executive Directors. The Non-Executive Directors communicate among themselves without the presence of the Management as and when the need arises. The Non-Executive Directors provides feedback to the Chairman or the Board as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

PROVISIONS 3.1 AND 3.2

SEPARATE ROLES OF CHAIRMAN AND CEO

The Chairman and the Chief Executive Officer ("CEO") of the Company are separate persons. Mr. Richard J Denny, the Chairman is an Independent Director while Mr. Tan Khai Pang is the CEO. This ensures that there is an appropriate balance of power between the Chairman of the Board and the CEO, thereby allowing increased accountability and greater capacity of the Board for independent decision-making.

As Chairman, Mr Richard J Denny's responsibilities include:

- leading the Board in its role;
- scheduling meetings (with assistance from the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- preparing meeting agenda;
- reviewing all if not most Board papers before they are presented to the Board;
- ensuring effective communication with Shareholders;
- promoting corporate governance; and
- adherence to the Listing Rules and other regulatory requirements.

Mr. Richard J Denny, the Independent Director and Chairman, is consulted on the business of the Board and the Board Committees. Whereas Mr Tan Khai Pang as the CEO of the Company is responsible for setting the business strategies and directions for the Group and manages the business operations of the Group. He is assisted by an experienced and qualified team of executive officers of the Company.

The CEO consults with the Board and Board Committees on major issues. There are constant communications among Board members, and no Director represents a considerable concentration of power as any key decision will require the approval from all Directors prior to implementation.

With the positions of Chairman and the CEO filled by different persons, there is a clear separation of roles and responsibilities between the Chairman and the CEO. The Chairman and the CEO are not related.

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PROVISION 3.3

LEAD INDEPENDENT DIRECTOR

The Company does not have a lead Independent Director as (i) the Chairman is independent and (ii) the Chairman and the CEO of the Company are separate persons. The Chairman, as an Independent Director, together with the other Independent Directors are available to Shareholders where they have concerns and for which contact through the normal channels of communication with the Management are inappropriate or inadequate.

BOARD MEMBERSHIP

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

The Board had merged the Nominating Committee and Remuneration Committee into a new Committee, known as Nominating and Remuneration Committee (“NRC”) in November, which aimed to improve its efficiency and effectiveness in discharging its duties. The scope and responsibilities of NRC are set out in the Term of Reference approved by the Board.

PROVISIONS 4.1 AND 4.2

NOMINATING AND REMUNERATION COMMITTEE

The NRC comprises three (3) Independent Directors, namely:

Mr Wong Ming Ghee, Bernard	(Chairman/Independent Director)
Mr Richard J Denny	(Member/ Independent Director)
Ms Goh Liang Choo	(Member/Independent Director)

The role of the NRC as a nominating committee is to make recommendations to the Board on relevant matters relating to:

- (a) the review of the succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- (b) the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors, including the review of the independence of the Independent Directors;
- (c) the review of training and professional development programmes for the Board and its Directors; and
- (d) the appointment and re-appointment of Directors (including alternate Directors, if any).

The NRC will review Board succession plans for Directors, and will seek to refresh the Board membership in an orderly manner where it deems applicable. The NRC will also ensure that the Company has succession planning for its Executive Directors and key management personnel, including the appointment, training and mentoring of successors. The NRC has reviewed contingency arrangements for any unexpected incapacity of the Executive Director or any of key management personnel, and is satisfied with the procedures in place in ensuring the transition to a full operational management team.

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PROVISION 4.3

PROCESS FOR THE SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The Company has in place policies and procedures for the appointment of new Directors, including the description on the search and nomination process.

The composition of the Board is reviewed on an annual basis by the NRC to ensure that the Board is of the appropriate size and has the mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

Where there is a resignation or retirement of an existing Director, the NRC will re-evaluate the Board composition to assess the competencies for the replacement. The NRC will deliberate and propose to the Board the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NRC could include among other things, whether the new Director can add to or complement the mix of skills and qualifications in the existing Board; relevance of his or her experience and contributions to the business of the Group; and the depth and breadth he or she could bring to Board discussions. Candidates are sourced through a network of contacts and identified based on the established criteria. Search can be made through relevant institutions such as the Singapore Institute of Directors, professional organisations, business federations or external search consultants. New Directors will be appointed by way of a resolution by the Board or the Shareholders, after the NRC makes the necessary recommendation to the Board.

Article 104 of the Company's Constitution requires one-third of the Directors to retire at each AGM. Article 105 of the Company's Constitution requires those Directors to retire to be those longest in office since their last re-election or appointment or those who have been in office for the three years since their last election. Article 108 of the Company's Constitution requires any director appointed by the Board during the year to retire at the next AGM. Rule 720(5) of the Listing Rules requires all directors to submit themselves for re-nomination and re-election at least once every three years.

Mr Richard J Denny and Mr Paul C Burke are due to retire at the forthcoming AGM pursuant to Regulation 104 of the Company's Constitution and Rule 720(5) of the Listing Rules. Ms Goh Liang Choo who was appointed as a Non-Executive and Independent Director on 10 November 2022 is due to retire at the forthcoming AGM pursuant to Article 108 of the Company's Constitution. The NRC has recommended to the Board the re-election of Mr Richard J Denny, Mr Paul C Burke and Ms Goh Liang Choo at the forthcoming AGM. The Board has accepted the NRC's recommendation.

The information on Mr Richard J Denny, Mr Paul C Burke and Ms Goh Liang Choo as required in Appendix 7.4.1 of the Listing Manual of the SGX-ST is contained in the Notice of the AGM.

PROVISION 4.4

DETERMINING DIRECTORS' INDEPENDENCE

Each Independent Director completes a checklist to confirm his independence on an annual basis. The NRC has reviewed the independence of the Directors as mentioned under Provision 2.1.

PROVISION 4.5

DIRECTORS' MULTIPLE BOARD REPRESENTATIONS

The NRC ensures that new Directors are aware of their duties and obligations. Each Director signs the undertaking in the form set out in Appendix 7.7 of the Listing Manual of the SGX-ST to undertake to use their best endeavours to comply with the Listing Rules and to procure that the Company too shall so comply.

The NRC considers and it is of the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of Committees on which they serve are of different complexities. Accordingly, the NRC leaves it to each Director to personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively. The Board concurs with the NRC.

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Mr Richard J Denny and Mr Paul C Burke have confirmed that they are able to devote sufficient time and attention to the affairs of the Group. They do not have any full-time executive commitments in any companies and their experiences are valuable to the Board and the Board Committees. Mr Bernard Wong and Mr Chua Chwee Kok have confirmed that they would be able to devote sufficient time and attention to the affairs of the Group.

After making all reasonable enquiries and having considered the aforementioned, nothing has come to the attention of the NRC to cause them to doubt that the Non-Executive Directors including Mr Richard J Denny and Mr Paul C Burke would not have the ability to commit sufficient time and attention to the affairs of the Group.

Details of the Directors' principal commitments and outside directorships are set out in the "Board of Directors" section of this Annual Report.

BOARD PERFORMANCE

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

PROVISIONS 5.1 AND 5.2

CONDUCT OF BOARD PERFORMANCE

The NRC has established a formal evaluation process to assess the effectiveness of individual Directors and of the Board as a whole.

Each year, the Directors are requested to complete appraisal forms to assess the overall effectiveness of the Board and the Board Committees, as well as each individual Director's contributions to the Board and the Board Committees.

The appraisal of the Board considers the Board composition, maintenance of independence, timeliness and completeness of information provided to the Board, Board process, Board accountability, communication with the Management and standard of conduct. The results of the appraisal exercise are considered by the NRC, which then makes recommendations to the Board with the aim of helping the Board to discharge its duties more effectively. The Directors are assessed on their experience in being a company director, competence and knowledge, the level and quality of involvement during the course of the year, attendance record at meetings of the Board and the Board Committees, intensity of participation at meetings, the quality of interventions and special contributions.

The Board Committees are assessed on the work they perform in accordance with their terms of reference and the objectivity and independence in their deliberations and recommendations they presented to the Board.

For FY2023, the NRC has reviewed each individual Director's performance during the appraisal exercise and the overall assessment of individual Directors and of the Board and Board Committees as a whole were good, effective and have acted independently in the interest of all shareholders. The NRC has discussed the results with the Board and it is the Board's endeavour to, where appropriate, further improve and enhance its effectiveness over the Group's performance, financially or otherwise. The Board is also satisfied that each Director has allocated sufficient time and resources to the affairs of the Group. All NRC members have abstained from the review process in connection with the assessment of his own performance.

The Company does not use any external professional facilitator for the assessments of the Board, Board Committees and individual Directors, and will consider the use of such facilitator as and when appropriate.

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REMUNERATION MATTERS

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

PROVISIONS 6.1 AND 6.2 REMUNERATION COMMITTEE

Matters concerning remuneration and compensation packages for senior management and the Executive Directors are determined and reviewed by the NRC, after giving due regard to the financial and commercial health, and business needs of the Group.

The NRC comprises three (3) Independent Directors, namely:

Mr Wong Ming Ghee, Bernard	(Chairman/ Independent Director)
Mr Richard J Denny	(Member/Independent Director)
Ms Goh Liang Choo	(Member/ Independent Director)

The Company has consolidated the functions of both the nominating and remuneration committees under the umbrella of the NRC as a single Board Committee and carried out its duties in accordance with the terms of reference. The role of the NRC as a remuneration committee is to recommend to the Board a framework for remunerating the Board and key management personnel and to determine specific remuneration packages for each Executive Director as well as for the key management personnel of the Group. Each RC member will abstain from voting on any resolution in respect of his own remuneration package.

PROVISION 6.3 REVIEW OF REMUNERATION

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in-kind, will be covered by the NRC. Each NRC member will abstain from voting on any resolution in respect of his own remuneration package. The recommendations of the NRC will be submitted to the Board for endorsement.

Each of the Executive Directors and key management personnel has an employment contract with the Company which can be terminated by either party giving notice of resignation/termination. Each appointment is on an ongoing basis and no onerous or over-generous removal clauses are contained in his or her letter of employment. The Company does not have any contractual provisions in the employment contracts for the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel.

PROVISION 6.4 ENGAGEMENT OF REMUNERATION CONSULTANTS

The NRC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. For FY2023, the NRC did not engage any expert professional advice.

CORPORATE GOVERNANCE REPORT

LEVEL AND STRUCTURE 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

REMUNERATION OF EXECUTIVE DIRECTORS AND KEY MANAGEMENT PERSONNEL

The Company's remuneration policy is to provide compensation packages at market rates which reward good performance and attract, retain and motivate Executive Directors and employees.

The NRC will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director and key management personnel when determining their respective remuneration packages.

Executive Directors and key management personnel of the Group are paid a fixed monthly salary and variable bonus based on a combination of the Group's performance, their operating unit performance and individual performance. The NRC members recommend the remuneration packages of Executive Directors and key management personnel of the Group for the approval by the Board.

PROVISION 7.2

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Board has also recommended that a fixed fee be paid to each of the Non-Executive Directors, taking into account the effort, time spent and responsibilities of each Non-Executive Director. The fees of the Non-Executive Directors will be subject to Shareholders' approval at the AGM.

PROVISION 7.3

APPROPRIATE REMUNERATION TO ATTRACT, RETAIN AND MOTIVATE KEY MANAGEMENT PERSONNEL AND DIRECTORS

The Company has a share incentive scheme, namely, the Addvalue Technologies Performance Share Plan. The NRC has reviewed and is satisfied that the existing remuneration structure for Executive Directors and key management personnel of the Group for their fixed and variable components to be paid out in cash would continue to be adequate in incentivising performance without being over-excessive. The NRC is satisfied that the remuneration for the Non-Executive Directors as described under Provision 7.2 are appropriate to retain and motivate the Directors to continue in their role as stewards of the Company.

CORPORATE GOVERNANCE REPORT

DISCLOSURE ON REMUNERATION

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

PROVISION 8.1 REMUNERATION REPORT

Details of the remuneration paid or proposed to be paid to the Directors of the Company for the FY2023 are set out below:

Remuneration Bands	Director	Director's Fees (%)	Fixed Salary ¹ (%)	Benefits ¹ (%)	Share Awards ² (%)
Above S\$500,000	Nil	-	-	-	-
S\$250,000 to S\$499,999	Dr Chan Kum Lok, Colin ³	-	88	12	-
	Mr Tan Khai Pang	-	86	14	-
Below S\$250,000	Mr Richard J Denny	100	-	-	-
	Mr Wong Ming Ghee, Bernard	100	-	-	-
	Mr Paul C Burke	100	-	-	-
	Mr Chua Chwee Koh	100	-	-	-
	Ms Goh Liang Choo ⁴	100	-	-	-

1. The fixed salary amounts include salary, annual wage supplements and Central Provident Fund contribution while the benefits include variable bonuses linked to individual performances and other allowances.
2. Share Awards refers to the share-based payment pursuant to the Award Shares granted in FY2022 under the Addvalue Technologies Performance Share Plan
3. Dr Chan Kum Lok, Colin relinquished his appointment as Executive Chairman and Director on 31 March 2023.
4. Ms Goh Liang Choo was appointed as Independent Non-Executive Director on 10 November 2022.

For FY2023 Annual Report, the Board considered the disclosure of Directors' remuneration in bands of S\$250,000 as adequate due to reasons of industry competitiveness, confidentiality and sensitivity of remuneration matters. The Board is of the view that it would be disadvantaged to the Group to detail the remuneration of the Executive Director. The Executive Director, who is non-substantial Shareholders of the Company, is employee of the Group like any of the other key management personnel who are not Directors and whose remuneration are disclosed in bands of S\$250,000. The Board is of view that he should not be disadvantaged relative to the other key management personnel of the Group just merely because he is a Director.

While the exact remuneration of the Directors was not given, the level and mix of remuneration of the Directors in percentage terms within remuneration bands of S\$250,000 were provided. The Company believes that such a disclosure, taking into account of the reasoning mentioned above, provides Shareholders with an adequate appreciation of the remuneration packages of the Directors and is consistent with the intent of Principle 8 of the Code.

CORPORATE GOVERNANCE REPORT

The Company takes cognizance of new listing rules relating to disclosure of remuneration of directors and CEO for annual reports prepared for the financial years ending or after 31 December 2024. The Company will work towards compliance with the new listing rules relating to disclosure of remuneration of directors and CEO.

Other than this, the Company has complied with the rest of the disclosure requirements under Provision 8.1 of the 2018 CG Code.

Top 5 Management Personnel (who are not Directors)

Details of the remuneration paid to the Key Executives for FY2023 are set out below:

Remuneration Bands	Name of Key Executive	Designation	Fixed Salary ¹ (%)	Benefits ¹ (%)
\$S250,000 to \$S499,999	Nil		-	-
Below \$S250,000	Mr Tan Juay Hwa	Project Director	87	13
	Ms Chow Choi Fun, Jackie	Financial Controller	93	7
	Mr K Kalaivanan	Vice President, Solutions Platform	93	7
	Mr Richard Lau ²	Chief Commercial Officer	99	1
	Mr Low Boon Leng ³	Chief Technology Officer	92	8

1. The fixed salary amounts include salary, annual wage supplements and Central Provident Fund contribution while the benefits include variable bonuses linked to individual performances and other allowances.

2. Mr Richard Lau was promoted to Chief Commercial Officer from Senior VP Commercial and Marketing wef 1 February 2023.

3. Mr Low Boon Leng was promoted to Chief Technology Officer from Deputy Chief Technology wef 1 February 2023.

The present top five key management team of the Group, who are not Directors of the Company, comprised five personnel as disclosed above. The total remuneration paid to the five of them for FY2023 aggregated US\$543,554.

There are no termination, retirement, and post-employment benefits that may be granted to the Non-Executive Directors and the CEO and key management personnel of the Group.

PROVISION 8.2

REMUNERATION OF EMPLOYEES WHO ARE SUBSTANTIAL SHAREHOLDERS OR IMMEDIATE FAMILY MEMBERS OF DIRECTORS, CEO OR SUBSTANTIAL SHAREHOLDERS

During FY2023 and as at the date of this Annual Report, none of the employees of the Group are substantial shareholders or family members of any of the Directors, CEO or substantial Shareholders.

PROVISION 8.3

SHARE INCENTIVE SCHEME

The Addvalue Technologies Performance Share Plan, approved at an extraordinary general meeting held on 28 July 2017, was put in place to allow the Company to have flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees. No awards or shares were issued for FY2023 under the aforesaid share plan.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

PROVISION 9.1

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board is responsible for ensuring that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets. The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC with the assistance of In.Corp Business Advisory Pte Ltd ("**In.Corp**"), a third party which the Company has appointed as its internal auditors since November 2019.

The main risks arising from the Group's business and financial instruments are operational and financial risks. Operational risk is inherent in all business activities. To minimize such risk, the Group has put in place an Enterprise Risk Management Programme ("**ERM**"). The purpose of this programme was to actively engage senior management on a "hands-on" and proactive approach in managing and supervising the Group's business, with focus on operational and compliance risks. The Group has also engaged In.Corp since November 2019 as its consultant to assist in this area.

Having considered the Group's business operations, the existing internal control and risk management systems of the Group and the appointment of In.Corp as its internal auditors, the Board is of the view that a separate risk committee shall be established in 2023. The Risk Committee ("**RC**") convened its inaugural meeting on 9 May 2023.

The RC comprises three (3) Independent and Non-executive Directors and the CEO, namely:

Mr Richard J Denny (Chairman)	Independent Non-executive Director
Mr Wong Ming Ghee, Bernard (Member)	Independent Non-executive Director
Ms Goh Liang Choo (Member)	Independent Non-executive Director
Mr Tan Khai Pang (Member)	CEO

The quorum necessary for the Committee shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

The RC carried out its duties in accordance with the terms of reference. The Committee shall review the Group's strategy, policies, framework, processes and procedures for the identification, measurement, reporting and mitigation of material risks in the Group's business, with due consideration to applicable laws and regulations, as appropriate, and report any significant matters, findings and recommendations in this regard to the Board.

The Independent and Non-Executive Directors believe that the RC benefits and will continue to benefit from the inputs of Mr Tan Khai Pang who is the CEO, in carrying out its functions effectively.

The AC and RC reviewed the internal audit reports provided by In.Corp and the adequacy and effectiveness of the Group's internal control system in the light of key business and financial risks affecting its business.

CORPORATE GOVERNANCE REPORT

PROVISION 9.2

ASSURANCES FROM THE CEO AND FINANCIAL CONTROLLER

For FY2023, the Board has received assurance from the CEO and Financial Controller of the Company in the execution of their respective duties as CEO and Financial Controller and to the best of their knowledge and belief that the financial records of the Group have been properly maintained; the financial statements give a true and fair view of the Group's operations and finances; and the Group's risk management and internal control systems are adequate and effective.

BOARD'S COMMENT ON ADEQUACY AND EFFECTIVENESS OF INTERNAL CONTROLS

Based on the work performed by the external and internal auditors, the system of risk management and internal controls established and maintained by the Group, the assurances from the CEO and Financial Controller of the Company, the reviews performed by the Management, the various Board Committees and the Board, pursuant to Rule 1207 (10) of the Listing Rules, the Board is of the opinion that the Group's internal controls, including operation, financial, compliance, information technology controls and risk management system, are adequate and effective as at the date of this Annual Report. The AC concurs with the Board's opinion based on their reviews of the Group's risk management and internal control systems.

The Board recognises that the system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives and that no systems of internal controls or risk management can provide absolute assurance against the occurrence of errors, poor judgment in decision making, losses, frauds or other irregularities. It can only provide reasonable and not absolute assurance against material misstatement or loss or that the Group will not be adversely affected by any event that can be reasonably foreseen.

AUDIT AND RISK MANAGEMENT COMMITTEE

Principle 10: The board has an audit committee which discharges its duties objectively.

PROVISIONS 10.1 AND 10.2

AC MEMBERSHIP & COMPOSITION

The AC comprises three (3) independent and Non-executive Directors:

Ms Goh Liang Choo	(Chairman/ Independent Director)
Mr Richard J Denny	(Member/Independent Director)
Mr Wong Ming Ghee, Bernard	(Member/ Independent Director)

All the AC members have had many years of senior management experience, and were responsible and accountable for the financial performance of operations under their charge and had developed strong accounting or financial related management expertise. All the AC members are kept up to date with changes in accounting standards and issues through updates from the external auditors. The Board is of the view that the AC is able to discharge its functions effectively.

CORPORATE GOVERNANCE REPORT

The AC carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the Listing Rules, the Best Practices Guide issued by the SGX-ST and the provisions of the Code. In performing those functions, the AC shall review, amongst others:

- the scope, adequacy, effectiveness, independence and the results of internal audit functions and audit procedures with the Company's internal auditors;
- the adequacy, effectiveness, independence and scope of the audit plan of the Company's external auditors and its report on the weaknesses of internal accounting controls arising from the statutory audit;
- the assistance given by the Management to the internal and external auditors;
- the adequacy and effectiveness of the Company's internal control and risk management systems at least on an annual basis;
- the assurance from the CEO and the Financial Controller on the proper upkeep of financial records and financial statements;
- the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and the disclosures thereof in relation to the periodic results announcements of the Group prior to their submission to the Board for approval;
- the financial statements of the Company and the consolidated financial statements of the Group as well as the external auditors' report thereon for each financial year prior to their submission to the Board for approval;
- recommendations to the Board on the appointment, re-appointment or removal of the external auditors and the remuneration and terms of engagement of the external auditors;
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST); and
- oversight over the administration of the framework for whistle-blowing.

The AC has full access to the Management and is given the resources required for it to discharge its functions. The AC has authority to investigate any matter within its terms of reference and discretion to invite any Director or executive officer of the Group (the "**Executive Officer**") to attend its meetings.

The AC also reviewed the key audit matters ("**KAM**") set out in the auditor's report for FY2023. The AC had discussed and noted, together with the external auditors and the Management, on the approach and methodology applied by the external auditors in relation to the assessment of judgments and estimates on the significant matters reported in the KAM.

The Company confirms that it has complied with Rules 712 and 715 of the Listing Rules in engaging Mazars LLP, an accounting firm registered with the Accounting and Corporate Regulatory Authority of Singapore, as the external auditors of the Company and its Singapore subsidiaries. Mazars LLP have audited the Group's significant foreign subsidiaries for the purpose of expressing an opinion on the consolidated financial statements.

With Amba Partners CPA Limited appointed as the external auditors of the Company's subsidiary incorporated in Hong Kong, and Beijing An Zheng CPA Co., Ltd as the external auditors of the Company's subsidiary incorporated in the People's Republic of China, the Board and the AC are satisfied that the appointment of different auditors would not compromise the standard and the effectiveness of the audit of the Group and that Rule 716 of the Listing Rules has been complied with.

CORPORATE GOVERNANCE REPORT

Independence of external auditors

The AC reviews the independence of the external auditors annually. It reviewed the amount of non-audit services rendered to the Group by the external auditors and was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The aggregate fees paid to the Group's external auditor Mazars LLP, for FY2023 were \$120,000 (FY2022: \$113,500), with no non-audit services provided in FY2023 (FY2022 : S\$3,500 or 3.7% of the total fees paid). Being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, the AC recommended to the Board that Mazars LLP be nominated for re-appointment as the external auditors of the Group's companies in Singapore at the forthcoming AGM at remuneration to be re-negotiated.

Whistle-blowing Policy

The Company has in place a whistle-blowing framework for staff to raise concerns about improprieties. The policy serves to encourage and provide a channel to employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The objective of such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action.

The AC is responsible for oversight and monitoring of any whistle-blowing matters and the findings will be reported to the Board. The AC will ensure that those procedures are conducted by persons who are independent of the complaint.

All whistle-blowing reports will be handled confidentially, except as necessary or appropriate to conduct investigation and to take remedial action, in accordance with the applicable law and regulations. In this regard, the identity of the whistle-blower making the allegation will be kept confidential and confined to disclosures on a need-to-know basis to the AC, the investigating team, the Board of Directors of the Company; and any party to whom the identity of the whistle-blower is required to be disclosed by law.

The Company will not tolerate the harassment or victimisation of anyone reporting a genuine concern. If the whistle-blower has suffered adverse treatment, harassment or victimisation as a result of his or her disclosure, he or she should submit a formal complaint to the Human Resource Department or higher authority as appropriate. An investigation may take place and disciplinary action may be taken against any person who harasses or victimises the whistle-blower or subject the whistle-blower to detrimental or unfair treatment.

There were no reports of whistle-blowing received in FY2023.

PROVISION 10.3 PARTNERS OR DIRECTORS OF THE COMPANY'S AUDITING FIRM

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

CORPORATE GOVERNANCE REPORT

PROVISION 10.4 INTERNAL AUDIT

In view of the needs to comply with the Group's established procedures, manuals and policies, including those required by the Group's ISO 9001 certification and Business Continuity Management Programme, the Group had since FY2020 engaged In.Corp as its independent internal auditors to review the internal controls and compliance systems of the Group under the Internal Audit Charter and Audit Plans approved by the AC. In.Corp, a member firm of Kreston International, carries out its internal audit functions according to the standards of the Professional Practice of Internal Auditing of the Institute of Internal Audit (IIA), and reports the findings thereof and makes recommendation to the Management and the AC. The AC is generally satisfied with the independence, adequacy and effectiveness of the current internal audit arrangement, and will continue to assess its effectiveness regularly.

The AC will also review the audit plans and the findings of the external auditors and will ensure that the Group follows up on the external auditors' recommendations raised, if any, during the audit process.

PROVISION 10.5 MEETING WITH AUDITORS WITHOUT PRESENCE OF MANAGEMENT

During the year, the Company's external auditors were invited to attend the AC meetings and make presentations as appropriate. The AC has the discretion to meet separately with the external auditors or outside of the meeting without the presence of the Management. The AC Chairman has met up with the external and internal auditors once without the presence of the management.

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 PROVIDING OPPORTUNITY FOR SHAREHOLDERS TO PARTICIPATE AND VOTE AT GENERAL MEETINGS

Every Shareholder has the right to receive notice of general meetings and to vote thereat. Notice of a general meeting is sent out at least 14 days before the meeting so that sufficient notice of meeting is given to Shareholders to attend the meeting or appoint proxies to attend and vote in their stead.

At the AGM, Shareholders are given the opportunities to express their views and ask the Board and the Management questions regarding the operations of the Company. All resolutions at general meetings are required to be voted by poll under the Listing Rules. Shareholders will be briefed by the Company on the poll voting procedures at general meetings.

Results of the general meetings are released as an announcement in the SGXNET of the SGX-ST.

The forthcoming AGM will be held in-person and in accordance with the requirements of the Companies Act and Listing Manual, in particular Practice Note 7.5 of the Listing Manual. Shareholders can submit questions in advance of the AGM by post or email to the Company and on the day they attend the meeting. The Company will endeavour to address all substantial and relevant questions and if received by the prescribed deadline in the Notice of AGM, prior to the meeting. For substantial and relevant questions received after the prescribed deadline, the Company will endeavour to address them together with questions raised at the Annual General Meeting.

CORPORATE GOVERNANCE REPORT

PROVISION 11.2

SEPARATE RESOLUTIONS AT GENERAL MEETINGS

The Company will have separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed separate resolution relating to the said item. For resolutions on the election or re-election of Directors, information on the Directors as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST are given on the Notice of Annual General Meeting.

PROVISION 11.3

ATTENDANCE OF DIRECTORS AND AUDITORS AT GENERAL MEETINGS

The external auditors and the chairpersons of all the Board Committees are present to assist the Directors in addressing any relevant queries raised by the Shareholders.

PROVISION 11.4

ABSENTIA VOTING

The Company's Constitution allows appointment of proxies by a Shareholder who is absent from a general meeting to exercise his or her vote in absence through his or her proxy or proxies. The Company's Constitution allows all Shareholders (who are not relevant intermediaries as set out under the Companies Act) to appoint up to two proxies to attend general meetings and vote on their behalf. The Companies Act allows relevant intermediaries such as the CPF agent bank nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

PROVISION 11.5

MINUTES OF GENERAL MEETINGS

The Company prepares minutes of general meetings detailing the proceedings and questions raised by Shareholders and answers given by the Board and the Management. The minutes will be taken and published within one month after the general meeting on SGXNet and on the Company's corporate website at www.addvaluetech.com.

PROVISION 11.6

DIVIDENDS

The Group currently does not have a formal dividend policy as it needs to conserve its financial resources for expansion or making inroads into newly cultivated markets.

ENGAGEMENT WITH SHAREHOLDERS

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

PROVISION 12.1

AVENUES FOR COMMUNICATION BETWEEN THE BOARD AND SHAREHOLDERS

The Board is mindful of its obligations to furnish timely information and to ensure full disclosure of material information in compliance with the requirements of the Listing Rules. Price sensitive and trade-sensitive information are publicly announced before it is communicated to any other interested person.

CORPORATE GOVERNANCE REPORT

The Company does not practice selective disclosure, and price-sensitive and trade-sensitive information is publicly released on an immediate basis where required under the Listing Rules. The Board is mindful of the obligations to provide timely disclosure of material information in accordance with the Corporate Disclosure Policy of the SGX-ST. Financial results are released promptly through the SGXNET of the SGX-ST. As and when needed, a copy of the Annual Report, Circulars and notice of general meetings will be sent to every Shareholder on a timely basis. The Board believes that general meetings serve as an opportune forum for Shareholders to meet the Board and key management personnel, and to interact with them. The FY2023 Annual Report will be made available for viewing at the Company's corporate website (at www.addvaluetech.com) and via the SGXNET of the SGX-ST at least 14 days before the coming AGM and will be sent to shareholders upon request in line with the "going green" practice due to the world-wide climate concern.

PROVISIONS 12.2 AND 12.3 INVESTOR RELATIONS

The Board places great emphasis on investor relations with the Company to maintain a high standard of transparency so as to promote better investor communications.

The Company investor relations policy is to communicate with its Shareholders and the investment community through the timely and equal dissemination of information and news via announcements to the SGX-ST via its SGXNET. The Company does not practice selective disclosure.

The Company strives to reach out to Shareholders and investors via its online investor relations site within its corporate website (at www.addvaluetech.com), where it updates Shareholders and investors on the latest news and business developments of the Group.

ENGAGEMENT WITH STAKEHOLDERS

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

PROVISIONS 13.1 AND 13.2 ENGAGE WITH ITS MATERIAL STAKEHOLDER GROUPS

The Group's material stakeholders are its investors, customers, business partners and vendors, employees and regulators, and the Company engages with them in identifying business imperatives to drive improvements in sustainability through its normal course of business as set out in the Sustainability Report for FY2023 which is incorporated in this Annual Report will be posted on the SGXNET of the SGX-ST and the Company's corporate website (at www.addvaluetech.com) in accordance to Rule 711(A).

PROVISION 13.3 CORPORATE WEBSITE TO COMMUNICATE AND ENGAGE WITH STAKEHOLDERS

The Group maintains a corporate website at www.addvaluetech.com which stakeholders and investors can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group. Stakeholders and investors are provided with an investor relations contact at investor@addvalue.com.sg, where they can send their queries to and the Company will endeavour to respond thereafter.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTION

The Group has adopted an internal policy in respect of any transactions with interested persons, and requires all such transactions to be at arm's length and reviewed by the AC. The Company does not have any general mandate pursuant to Rule 920 of the Listing Rules.

Save for the following interested person transactions as disclosed below, there were no interested person transactions (of more than S\$100,000) entered into by the Company or any of its subsidiaries for FY2023.

Name of the interested person/ Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920) US\$	Aggregate value of all interested person transactions conducted under the Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) US\$
Mr Paul Burke, a Non-Executive Director	113,156 ⁽¹⁾	Nil

Note:

(1) Being interest due under loans extended to the Company by Mr Paul Burke prior to him being a Non-Executive Director of the Company which was settled in 1H2023

SECURITIES TRANSACTIONS

The Company wishes to confirm that it has in place a policy prohibiting dealings in the Company's securities by the Company and its Directors and employees of the Group:

- (a) one month before the announcement of its half year and full year unaudited financial statements ("non-dealing period");
- (b) on short term considerations; and
- (c) when in possession of unpublished price-sensitive or trade-sensitive information.

Two weeks before each non-dealing period, the Company Secretary will notify the Directors and CEO of the Company's share trading prohibition policy. Management of the Company will also ensure that employees of the Group are duly informed of the same.

The Company has complied with the best practices pursuant to Rule 1204(19)(c) of the Listing Rules in not dealing in its own securities during the restricted trading periods.

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS

There were no material contracts involving the Company (or any of its subsidiaries) and the interest of the CEO, any Director or controlling Shareholder, which were still subsisting at the end of FY2023.

USE OF PROCEEDS FROM THE ISSUANCE OF THE PLACEMENT SHARES (PURSUANT TO RULE 1207(20) OF THE LISTING MANUAL OF THE SGX-ST)

Pursuant to the Company's announcements on 2 December 2021, 29 December 2021 and 6 January 2022 concerning a fund raising exercise to be carried out through a placement (the "**January 2022 Placement**"), the Company had successfully completed it via the placement of 263,940,000 new ordinary shares of the Company (the "**Placement Shares**") on 6 January 2022 at a placement price of S\$0.0127 per Placement Share for a gross proceed of approximately US\$2.47 million (S\$3.35 million) and 185,240,000 warrants which when exercised at an exercise price of S\$0.0127 per warrant, are convertible into further 185,240,000 new Shares ("**Warrant Shares**") for a gross proceed of approximately US\$1.73 million (S\$2.35 million), with total gross proceeds of US\$4.2 million (S\$5.7 million). Further to our announcements on 20 April 2022, 22 April 2022, 27 April 2022 and 7 June 2022, the entire Warrants have been exercised in full with the allotment and issue of 185,240,000 Warrant Shares and there are no outstanding Warrants remaining as at the date of this report.

As at the date of this report, the entire net proceeds of approximately US\$4.0 million (S\$5.4 million) raised from the above January 2022 Placement and Warrants had been fully utilized for the intended use as follows:

Use of the January 2022 Placement and Warrants proceeds	US\$ million	Percentage utilized of allocated amount (%)
Repayment of borrowings	1.70	100
Payment of payables	0.73	100
General working capital purposes:		
• Payments to suppliers for materials and services	0.53	100
• Payment of administrative expenses, including payroll, marketing expenses and other services	1.04	100
Total amount utilized	4.00	

USE OF PROCEEDS FROM THE ISSUANCE OF THE PLACEMENT SHARES (PURSUANT TO RULE 1207(20) OF THE LISTING MANUAL OF THE SGX-ST)

Pursuant to the Company's announcements on 5 December 2021, 29 April 2022 and 10 May 2022 concerning a fund raising exercise to be carried out through a placement (the "**May 2022 Placement**"), the Company had successfully completed it via the issuance and allotment of 169,070,000 new ordinary shares of the Company (the "**May 2022 Placement Shares**") on 10 May 2022 at an issue price of S\$0.0127 per May 2022 Placement Share for a gross proceed of approximately US\$1.58 million (S\$2.15 million).

CORPORATE GOVERNANCE REPORT

As at the date of this report, the net proceeds of about US\$1.58 million (S\$2.10 million) raised from the Shares Issue had been fully utilized for its intended use as follows:

Use of the May 2022 Placement proceeds	US\$ million	Percentage utilized of allocated amount (%)
Repayment of borrowings	1.00	100
Payment of payables	0.58	100
General working capital purpose	-	-
Total amount utilized	<u>1.58</u>	

USE OF PROCEEDS FROM THE ISSUANCE OF THE PLACEMENT SHARES (PURSUANT TO RULE 1207(20) OF THE LISTING MANUAL OF THE SGX-ST)

Pursuant to the Company's announcements on 2 December 2021, 28 March 2022, 8 April 2022, 24 April 2022 and 29 April 2022 concerning a fund-raising exercise to be carried out through an optional subscription rights exercise (the "Optional Rights"), granted to certain investors the right to subscribe for up to 425,000,000 new Shares of the Company (the "Optional Subscription Shares") at an issue price of S\$0.0127 per Optional Subscription Share, and when fully subscribed, for a gross proceed of up to US\$3.98 million (S\$5.40 million). Further to our announcements on 31 May 2022, 5 July 2022 and 12 August 2022, following the issue and allotment of 228,000,000 Optional Subscription Shares pursuant to a partial exercise of the Optional Subscription Rights at the issue price of S\$0.0127 per Optional Subscription Share, gross proceeds of about US\$2.10 million (S\$2.90 million) was received as at the date of this report.

As at the date of this report, the balance 197,000,000 Optional Subscription Rights has expired. The entire net proceeds of approximately US\$2.00 million (S\$2.71 million) received from the above Optional Subscription Shares had been utilized for the intended use as follows:

Use of the Subscription proceeds	US\$ million	Percentage utilized of allocated amount (%)
Repayment of borrowings	1.20	100
Payment of payables	0.50	100
General working capital purposes:		
• Payments to suppliers for materials and services	0.10	100
• Payment of administrative expenses, including payroll, marketing expenses and other services	<u>0.20</u>	100
Total amount utilized	<u>2.00</u>	

CORPORATE GOVERNANCE REPORT

USE OF PROCEEDS FROM THE ISSUANCE OF THE PLACEMENT SHARES (PURSUANT TO RULE 1207(20) OF THE LISTING MANUAL OF THE SGX-ST)

Pursuant to the Company's announcements on 7 July, 5 August and 11 August 2022 concerning a fund-raising exercise to be carried out through a placement (the "**August 2022 Placement**"), the Company allotted and issued 135,120,000 new ordinary shares of the Company in the share of the Company at a placement price of S\$0.0148 per Placement Shares for approximately US\$1.43 million (S\$2.00 million).

As at the date of this report, the entire net proceeds of about US\$1.43 million (S\$2.00 million) raised from the Shares Issue had been fully utilized for its intended use as follows:

Use of the August 2022 Placement proceeds	US\$ million	Percentage utilized of allocated amount (%)
Repayment of borrowings	0.70	100
General working capital purposes:		
• Payments to suppliers for materials and services	0.11	100
• Payment of administrative expenses, including payroll and other services	0.62	100
Total amount utilized	1.43	

USE OF PROCEEDS FROM THE ISSUANCE OF THE REDEEMABLE CONVERTIBLE BONDS ("RCB") (PURSUANT TO RULE 1207(20) OF THE LISTING MANUAL OF THE SGX-ST)

Pursuant to the Company's announcements on 2 November and 4 November 2022 concerning a fund-raising exercise to be carried out through the issuance of Redeemable Convertible Bonds ("RCB") in the aggregate principal amount of approximately S\$5.01 million which are convertible, in whole or in part, into not more than 294,490,588 new ordinary shares of the Company in the share capital of the Company (the "**RCB shares**") at a conversion price of S\$0.17 per RCB. The gross proceeds raised from the RCB is approximately US\$3.30 million (S\$4.66 million).

As at the date of this report, there were 5,006,338 RCB which can be converted to not more than 294,490,471 new ordinary shares of the Company and 2 RCB were converted in Jan 2023. The entire net proceeds of about US\$3.13 million (S\$4.35 million) received from RCB had been fully utilized for its intended use as follows:

Use of the RCB proceeds	US\$ million	Percentage utilized of allocated amount (%)
Repayment of borrowings	1.77	100
Payment of payables	0.34	100
General working capital purposes:		
• Payments to suppliers for materials and services	0.11	100
• Payment of administrative expenses, including payroll and other services	0.91	100
Total amount utilized	3.13	