TIONGSENG GROUP 长成控股

ADAPTING FOR THE FUTURE

ANNUAL REPORT 2024

CONTENTS

OUR VISION

The Trusted Choice in the Real Estate and Built Environment

OUR MISSION

Create Stakeholders' Value, Deliver Excellence

CORE VALUES

- Collaboration
- Creative & Innovative
- Dedication
- Excellence
- Integrity
- Valuing People

CORPORATE PROFILE

As an Organization built on over 65 years of history, Tiong Seng Holdings Limited (SGX: BFI) is a leading homegrown construction and civil engineering company based in Singapore. Established in 1959 and listed on the Main Board of the Singapore Exchange since 2010, Tiong Seng is principally engaged in three core pillars of business: Building Construction & Civil Engineering, Engineering Solutions and Property Development. Recognized as one of Singapore's leading contractors, Tiong Seng holds the highest workhead grading of A1 from the Building and Construction Authority (BCA) for both general building and civil engineering projects, qualifying the Group to undertake public sector construction projects of unlimited contract value.

Over the decades, Tiong Seng has built up a comprehensive track record, comprising private and public sector projects of different complexities, typologies, and sizes. Some notable projects include all three towers of the Marina Bay Financial Centre, Resorts World Sentosa, Nanyang Girls' High School, Senoko Incineration Plant, and One Pearl Bank. Enabling our organization's technical capabilities is the Group's willingness to embrace technology and combine it with our tacit knowledge of construction. We pride ourselves on being pioneering experts in leading-edge construction technologies such as advanced precast, Prefabricated Prefinished Volumetric Construction ("PPVC"), Prefabricated Bathroom Units ("PBU"), Mass Engineered Timber ("MET"), and tunnel segment production. In conjunction with the above 'hardware', Tiong Seng has also accumulated extensive capability in software. Coming in the form of Building Information Modelling ("BIM"), Virtual Design Construction ("VDC"), and most recently Data Analytics for our Manufacturing Execution System ("MES"), Tiong Seng has been able to seamlessly integrate these two elements together, allowing for its unique value-centric deliverables to its clients.

In addition to being at the forefront of a future-ready construction environment, Tiong Seng has repackaged and scaled our extensive suite of construction innovations to provide Engineering Solutions to others beyond our shores. This segment encompasses the diverse portfolio of proven modern construction capabilities used by us. With this asset-light business model as the impetus, we are well-positioned to capture a vast landscape of untapped opportunities both locally and internationally as part of our growth and internationalization efforts.

Tiong Seng's third and final engine of growth is its niche real estate developments in China and Singapore. On the property development front, we have successfully developed residential and commercial projects in various second and third-tier cities in China, including Tianjin, Suzhou, and Yangzhou. The Group currently has one ongoing project in the Bohai Economic Rim, one of China's main economic zones. Additionally, Tiong Seng also recently entered the senior-care sector with its first senior care facility in Tianjin, tapping into China's growing silver economy. In Singapore, Tiong Seng, through its TSky subsidiary, has successfully developed two luxury residential developments in the prime districts of 9 and 10 respectively.

COVER STORY

2024 marked a significant milestone for Tiong Seng as we celebrated our 65th year of operations, achieving a notable turnaround in our performance despite persistent market challenges. The year saw us successfully addressing legacy issues which arose from the Covid pandemic whilst strengthening our foundations for future growth, demonstrating the resilience that has defined our organisation for over six decades.

Our focused approach, adaptability and operational flexibility proved invaluable in managing market headwinds, from cost pressures to heightened competition in project tenders. Through strategic execution and careful management, we have reshaped the business for long-term sustainability, emerging as a leaner, more agile organisation prepared to navigate evolving market conditions.

Across our four business segments, we demonstrated significant progress throughout the year. The construction division regained operational momentum under normalised trading conditions, completing five of our nine pre-COVID legacy projects. The remaining works are on track for completion in early 2025, creating capacity for more profitable undertakings. Our 2025 strategy emphasises sustainable growth through strategic partnerships and enhanced internal capabilities, moving beyond volume-driven growth to focus on quality and margins – a testament to our dynamic approach in a rapidly changing market.

Beyond construction, our Engineering Solutions segment showed encouraging progress, returning to profitability through an increased portfolio of high-margin external projects. Our sustained investment in green modular solutions is gaining market traction, attracting interest from domestic and international clients. With rising demand for sustainable construction methods, this segment demonstrates our ability to pivot towards future growth opportunities.

PylonAI, the cornerstone of our Digital segment, has gained solid traction in its development journey. Built on our deep construction expertise and enhanced by sophisticated data analytics, this solution enables better project risk management whilst opening fresh revenue streams beyond traditional construction work. The synergy between PylonAI and our Engineering Solutions division reflects our resilience in embracing technological transformation to accelerate our growth trajectory.

In Property Development, we achieved key milestones in Singapore as both developments reached full sales and welcomed residents. In China, we have repositioned our strategy to tap into the rapidly growing Silver Economy, addressing the rising demand for eldercare services. The launch of our inaugural senior care facility exemplifies our versatility in reshaping our service offerings to meet growing demographic demands.

Looking ahead to 2025, we are sharpening our focus on optimising the organisation's performance through targeted transformation initiatives. The implementation of Lean Construction principles will streamline our operations, whilst our enhanced Construction Management Systems offer precise, real-time project oversight. We're also strengthening our organisational foundations by building agile, cross-functional teams that harness our collective expertise to navigate future challenges.

New leadership appointments during the year reinforced our commitment to operational excellence, complemented by comprehensive training and development programmes that create versatile professionals capable of responding effectively to evolving industry demands across multiple disciplines.

Today, Tiong Seng stands stronger and more focused, having successfully turned market challenges into opportunities for growth. Building on our heritage of resilience and achievement, we move forward with confidence – ready to transform, adapt, and thrive in an ever-changing landscape while delivering meaningful value in the built environment sector.

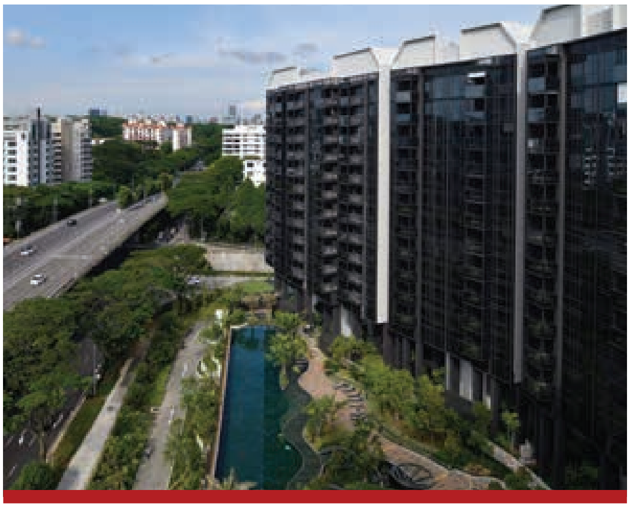
PROJECT LIST

COMPLETED PROJECTS

HOTEL
Club Street Hotel

RESIDENTIAL
Cairnhill 16

RESIDENTIAL
One Pearl Bank



RESIDENTIAL
Hyll on Holland

CIVIL ENGINEERING
Contract T220 - Great World Station

PROJECT LIST

ONGOING PROJECTS

INSTITUTIONAL
Outward Bound Singapore Campus at Coney Island

Singapore Aviation Academy

Public Project 1 (Awarded 2020)

Public Project 2 (Awarded 2024)

INDUSTRIAL
JTC Space @ Ang Mo Kio

RESIDENTIAL
Midtown Modern

KEY ENGINEERING SOLUTIONS PROJECTS
Elective Care Center (ECC)

Jurong East Integrated Transport Hub

HDB Batch 5

Jurong East N2C24

Hoe Chiang Hotel

Queensway C2

PROJECT LIST

ONGOING PROJECTS
(CONTINUED)

PROJECTS IN CHINA

The Equinox, Dagang, Guangang Forest Park, Tianjin, by Tianjin Zizhulin Guangang Property Development

Residential comprising landed and low rise properties: 162,000 sqm, over a land area of 325,000 sqm

Phases of development, with the expected completion of the different phases ranging from 2014 to 2029

Tranquility Residences, Xushuguan Development Zone, Suzhou by Suzhou ChangHe Investment and Development

Residential comprising terrace houses and apartments: 87,220 sqm, over a land area of 85,509 sqm

Two phases of development, which were completed in 2016 and 2017 respectively

Zizhulin, Tianjin, by Tianjin Zizhulin Development
Commercial: 12,000 sqm, over a land area of 8,000 sqm

CHAIRMAN'S MESSAGE

DR TEO HO PIN
Non-Executive Chairman and Independent Director

DEAR SHAREHOLDERS,
2024 marked a turning point for the global economy, evolving from the turbulence of 2023 to a more stable trajectory[1,2]. Despite the headwinds of monetary tightening and geopolitical tensions, the world economy demonstrated remarkable resilience, achieving modest but sustainable growth.

The Organisation for Economic Co-operation and Development (OECD) forecasts global economic growth of 3.2% for 2024, building on 2023's 3.1% expansion[3]. Singapore's economy outperformed expectations, achieving 4% growth in 2024 – a significant improvement from 1.1% in 2023[4,5].

As for China, the country achieved its growth target of 5.0% in 2024[6,7] amidst broader economic rebalancing and structural reforms. In light of these dynamics, Tiong Seng has strategically realigned its market approach to capture emerging opportunities in the world's second-largest economy. We are strengthening our position in high-potential, specialised segments, with a particular focus on the Silver Economy and eldercare facilities. This targeted strategy positions us to capture opportunities arising from China's economic and social transitions, while maintaining a disciplined focus on sustainable growth.

Similarly, Tiong Seng Holdings was able to deliver significantly improved financial results in FY2024, returning to the black with a net profit of S$2.8 million, compared to a net loss of S$13.6 million in FY2023. This was attributable to our enhanced operational efficiency, revenue recognition from completing our loss-making projects and prudent cost management. The marked recovery in Singapore's construction sector – evidenced by higher project volumes and more predictable supply chains – has also contributed significantly to our strong performance.

Against this backdrop, Tiong Seng remains focused on strategic execution and diversification. We are well-positioned to seize growth opportunities across multiple sectors, building on our core strengths while exploring new market possibilities.

Singapore's construction sector outlook for 2025 remains promising[8,9], underpinned by substantial public and private infrastructure investments, a commitment to sustainability, and technological advancement. Within this landscape, Tiong Seng continues to prioritise three key strategic areas: championing sustainability, fostering innovation, and building resilience.

CHAMPIONING SUSTAINABILITY
The construction industry in Singapore is experiencing a transformative shift towards sustainability. The sector's significant carbon footprint – largely from materials production and construction methods – demands innovative solutions to minimise ecological damage. Tiong Seng has embraced this transformation by aligning with key national frameworks, including Singapore's Green Mark 2021 and the Singapore Green Building Council's 80-80-80 in 2030 initiative. Beyond mere compliance, we are actively collaborating with our value chain partners to enhance green building capabilities and secure environmentally conscious projects. Our Engineering Solutions division, particularly through its growing portfolio of green modular solutions, continues to gain market recognition, demonstrating how our long-term commitment to sustainable innovation is creating tangible business value.

These sustainable innovations are reflected in our track record of over 30 Green Mark Buildings, with close to 70% achieving Platinum certification. This accomplishment demonstrates our ability to push environmental boundaries and meet the growing demand for eco-friendly infrastructure from conscientious tenants and developers.

CHAIRMAN'S MESSAGE

Meaningful change requires constant innovation. Our teams are developing cutting-edge solutions to optimise construction processes, sequencing, materials selection and methodology. We are not just complying with Singapore's Green Plan 2030 – we're actively contributing to global climate action. This approach showcases how environmental responsibility can align with industrial progress, positioning us as leaders in sustainable urban development.

FOSTERING INNOVATION

Likewise, our industry continues to move from traditional building methods to the use of data-driven solutions and data analytics. This shift supports the national Built Environment Industry Transformation Map (BE ITM)[10], which aims to create a world-class construction sector leveraging advanced technologies such as integrated Internet of Things (IoT) systems, Artificial Intelligence (AI) and Digital Twins all built on a real time common data platform.

Tiong Seng has embraced digital transformation from two fronts. On the conventional front our works with Building Information Modelling (BIM) and Virtual Design and Construction (VDC) supports Singapore's push toward Integrated Digital Delivery (IDD). These tools helped us visualise designs better, communicate clearer and execute projects more effectively, enhancing our core construction processes. We have also successfully integrated software with hardware such as construction robotics, and other modern methods of construction. As the sector moves toward its target of 70% Design for Manufacturing and Assembly (DfMA) adoption by 2025, we are leading this charge across our entire project portfolio. This commitment is exemplified by two flagship developments – Midtown Modern, a major mixed-use development where over 80% of the structure utilises Prefabricated Prefinished Volumetric Construction (PPVC), and the Outward Bound Singapore Campus (OBS) at Coney Island, which showcases an innovative blend of PPVC, precast technology and Mass Engineered Timber (MET). With these tools complementing our workforce we have since reaped rewards in terms of greater operational precision, efficiency and reduced reliance on manual labour.

Technological innovation has long been a key driver of our operational excellence, enabling us to push the boundaries of construction. Looking towards the future, Tiong Seng has concrete plans to deepen its adoption of AI to revolutionize construction management in the critical areas of safety, manpower, productivity enhancement, and overall project delivery. As we double down on intelligent automation, predictive analytics, and real-time big data insights, we aim to drive smarter decision-making and proactive risk management as we look forward to building smarter and building better in the years to come.

CHAIRMAN'S MESSAGE

BUILDING RESILIENCE

In today's ever changing Built Environment Landscape, Tiong Seng has enhanced its resilience by diversifying its project portfolio across Singapore and China. In China, in FY2024 we successfully pivoted into the growing silver care economy, an adjacent industry and subset of the property development market where we have previously invested heavily in. Locally, the diversified nature of our business segments and growth prongs, continue to serve us well, and reflect our strategic approach to maintaining a stable performance, and weathering cyclical market fluctuations.

Meanwhile, global disruptions like the Asian Financial Crisis and the COVID-19 pandemic have taught us valuable lessons. We have since strengthened our supply chains by developing robust business continuity plans and diversifying our supplier partnerships. Through close collaboration and data-driven insights, we've created a more agile operational model positioning us for sustainable and long-term growth.

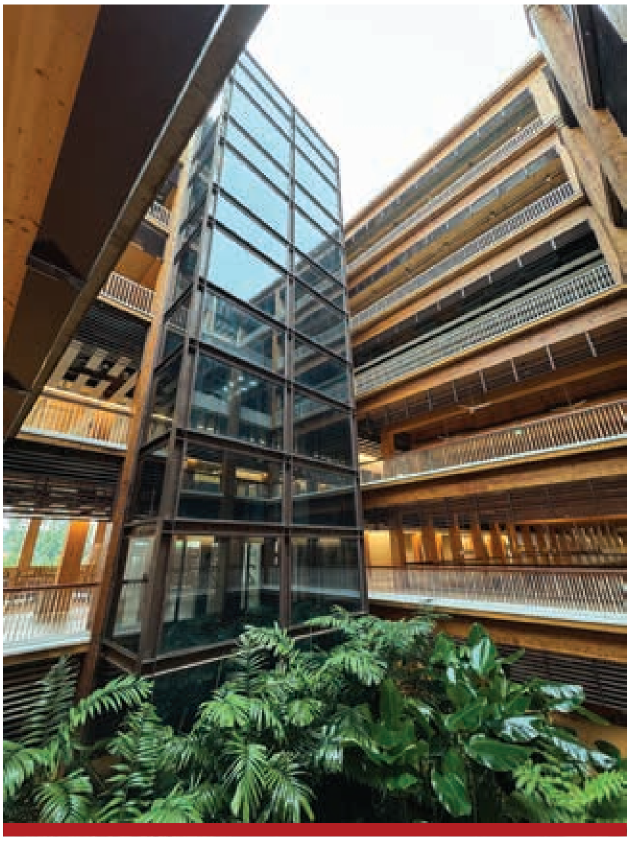
CONCLUSION

In 2024, we celebrated our 65th anniversary – a significant milestone that reflects Tiong Seng's enduring legacy, and ability to navigate challenges while emerging stronger. Our extensive construction and engineering expertise, honed through decades of complex projects, has been the hallmark of our success, enabling us to execute complex projects with precision and innovation. As our investment in Engineering Solutions is starting to bear fruits, we believe the worst of the challenges is behind us.

Looking ahead our commitment to adaptability and strategic foresight continues to be pivotal in steering the Group ahead. As we continue to seed new business opportunities to better fortify our position in the industry, we aim to enhance our competitive edge while delivering long-term value for our shareholders through disciplined growth and operational resilience, and a forward-looking approach to industry evolution.

APPRECIATION

None of this would be possible without the unwavering support of our stakeholders. To our dedicated employees who embody our "Pioneers of Possibilities" spirit, our valued business partners and customers who trust in our capabilities, and our shareholders who believe in our vision – on behalf of the Board, thank you for being part of Tiong Seng's journey of building excellence. We look forward to your continued support, as we strive to honour the trust you have placed on us.



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5 https://www.channelnewsasia.com/singapore/singapore-gdp-2024-q4-4834371
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CEO'S MESSAGE

MR PAY SIM TEE
Chief Executive Officer and Executive Director

DEAR SHAREHOLDERS,

2024 marked a period of measured economic recovery, despite high interest rates and ongoing geopolitical uncertainties. In Singapore, the construction sector showed strong resilience, supported by growth in both public and private sector projects. This momentum highlights the industry's ability to navigate economic shifts and adapt to evolving market demands.

Amidst this backdrop, Tiong Seng ("the Group") achieved a significant turnaround in our operational performance and financials, coinciding with our 65th year of operations. We made steady progress in completing legacy projects, with the remaining contracts on track for completion by early 2025. Our strategic recalibration has fostered a more sustainable operating rhythm, streamlining our organisation for greater efficiency and competitiveness. With a rejuvenated team, optimised framework, and clear strategy, the Group is well-positioned to seize emerging opportunities while strengthening our market presence.

Looking ahead to 2025, we remain cautiously optimistic about our growth trajectory in the built environment sector. We are committed to staying agile as we respond to market shifts. In line with our 65th anniversary, we have undertaken a thorough review of our operations to better prepare for the next 65 years and beyond.

ROBUST OUTLOOK BY THE BUILDING AND CONSTRUCTION AUTHORITY

Singapore's construction preliminary demand rose to an all-time high of S$44.2 billion in 2024, exceeding expectations from the initially forecasted S$32 billion to S$38 billion. This figure is projected to further grow to between S$47 billion and S$53 billion in 2025[1]. In the near horizon, the Building and Construction Authority (BCA) anticipates the total construction demand to remain stable averaging between S$39 billion and S$46 billion per year from 2026 to 2029, indicating sustained growth.[2]

Key growth drivers include major infrastructure projects such as Changi Airport Terminal 5 Development, MRT line expansions – including the Cross Island Line (Phase 3), the ramp-up in industrial construction, institutional projects, as well urban rejuvenation projects[3]. These developments which are expected to be profitable present support in the near term for firms with advanced capabilities and strong execution track records.

As the Group continues to strengthen its core competencies in construction and its adjacent engineering solutions business, technological innovation remains central to our strategy in capturing the above opportunities. In our pursuit of greater competitiveness and industry transformation, we are actively leveraging data-driven tools, Internet of Things (IoT), and Artificial Intelligence (AI) as the next frontier in enhancing digitalisation, productivity, and operational efficiency. These advancements are not only reshaping the way we operate but also positioning us at the forefront of the evolving built environment sector.

Since 2022, the Group has been working to integrate these emerging technologies with our deep rooted construction knowledge. We have since successfully developed a real time, unbiased point source data system, that seamlessly draws data from IoT hardware. This innovation has enabled us to seamlessly track resources of all sorts, allowing for precise, reliable, and real-time insights to facilitate smarter decision-making, and holistic 360-degree construction management. In time, the Group hopes to offer these solutions to the industry.

CHINA'S REAL ESTATE STABILISATION

China's property sector continues to face headwinds, prompting sustained policy interventions. However, recent indicators suggest a tentative stabilisation, with new home prices in December 2024 halting their 18-month decline.[4] Analysts project that the sector may find its footing in the second half of 2025, depending on the effectiveness of government support measures.[5]

CEO'S MESSAGE

The Chinese government has introduced significant initiatives to revitalise the sector, including mortgage rate adjustments, revised down payment thresholds for second homes,[6] and an expanded "white list" programme offering targeted financial support to qualifying property developments.[7]

Within this evolving landscape, the Group has recalibrated its approach, focusing on specialised segments such as the Silver Economy and eldercare facilities. Though the Group is still primarily involved in property development, this shift allows us to mitigate market risks while capitalising on sustainable growth opportunities in China's property sector.

SEGMENT REVIEW FOR FY2024

Financial Highlights

The Group delivered significantly improved financial results in 2024, as operating conditions improved. The successful completion of pre-COVID legacy projects enhanced our competitive position, freed up capacity, while providing a solid platform for future expansion. As of FY2024, the Group's order book stands at S$624 million, reflecting a steady pipeline of secured projects.

Group revenue increased from S$475.0 million in FY2023 to S$536.2 million in FY2024, while gross profit grew from S$22.8 million in FY2023 to S$26.8 million in FY2024. The Group was also able to rebound, swinging from a net loss of S$13.6 million in the previous year to a net profit of S$2.8 million in FY2024.

These improvements reflect a normalisation of construction activities, improvement in the profitability for projects and effective cost management, especially for the Engineering Solutions segment, and robust overall cost management. Additionally, revenue growth was driven by construction and engineering solutions, further strengthening the Group's financial position.

Construction Segment

The construction segment achieved significant progress, with revenue rising from S$413.1 million in FY2023 to S$480.7 million in FY2024. However, operating profit slipped from S$3.6 million to S$1.4 million, mainly due to extended delay of certain projects, leading to additional construction costs.

We successfully closed five of our nine legacy projects, with the remaining four set for completion in early 2025, freeing capacity to take on more projects.

Apart from our new projects, we continue to deepen our relationship with industry stakeholders. This includes institutes of higher learning (IHL), developers, subcontractors, vendors and more. In terms of partnerships, this year marks the 5th year of our strategic collaboration with Ngee Ann Polytechnic (NP) for the establishment of the Tiong Seng – NP Construction Robotics Lab, Singapore's first jointly-established construction robotics lab, led by a private sector enterprise. Since then we have jointly conceived numerous industrial grade robotic solutions, notably the award winning '3D Space Cleaning Robot', capable of intelligent sensing. As a testament to our long term pursuit for construction innovation, and continued excellence, the Group continues to explore with firms such as Novade – a long-time digitalisation partner, Scan2BIM, Future Construction and more, as we collaboratively seek to push technological boundaries for construction.

Engineering Solutions Segment

Our Engineering Solutions segment recorded consistent and steady growth, with revenue increasing marginally from S$88.7 million in FY2023 to S$96.2 million in FY2024. However, operating profit saw a significant turnaround, shifting from a loss of S$2.6 million in FY2023 to a profit of S$6.7 million in FY2024. This improvement was driven by high-margin external projects and 11 newly secured contracts by Robin Village Development, positioning the segment for sustained profitability.

As demand for sustainable construction continues to rise, we remain at the forefront with our green modular solutions. Over the years, our Engineering Solutions division has built a comprehensive suite of innovative technologies, including zero-waste reusable steel formwork systems, PPVC (Prefabricated Prefinished Volumetric Construction), Advanced Precast, Structural Steel, and Mass Engineered Timber. These methodologies transform traditional construction into a manufacturing-driven process, improving quality, efficiency, and environmental sustainability. Interest in these solutions has grown exponentially both locally and internationally, reflecting a shift towards greener, more productive construction practices.

Looking ahead, our Engineering Solutions arm is expected to be a key driver in meeting sustainability goals, reinforcing our presence in the local market and expanding across borders where opportunities arise.

CEO'S MESSAGE

Digital Segment

Our digital segment recorded steady progress in 2024, achieving S$0.2 million in revenue and successfully securing external projects with local industry players. This marks its transition from an internal initiative to a viable corporate entity.

We continue to harness AI-driven construction technology to enhance risk management, workforce deployment, and project oversight – a significant step in our digital transformation journey. By integrating real-time data analytics, IoT connectivity, and machine learning, we have optimised risk assessment, cost control, and project timelines. These advancements have reduced inefficiencies and improved decision-making across all construction phases. Additionally, our digital systems enhance compliance tracking and integrate seamlessly with workflow solutions, ensuring scalability for future developments.

As we embrace innovation, our strategic approach focuses on mitigating project cycle risks and diversifying revenue streams. By combining construction expertise with advanced digital solutions, we aim to drive new momentum for the Group – unlocking larger, more sophisticated projects.

Property Development Segment

The property development segment showed signs of stabilisation, with revenue at S$9.4 million in FY2024 compared to S$24.9 million in FY2023. Operating profit turned positive at S$1.5 million, reflecting disciplined cost management and strategic repositioning towards eldercare services in China.

On the local property development front. We have successfully closed off both our residential developments Sloane Residences and Cairnhill 16. Both of which were fully sold out, and have since finished construction. The award winning Cairnhill 16 obtained its Temporary Occupation Permit (TOP) in April 2024, and its final Certificate of Statutory Completion (CSC) in January 2025.

DRIVING OPERATIONAL EXCELLENCE

In the coming year, we are sharpening our focus on operational excellence through targeted transformation initiatives. The implementation of Lean Construction principles will streamline our operations, reducing waste and optimising resource allocation. Our enhanced Construction Management Systems offer precise, real-time project oversight, enabling swifter, more informed decision-making.

Meanwhile, the Group is strengthening our organisational foundations by building adaptable, cross-functional teams that harness our collective expertise. This approach encompasses more robust internal controls, standardised project protocols and systematic performance monitoring – all designed to better manage market and project risks.

Our ambition extends beyond simply reacting to changes – we leverage both technology and operational expertise to harness the industry's growth. Through strategic innovation and a strong culture of continuous improvement, we are positioning the Group to strengthen its resilience while seizing emerging opportunities for sustainable growth.

BUILDING OUR TALENT PIPELINE, SHAPING THE FUTURE

Tiong Seng's leadership appointments reflect our continued focus on operational excellence, organisational agility and governance. We are pleased to welcome to the family:

- Mr. Ng Kim Beng – Independent Director (Tiong Seng Holdings)
- Mr. Lee Yew Sim – Non-Executive Director (Tiong Seng Holdings)
- Mr. Ng Wei Jet – Chief Financial Officer

Tiong Seng's leadership appointments reflect our continued focus on operational excellence, organisational agility, and strong corporate governance. Their diverse expertise and experience will further strengthen our management team. Their collective insights will support the Group's strategic direction, driving innovation, enhancing corporate governance, and positioning us for sustainable growth in the built environment sector.

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CEO'S MESSAGE

LOOKING AHEAD

As we move into 2025, Tiong Seng stands stronger and more focused than ever.

The past five years have no doubt presented unprecedented challenges, with the COVID-19 pandemic, severely impacting the built environment, triggering a ripple effect of supply chain disruptions, workforce instability and market volatility. We have however adapted well and remained resilient. Navigating through the turbulence, we have also turned it into a catalyst for progress. As things have stabilized, our sharpened strategy and operational efficiency position us well to seize new opportunities for sustainable growth in the built environment sector; and we will continue on our journey of excellence, to not just build, but to build better – Beyond 65 Years.

APPRECIATION

In closing, on behalf of the Board of Directors, I would like to extend my sincerest appreciation to our esteemed shareholders, business partners and customers for your continued trust, support and belief in us. You have been a key source of strength, and we strive to uphold the trust you have placed in us. Furthermore, I would also like to personally thank the committed management team, and employees for the hard work and dedication. It has been a busy year, but we have accomplished much together.

Each and every one of you have been instrumental in our success, as we advance on our journey to reshape our future, we remain committed to setting new industry benchmarks for built excellence and adaptability, to ultimately create meaningful long term value for our stakeholders.

BOARD OF DIRECTORS

DR TEO HO PIN
Non-Executive Chairman and Independent Director

Dr Teo is a long-serving politician with a career in the public service spanning over 23 years. Formerly a Member of Parliament for various constituencies including Sembawang GRC (1996-2001), Holland-Bukit Panjang GRC Bukit Panjang GRC (2001-2006) and Bukit Panjang SMC (2006-2020), Dr Teo was also the Mayor of the North West District in Singapore (2001-2020), responsible for implementing Community Development Programmes for approximately 906,000 residents. During his tenure as Mayor, the North West District had clinched notable awards including the ASEAN Environmentally Sustainable Cities Award in 2017 and the Singapore Environment Council-Lee Foundation Singapore Environmental Achievement Award (Public Sector) in the same year.

Dr Teo had also served as the Chairman of the Holland-Bukit Panjang Town Council (2001-2020), and as Coordinating Chairman of 15 People's Action Party ("PAP") Town Councils in Singapore taking charge of township management for about one million public housing flats. Over the course of his political career, Dr Teo has chaired various Government Parliamentary Committees in National Development, Environment and Water Resources, Home Affairs, and Law and Foreign Affairs.

From his prior experience, Dr Teo has developed a track record in implementing and spearheading Green & Smart City initiatives. With his strong background and network in the Built Environment sector, we are confident that Dr Teo will be able to help impart fresh industry insights and spur thought leadership, elevating the organisation to greater heights.

Dr Teo holds a Bachelor's Degree (Building) from the National University of Singapore, as well as a Master's Degree (Project Management) and Doctorate Degree (Building) from Heriot Watt University in the United Kingdom. Dr Teo was appointed to the Board of Directors on 15 October 2020 as an Independent Director, and was redesignated as Non-Executive Chairman on 30 June 2023.

MR PAY SIM TEE
Chief Executive Officer and Executive Director

Mr Pay Sim Tee first started his career in the construction industry at Tiong Seng Contractors in 1977. In 1989, he became a Director of Tiong Seng Contractors and was primarily in charge of our road construction projects in PNG. Mr Pay has more than 40 years of experience in earthwork, road and bridge construction, civil engineering and building work in Singapore, the PRC, Socialist Republic of Vietnam, PNG and Laos. He is also in charge of property development and human resource in Tiong Seng Holdings Limited.

Mr Pay Sim Tee has a Technician Diploma in Civil Engineering from Singapore Polytechnic. He was appointed to our Board of Directors on 24 February 2010, and was last re-elected on 22 April 2022.

Mr Pay was appointed as the Company's Chief Executive Officer on 1 August 2020, and was last re-elected on 30 April 2024.

BOARD OF DIRECTORS

MR PEK ZHI KAI
Executive Director

Mr Pek Zhi Kai joined the Tiong Seng Group in 2018, under the Group's subsidiary Steeltech Industries Pte Ltd as a Commercial Manager. During his tenure, Mr Pek led efforts in the development of new green construction capabilities, forming the Group's first Mass Engineered Timber unit. Following his success, at the Group's 60th Anniversary and strategic reorganisation in 2019, Mr Pek was appointed as Director of the Group's three business segments, Construction, Engineering Solutions, and Property Development.

Mr Pek currently holds the role of Executive Director for Tiong Seng Holdings, and is also the Deputy Managing Director for the Group's Construction Business. Mr Pek is currently a member of the Youth Business Affairs Committee of the Singapore Chinese Chambers of Commerce & Industry, and a member of the Built Environment Subcommittee under the Singapore Business Federation's Infrastructure Committee.

Mr Pek holds a Bachelor's Degree (Psychology) from University College London, and a Master's Degree (Organisational & Social Psychology) from London School of Economics and Political Science. He was appointed to our Board of Directors on 1 July 2021, and was last re-elected on 22 April 2022.

MR NG KIM BENG
Independent Director

Mr Ng Kim Beng is the Deputy Managing Partner of one of the largest law firms in Singapore, Rajah & Tann Singapore LLP. With over two decades of experience in the practice of International Arbitration and Construction & Projects, he advises clients on complex, cross-border investments and projects, and acts in high stakes disputes. His experience in Construction and Projects spans the entire value chain, ranging the built environment, and large-scale industrial and engineering projects. As lead counsel on disputes, he has represented clients at all levels of the Supreme Court of Singapore, and regularly arbitrates under the rules of the leading arbitral institutions.

Mr Ng has been commended by the Singapore Academy of Law for professional excellence in Building and Construction law, receiving its recognition as Senior Accredited Specialist in Building and Construction Law since 2018.

Notable cases relating to the built environment include acting in an arbitration on disputes relating to the design and construction of a 55-story mixed use development in South East Asia; acting in an arbitration on disputes relating to the design and construction of a data centre under the LCIA Rules; and acting for a contractor on disputes arising from an integrated processing agreement for the engineering and construction of a chemical plant in Singapore.

Mr Ng has been widely recognized as a leading individual in various legal publications. The Legal 500 notes that Mr Ng has "an outstanding reputation in construction cases", with "an estimable track record in Singapore and Southeast Asia disputes".

In addition to his professional practice, Mr Ng is currently the Co-Chair of the Building and Construction Law Committee of the Law Society of Singapore. He is also a Member of the Construction Adjudicators Accreditation Committee at the Singapore Mediation Centre, and a member of the Board of Directors at Mount Alvernia Hospital.

Mr Ng holds a Bachelor of Laws (Hon) from the National University of Singapore, and was appointed to our Board of Directors on 1 June 2024.

BOARD OF DIRECTORS

MR ONG SEET JOON
Independent Director

Mr Ong Seet Joon has more than three decades of commercial banking experience, spanning across areas such as strategy and budgeting, asset-liability management, business development, credit risk & marketing, client coverage and solutioning, as well as general management. Mr Ong was the Country Head of Maybank's Hong Kong Branch from 1999 to 2006, and the President and Chief Executive Officer of Maybank Philippines Inc from 2006 to 2012. He was also a part of Maybank Singapore's senior management team from 2012 to 2020, holding the appointment of Head-Global Banking. In 2021, Mr Ong co-founded A3 Capital Pte Ltd, a privately held specialist real estate investment platform based in Singapore with origination and execution capabilities across Southeast Asia.

Since 2021, Mr Ong has been the Non-Executive Chairman to the Group's Property Development business.

Mr Ong holds a Bachelor's Degrees from the London Metropolitan University and a Master's Degree (Economics) from Macquarie University. Mr Ong was appointed to our Board of Directors on 30 June 2023, and was last re-elected on 30 April 2024.

MR LEE YEW SIM
Non-Executive Director

Mr Lee Yew Sim, has over four decades of working experience in both the public and private sector. Prior to taking on the role, Mr Lee held appointments in the Ministry of Finance, Ngee Ann Polytechnic (then Ngee Ann Technical College) and the National University of Singapore. Mr Lee also managed his own IT training business in the early technology era, before joining his family's business of property development and construction in Singapore and the People's Republic of China. Mr Lee's extensive expertise will be instrumental to Tiong Seng's long term growth, and his addition to the Board underscore's the Organisation's continued pursuit for innovative leadership.

Mr Lee holds a Masters Degree (Business Administration) from the University of Queensland, Australia. He is also a Fellow of the Australian Certified Practicing Accountant (CPA).

Mr Lee was appointed to the Board on 1 November 2024.

SENIOR MANAGEMENT

MR PEK DIEN KEE
Head of Asset Management

Mr Pek Dien Kee joined Tiong Seng Contractors in 1975 and was appointed as Director of TSC in 1991. Currently, he heads our Procurement Department and his job scope includes approving the purchase of project work materials and services, selecting and conducting periodic evaluations of competent suppliers for our projects. In addition, he is also in charge of the Procurement Department of our subsidiary in Papua New Guinea, TSC (PNG), and our workshop at Fan Yoong Road which maintains and upkeeps the plant and equipment for TSC.

MR ANDREW KHNG
Head of Administration

Mr Andrew Khng has been with the company since 1981 and is in charge of corporate and Workplace Safety and Health matters for the Group. His experience spans across general, site management and coordination in managing of civil engineering and building construction projects in Singapore and India. He is also heading the BCA certified Overseas Training Centre in Myanmar. He currently sits on the board of various organisations outside our Group and is also the immediate past president of Singapore Contractors Association Limited.

Mr Khng has an Advance Diploma in Business Management from the University of Bradford (MDIS).

MR NG WEI JET
Chief Financial Officer

Mr Ng Wei Jet manages all financial, taxation, treasury and compliance matters for the Group. He brings more than 15 years of experience in finance, accounting, and auditing. He has held key roles in various organizations, including international public accounting firms and most recently at an SGX-listed Company.

Mr Ng holds an Advance Diploma from Tunku Abdul Rahman College and is a member of the Institute of Singapore Chartered Accountants as well as a Fellow Member of the Association of Chartered Certified Accountants.

MR LIM CHEE HWA
Executive Director, Tiong Seng Contractors

Mr Lim Chee Hwa joined Tiong Seng Contractors (Private) Limited in December 2022 as an Executive Director. He is a veteran in the sector, having worked and held senior positions through the entire chain of the Built Environment Industry, from development, construction and consultancy services. He also sat in numerous executive committees in the Singapore Contractors Association Limited (SCAL) and Building and Construction Authority (BCA), and was the Board member of BCA from 2020 to 2023. His most notable contributions has been in the areas of new construction methodologies and innovations. These included the pioneering of Concrete Pre-fabricated, Pre-finished Volumetric Construction for residential buildings, Modular Volumetric Multi-storey Carpark Construction and Advanced Hybrid system of Pre-cast Construction.

Mr Lim graduated with a Bachelors Degree (Architecture) from the National University of Singapore, School of Architecture in 1990, and obtained his registration with the Board of Architects in 1993, where he was also awarded the Board of Architects Prize in 1993.

SENIOR MANAGEMENT

MR DARIUS LIM
Executive Director, Tiong Seng Engineering Solutions

Mr Lim Jin Wui Darius joined Tiong Seng Group in January 2022 as Head of Group Strategy & Plans and also assumed the role of Executive Director of Tiong Seng Engineering Solutions Pte. Ltd. (TSES). Mr Lim was appointed as Managing Director of Robin Village Development Pte. Ltd. (RVD) in September 2022. He is responsible for TSES' Design for Manufacturing and Assembly (DfMA) capabilities and sustainable solutions, as well as securing strategic opportunities for TSES' businesses and products in the global markets. Prior to joining Tiong Seng, Mr Lim held leadership positions across the commercial and public sectors, bringing a wealth of experience in senior management and overseas business expansion.

Mr Lim has a Bachelor's Degree (Economics and International Relations) from the London School of Economics and Political Science, and a Master Degree (Business Administration) from the Nanyang Technological University, Singapore. He has also participated in the International Advanced Management Programme from Massachusetts Institute of Technology (Sloan School of Management), USA.

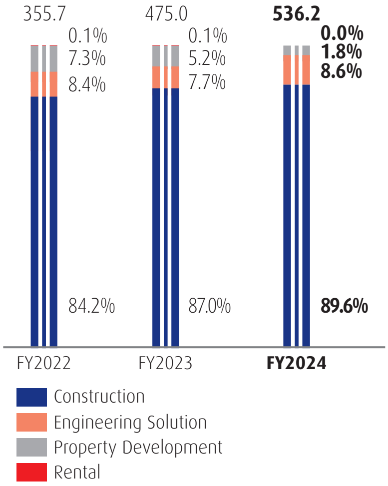
MR ONG CHOON TIONG
General Manager, Tianjin, PRC

Mr Ong Chun Tiong has been overseeing our subsidiaries in Tianjin, PRC, since 2004. He joined us in 1998 as an Information Systems and Business Process Manager and was responsible for our Group's expansion into new markets in the construction industry.

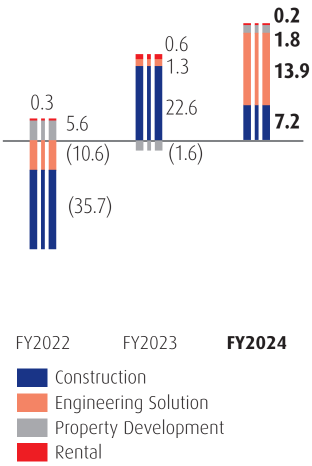
Mr Ong holds two Master's Degrees, one from the London School of Economics and Political Science, specialising in Analysis, Design and Management of Information Systems, the other from the National University of Singapore, majoring in Project Management.

FINANCIAL HIGHLIGHTS

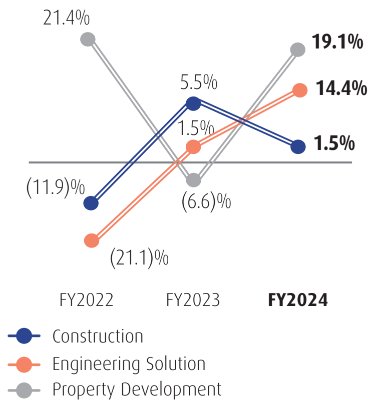
REVENUE ($'MIL)



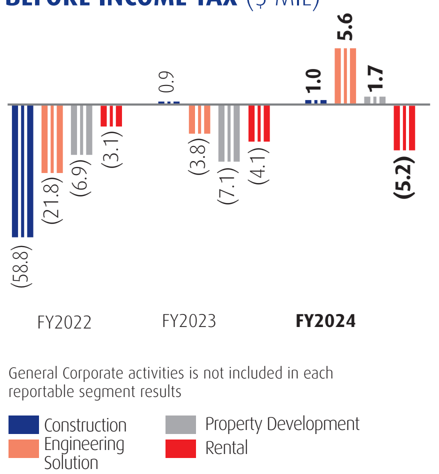
GROSS PROFIT/(LOSS) ($'MIL)



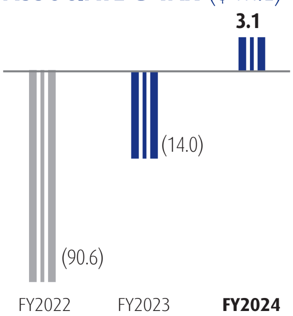
GROSS PROFIT MARGIN



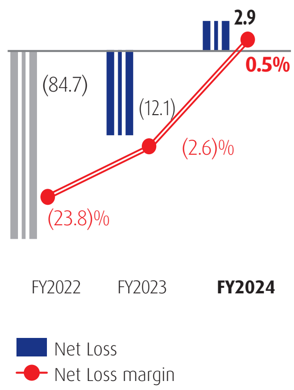
REPORTABLE SEGMENT PROFIT/(LOSS) BEFORE INCOME TAX ($'MIL)



PROFIT/(LOSS) FROM OPERATING ACTIVITIES BEFORE JOINT VENTURES, ASSOCIATE & TAX ($'MIL)



NET PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS ($'MIL)



EARNING PER SHARES (CENTS)[1]

CASH AND CASH EQUIVALENTS ($'MIL)

NET ASSET VALUE PER SHARE (CENTS)[1]

SHAREHOLDERS EQUITY ($'MIL)

SUSTAINABILITY REPORT

ABOUT THIS REPORT

REPORTING SCOPE & PERIOD

This report includes performance data for the period of 1 January 2024 to 31 December 2024 (FY2024), and details environmental, social and governance (ESG) matters considered most material to Tiong Seng Holdings Limited (hereinafter referred to as 'Tiong Seng' and, together with its subsidiaries, 'the Group').

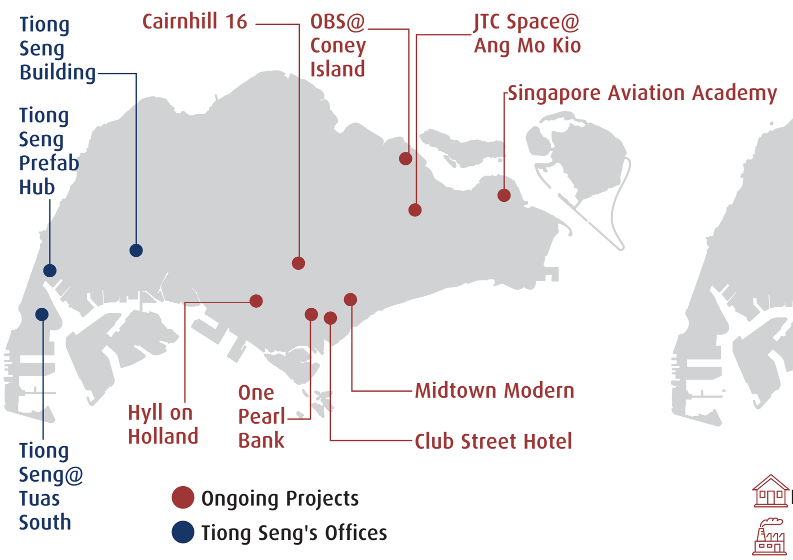
The scope includes all our main operating activities from our construction business – consisting of our core entities of Tiong Seng Contractors (TSC) and Tiong Seng Civil Engineering (TSCE); with select inclusions from our local property development business (Tiong Seng Chang De Investments Pte. Ltd (TSCDI) as well as our Tiong Seng Engineering Solutions (TSES) business where the Group has limited operational control. A consistent approach is used to consolidate information across all disclosures and material topics, ensuring comparability and accuracy.

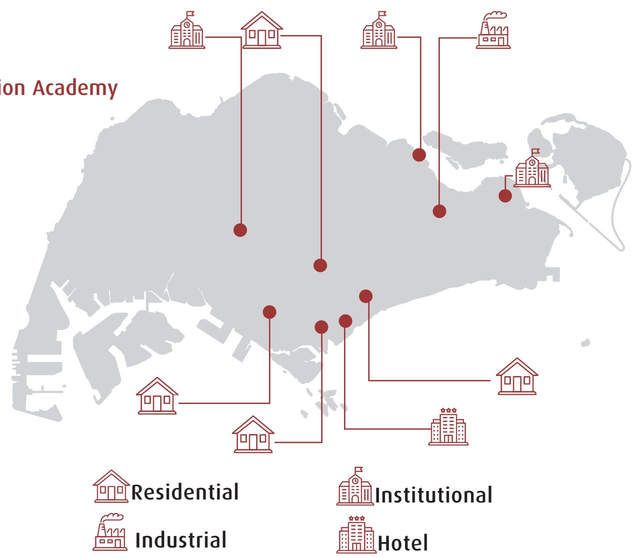
Exclusions:–

- Property Development business segment in China due to the lack of data availability at the project sites.
- Engineering Solutions business segment, as the core subsidiaries Robin Village Development (RVD) and Steeltech Industries (ST), and AMP Systems (AMP) are independently operated, and the Group does not have direct operational control over them.

Anticipating upcoming reporting standards such as the International Sustainability Standards Board ("ISSB"), we are looking internally to align with them, while also preparing to expand our sustainability reporting scope to include our subsidiaries by FY2026.

Projects listed within this report for the purposes of consumption data include:





Tiong Seng's Offices

- Tiong Seng Building
- Tiong Seng @ Tuas South
- Tiong Seng Prefab Hub
- Tiong Seng's New Office at Kallang – New

Reported Projects

- Cairnhill 16 (CHT)
- Club Street Hotel (CH19)
- Hyll on Holland (HL20)
- JTC Space @ Ang Mo Kio (JTCAMK)
- Midtown Modern (TQL)
- One Pearl Bank (PB19)
- Outward Bound Singapore Campus at Coney Island (OBS)
- Singapore Aviation Academy (SAA) – New
- Public Project x 2 – 1 New

SUSTAINABILITY REPORT

REPORTING ACCURACY

Information reported has been disclosed to the best of the Group's knowledge. We have relied primarily on internal verification and monitoring processes to verify the accuracy of our disclosures.

FEEDBACK

This report is embedded together with the Group's annual report, and can be found online on our website, under the section on Investor Relations.

We welcome any questions and/or feedback regarding our annual sustainability report. If you have any, please send them to enquiry@tiongseng.com.sg.

REPORTING STANDARDS

The report is written in reference to the following standards:

GRI Standards 2021	With reference to the Global Reporting Initiative (GRI) Standards of 2021. We continue to choose the GRI framework as it is one of the most commonly adopted global sustainability standard, and also widely adopted by our industry peers. Its holistic scope provides relevant guidance on stakeholder engagement, materiality assessment and performance disclosures based on our selected material topics. Topic-specific disclosures have been mapped using a GRI content index at the end of this report.
GHG Protocol Corporate Accounting and Reporting Standards	In accordance with Greenhouse Gas (GHG) Protocol reporting standards. GHG Protocol serves as the international standard for quantifying and reporting greenhouse emissions. We have reported our Scope 1 and 2 emissions.
SGX Reporting and Listing Requirements	Complying with Singapore Exchange's (SGX) sustainability report listings requirements and rules (Listing Rules 711A and 711B) with further reference to Practice Note 7.6 Sustainability Reporting Guide.
TCFD Recommendations	With reference to the Financial Stability Board's Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations on identifying and addressing climate associated risks.
UN Sustainable Development Goals	United Nation's Sustainable Development Goals (SDG) were incorporated within the Group's material assessment to demonstrate alignment to national level goals.

SUSTAINABILITY REPORT

A selection of our past achievements in the area of organisational excellence can be found below:

AWARDS

ORGANISATIONAL EXCELLENCE

BCA BIM Award	BCA Built Environment Leadership Award	BCA Built Environment Leadership Award – Innovation Class	BCA Construction Excellence Award	BCA Construction Productivity Award
BCA Construction Productivity Award – Advocates	BCA Design Engineering and Safety Excellence Award	BCA Green and Gracious Builder (Excellent) Award (**New**)	BCA Green and Gracious Builder (Merit) Award	BCA Green and Gracious Builder (Star) Award
BCA Green Mark Award	BCA Quality Excellence Award	BCA Universal Design Award	BuildingSMART (Hong Kong) BIM Award	BuildingSMART International Award
Enterprise Singapore, Singapore Quality Award	Enterprise Singapore, Singapore Quality Class Star Award	FIABCI Prix D' Excellence Award	Keppel Innovative and Best Practice Award	NParks LEAF Award
MINDEF NS Mark Gold Award	Ministry of Health Holdings Award (Platinum) for Innovation and Technology Excellence (**New**)	Ministry of Health Holdings Award (Merit) for Construction Excellence (**New**)	SCAL Workplace Safety & Health Award for Supervisors	SCAL Workplace Safety & Health Innovation Awards
SCCI Most Scalable Collaboration Award	SIA-NPark Skyrise Greenery Award	SIAS Most Transparent Company Award (Construction Category)	SPRING Singapore Eureka Award	SPRING Singapore People Developer Award
SG Mark Award	Total Defence Advocate Award (Large Companies Category) (**New**)	WSH I-Care Award		

"These awards serve as a testament to our dedication, recognising our commitment to professional excellence. They inspire us to continually strive for higher standards, for ourselves and our partners!"

– Johnny Lim, Tiong Seng Contractors, Executive Director

SUSTAINABILITY REPORT

AWARDS AND ACCREDITATION

AWARDS:
As a Main Contractor our priority is and has always been total safety at our sites, and the provision of high-quality infrastructure for our clients.

Our awards are then categorised into the two distinct categories of:–

- Institutional safety
- Organisational excellence

A selection of our recent achievements in the area of Institutional Safety can be found below:

AWARDS

INSTITUTIONAL SAFETY

bizSAFE (Partner)

- (Valid till Dec 2027) – Tiong Seng Civil Engineering (**New**)
- (Valid till Feb 2026) – Tiong Seng Contractors

bizSAFE (Star)

- (Valid till Dec 2026) – Tiong Seng Civil Engineering
- (Valid till Dec 2026) – Tiong Seng Contractors

RoSPA Award (Gold)

- Tiong Seng Civil Engineering
- Tiong Seng Contractors

RoSPA Award (Silver)

- CHT
- HL20
- JTCAMK
- OBS
- PB19
- TQL

WSH SHARP Award

- JTCAMK
- OBS
- HL20

SUSTAINABILITY REPORT

ACCREDITATIONS:

The Group steadfastly adheres to both national and international standards to elevate our governance practices and enhance the quality of our core management systems. Our compliance with these standards underscores our unwavering commitment to delivering excellence in the areas of quality and safety.

A selection of our current accreditations can be found below:

ISO 45001:2018

- Occupational Health & Safety Management System

ISO 9001:2015

- Quality Management System

ISO 14001:2015

- Environmental Management System

ISO 19650-1:2018 & ISO 19650-2:2018

- Building Information Modelling (**New**)

SS506:

- Part 12004 Certificate of Occupational Safety & Health Management System – Building & Civil Engineering Works

"In a firm dedicated to excellence, I am responsible for leading my team to pursue accreditations, ensuring the highest standards of quality, safety and governance. This reinforces our promise of delivering exceptional value to our clients."

– Natter Elangovan, Tiong Seng Contractors, Manager (EHS)

SUSTAINABILITY REPORT

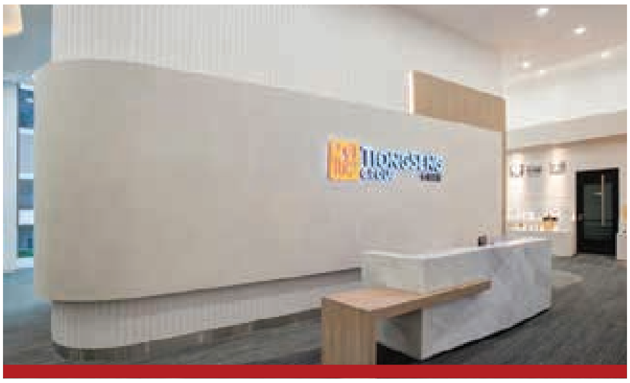
A PLACE WE CALL HOME

This year marked a significant milestone for the Group, where we bid farewell to the Tiong Seng Building at 21 Fan Yoong, and embraced 30A Kallang Place, as our new headquarters.

The relocation of our office to a more centralised location was a strategic decision aimed at strengthening our operational capabilities. With our commitment to creating the best possible teams, the improved accessibility of our headquarters not only better positions us to attract and retain top talent, but also places us closer to our partners, facilitating stronger collaborations.

As part of our ongoing commitment to environmental stewardship, our new office building boosts a Green Mark Gold Certification. The office also features an abundance of natural lighting, energy efficient monitoring systems, and the extensive adoption of environmentally friendlier materials for its construction, underscoring our dedication to sustainability.

This move reflects our ongoing commitment to operational excellence and sustainability. As we continue to innovate, driving forward thinking modular solutions, we continue to maintain our leadership position as a ‘pioneer of possibilities’.



Tiong Seng’s Official Grand Opening Ceremony

SUSTAINABILITY REPORT

STRUCTURAL CHANGES

In FY2023, the Group embarked on a comprehensive three-pronged approach to revamp the organisation, with the objective of enhancing its agility and resilience in response to external adversities. This strategy involved improvements in the areas of 3P's:

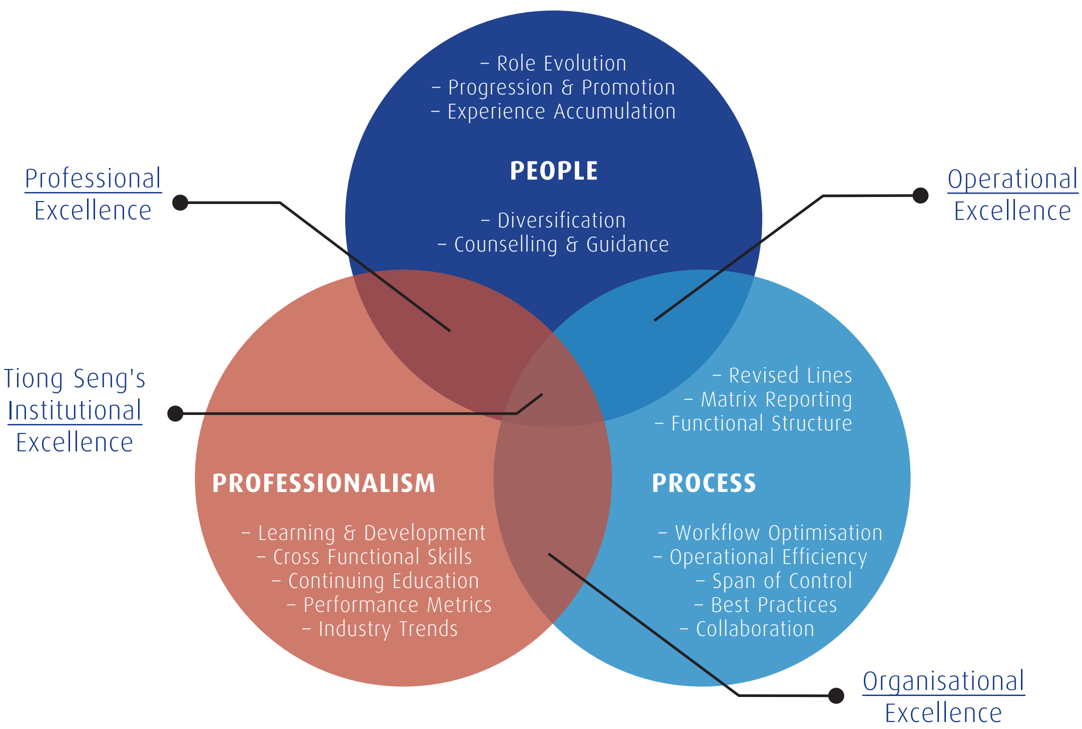
1.) **Process** – Re-evaluating our organisational and reporting structures to alleviate work stress on any single project or department

2.) **Professionalism** – Developing an enhanced talent development programme, focused on cultivating essential skill sets across various domains

3.) **People** – Establishing new empowering career trajectories

In FY2024, the Group is glad to announce that we have made significant strides in institutionalising the 3Ps.

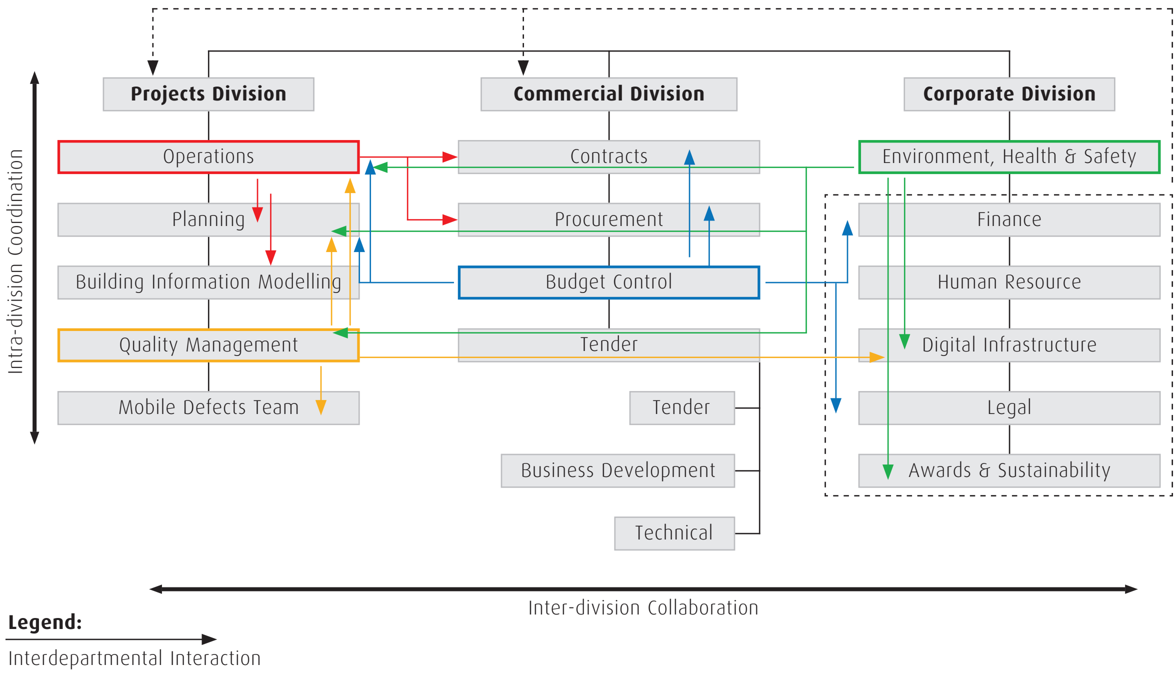
3P Approach



Driving Excellence through the 3Ps

SUSTAINABILITY REPORT

Organisational Restructuring



Interconnectedness of our new divisions

PROCESS

Our organisational structure has undergone major transformation. While the legacy operational model was robust and served us well, the COVID-19 pandemic revealed areas we could improve on. At its core, our operational model was not agile enough. To address this, we introduced a new matrix-like structure for TSC. Fronting the new structure are 3 distinct divisions: Projects, Commercial and Corporate. This updated framework replaces our traditional flat hierarchy, providing a more dynamic and efficient approach to managing our operations.

Projects Division is a specialised core, dedicated to the successful project management processes of initiating – planning – executing – closing off projects. It ensures that our projects are delivered within the pre-agreed time and quality.

Commercial Division has been restructured to provide end-to-end management of all contractual, and commercial related matters. The division encompasses sub-functions such as contracts administration, budget control, procurement and tender. By working closely with the projects division, they serve as a check-and-balance and are the custodians of all project cost matters.

Corporate Division, performs an essential service support function that enables seamless operations for the other two Divisions. Productivity aside, centralisation has also created opportunities for us to better look at improving our cultural, technological, digital and physical infrastructures to provide a platform for everyone to thrive.

Though each division holds a distinct function, efforts have been made to have the three coexist in harmony. This integrated approach has been fundamental to our new structure, fostering close collaboration internally. It is this synergy that has been the cornerstone of our new structure, enabling us to successfully obtain Temporary Occupation Permit (TOP) for five projects in FY2024, and secure two new ones.

SUSTAINABILITY REPORT

PROFESSIONALISM

Efforts have been made to nurture and grow a new generation of talent.

This HR led revamp was two pronged:

1.) hiring of quality talent

2.) grooming and retention of existing talent

For new hires, extensive efforts were made to build and maintain long term connections with Institutes of Higher Learning (IHLs) and recruitment agencies. For grooming and retention, we believe our investment in various strategic initiatives to deepen skills and tenacity will ultimately build loyalty among our staff. These initiatives range from comprehensive development programmes comprising mentorship, continuous learning opportunities and challenging projects which foster growth, to empowering the younger professionals to go above and beyond their formal job duties. More details are listed out in the subsequent section of Human Capital Assets.

PEOPLE

Growth was identified as a key focus area. The intent is to break through traditional glass ceilings and walls in terms of how people can develop and grow. Since FY2023, progressive efforts have been made to diversify the pathways to progress within the organisation, Enabled by our revised organisation structure which facilitates parallel paths of career development, there are now fresh opportunities for staff rotations across departments, functions and even divisions. The take up rate for this initiative has been good, and we continue to see staff seamlessly crossover and contribute in their unique capacities.

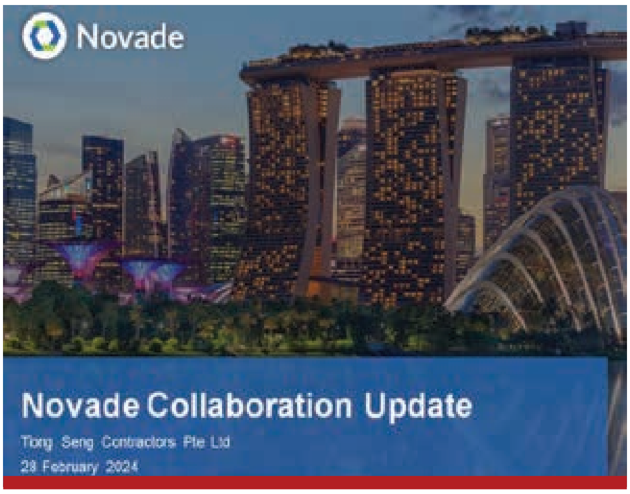
A happy team is a productive team

SUSTAINABILITY REPORT

PARTNERSHIPS

Research and innovation continue to be one of the key pillars for the Group. In FY2024, we partnered with a variety of industry professionals and IHLs to foster the exchange of ideas and seed projects with potential. It is through these collaborations that Tiong Seng stays market competitive and better equipped to address the evolving demands of the industry. A selection of 2024's highlights can be found below:–

Discussions with the Regional Team from Trimble Inc.



Collaboration with Novade to optimise field operations for safety

Tiong Seng exploring construction robotics at one of our project sites

SUSTAINABILITY REPORT

Built Environment Accelerate to Market Programme (BEAMP) Cycle 4 with Ailytics

BEAMP, a joint initiative by the Building and Construction Authority (BCA), Enterprise Singapore and JTC Corporation is a platform for innovators and Built Environment partners to solve key challenges through accelerated product and market development. Having previously sought to address the local manpower crunch through the use of Robotic Additive Manufacturing, we continue exploring industry 4.0 solutions.

In Cycle 4, we partnered with Ailytics to automate operations monitoring on-site, with the intent of enhancing safety, improving project visibility and promoting better site communication. Through this exploration, we were able to address the common constraints of blurred images and inaccuracies with artificial intelligence and visual recognition of construction components, further opening up opportunities for applications such as man hour tracking, as well as integration with other existing software in the market.

Improving Productivity through Robotics with Future Construction

In a bid to allow our workers to be trained for higher order tasks, Tiong Seng has been conducting trials at our project sites to explore the proof-of-value for construction robotics. During the trial, the onboarding of suitable robots was considered, alongside how they compared with human workers, and how they would coexist. We have also been closely tracking the deployment performance and working with the distributors to better suit the robots to Singapore's standards, while addressing limitations which include site mobility. With autonomous robots being one of the many strategies, and long-term efforts undertaken by Tiong Seng to improve the productivity and safety at our construction sites, we hope to deploy full scaled construction robotics by FY2026.

Bridging the gap between Design and Execution with Scan2BIM

Scan2BIM was the second runner up at the National University of Singapore's (NUS) College of Design and Engineering Innovation Day 2024 Competition. The student-led start-up aimed to advance smart city digitalisation by developing high precision digital twins through practical robotics and LiDAR/imaging-based sensing. Having internally explored image-based sensing solutions, we took a keen interest in seeing how typical issues such as tolerances and quality of scanned data could be improved upon.

As an industry practitioner, we believe in the importance of celebrating winning ideas, but also providing the necessary support required for continued growth. That is why we are exploring with the team on how to further refine their solutions and develop a clear strategy for practical implementation.

Driving Ownership of Safety with Novade

Tiong Seng had previously successfully collaborated with Novade (our long-term digitalisation partner) to seamlessly aggregate and carry out construction data management across our value chain. As a result of our partnership, Tiong Seng co-developed solutions pertaining to quality and defects management, leveraging on the accessible field data to aid in our decision-making process.

In FY2024, we expanded our partnership to explore data in safety. By consistently highlighting real time statistics and metrics, we were able to track incident trends and behaviour to predict hazards. We were also able to implement targeted interventions at vulnerable trades and scopes of works. Through this commonality of safety, we helped instil a mindset of continuous improvement and vigilance at our work sites.

Research Collaboration with Ngee Ann Polytechnic

In 2019, Tiong Seng entered into a Research Collaboration Agreement with Ngee Ann Polytechnic (NP) to establish the Tiong Seng – NP Construction Robotics Lab, Singapore's first jointly-established construction robotics lab, led by a private sector enterprise in an IHL.

As we enter the 5th year of our strategic collaboration, we continue to work with NP on industrial-grade robotics. By combining our technological and industry expertise, with NP's strong robotics R&D arm, solutions we have conceived include a '3D Space Cleaning Robot', capable of intelligent sensing, and we continue to explore opportunities to better the way we build.

SUSTAINABILITY REPORT

SUSTAINABILITY MANAGEMENT

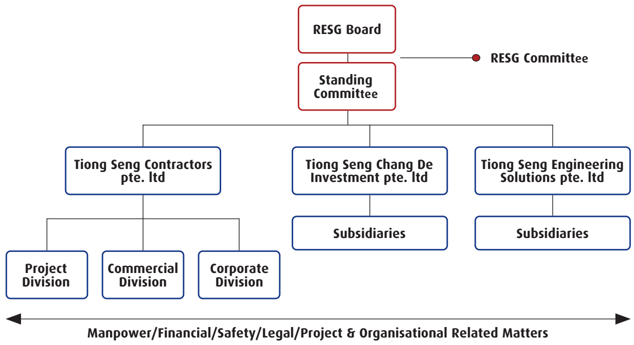
RISKS, ENVIRONMENT, SOCIAL AND GOVERNANCE (RESG) COMMITTEE

In FY2022, Tiong Seng set up a Group Level RESG Committee as a progressive step to capture strategic ESG-related opportunities and promote sustainable growth for the company. The RESG Committee comprises the RESG Board and its Standing Committee.

The RESG Board seeks to independently advise on matters relating to how the Group can operate in an environmentally and socially sustainable manner to generate long term value for its stakeholders. The Board also serves to oversee, delegate, review, approve and provide guidance on RESG initiatives. The Standing Committee operates on a Management level, monitoring and ensuring the Group's RESG Strategy is up to date against the Group's business strategy, and reports back to the Board on managing impacts and critical stakeholders concerns. It is also responsible for the Group's compliance with regulatory requirements and works with the various data owners and departments to drive sustainability throughout the organisation. The RESG Committee currently convenes twice a year.

With the recently introduced divisional structure and the expansion of the reporting to include other entities within the Group, the interfacing for the RESG Committee has been revised.

FY2024 RESG Committee



Revised Structure for the RESG Committee

MATERIALITY ASSESSMENT

Materiality assessment reviews are conducted annually to determine the key ESG issues. This process ensures relevant issues that are key to our stakeholders are taken into consideration.

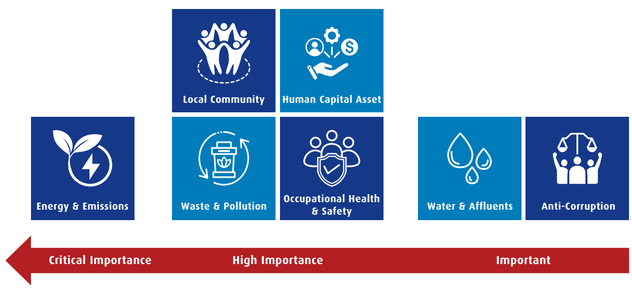
These issues then become the foundation to which we conduct our sustainability reporting.

Having previously identified, shortlisted and assessed key potential ESG factors in preceding years, in FY2024, the Management together with the RESG Board relooked at our ESG factors, taking into consideration matters such as sectoral standards, industry peers, emerging trends, and comparing them against our business performance.

Our findings revealed that environmental issues remain a key concern for stakeholders. In particular carbon accounting and energy transition have been flagged out as critical points of interest. This is largely due to the enhanced focus on Scope 3's future mandatory reporting as part of the upcoming ISSB Standards.

Despite our business operations remaining constant, to align with increased focus on sustainable performance, we will be exploring more sub-themes within our 7 existing material issues, going deeper particularly in the areas of Energy and Emissions, as well as factors principle to our daily operations. We have also thoroughly evaluated each issue and prioritised them based on their impact to the organisation.

Material Issues (Ranking)



Classification of Tiong Seng's material factors based on priority

SUSTAINABILITY REPORT

Focus Areas	Material Issues	Sub-Themes				Relevant SDGs
Environment	Energy & Emissions	Energy Efficiency	Renewable Energy	Diesel Adoption	GHG Emission	
	Water & Effluents	Water Efficiency	Waste Water Recycling		Effluent Management	
	Waste & Pollution	Designing out Waste	Waste Management	Site Pollution	Environment Strategies	
Social	Occupational Health & Safety	Occupational Health		Safety & Well Being		
	Human Capital Asset	Future Ready Skills	Talent Management	Human Rights	Equality & Diversity	
	Local Community	Stakeholder Management	Partnerships & Collaboration	Green & Healthy Buildings		
		Biodiversity Management	Supply Chain Engagement	Community Development		
Governance	Anti-Corruption	Ethical & Transparent Business				

Overview Tiong Seng's material issues for FY2024

STAKEHOLDER ENGAGEMENT

The Group identifies critical concerns, actual and potential impact to the economy, environment, and people by leveraging on multi-stakeholder expertise across Tiong Seng's activities and business relationships. Stakeholders are engaged with, and their critical concerns are reported to Management and the RESG committee. These feedback are then looked into to ensure a prompt and meaningful response to environmental and societal changes expected by our stakeholders.

Engagement Strategy

Overview of our key stakeholders, and why they matter to us

SUSTAINABILITY REPORT

Stakeholder	Engagement Method	Frequency	Issues & Concerns
Government/ Regulators	• Discussions with agencies on specific topics/Working group sharing • Industry representatives at best practice forums • Advocating construction productivity and sustainability for the Built Environment	• Whenever Required	• Occupational health and Safety • Construction Quality Regulatory Compliance • Climate-related Disclosures
Employees	• Performance appraisal • Dialogues/Town Halls with Management • Staff orientation for new joiners • TS Junior Council welfare engagements • TS Junior Council Dialogues • Open door policy for C-Suite Management • Internal Corporate email channel • Training opportunities • Chinese New Year Lunch & Long Service Award • Promotion Ceremony & Chargehand Grooming	• Annual • Annual • Monthly • Monthly • Quarterly • Whenever Required • Annual • Whenever Required • Annual • Annual	• Fair Remuneration • Job Security • Career Advancement • Training and Development • Work-life Balance • Job Recognition • Occupational Health & Safety • Employee Well Being
Customers	• Customer surveys • Regular dialogues, project briefings and debriefings • Website • Defect Management System	• Throughout the Year	• Project Quality • Project Schedule • Project Cost
Value Chain Partners i.e. Suppliers	• Project coordination meetings	• Weekly	• Project Quality • Project Schedule • Project Cost

SUSTAINABILITY REPORT

Stakeholder	Engagement Method	Frequency	Issues & Concerns
Investors	• Annual General Meeting • Annual Reports • Financial results and announcements • Business developments, press releases, circulars and other relevant disclosures via SGXNet and website	• Annual • Annual • Quarterly • Throughout the Year	• Financial Performance • Key Company Updates • Voting Rights
Community	• Public notices and updates of critical activities to the community • Community outreach • Management Corporation Strata Title (MCST) engagement • Town council meetings	• Throughout the year • Throughout the year • Throughout the year • Throughout the year	• Project Schedule • Pollution • Matters to Note
Nature Group (Environmental Sensitive Projects)	• Engage communities for the conservation of Singapore's natural heritage • Connect, educate, and inspire diverse communities to actively conserve and celebrate our natural heritage • Nurture and form partnerships to achieve better biodiversity and social outcomes	• Throughout the year • Throughout the year • Throughout the year	• Biodiversity Conservation • Education & Awareness Development • Partnerships

SUSTAINABILITY REPORT

TASK FORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES

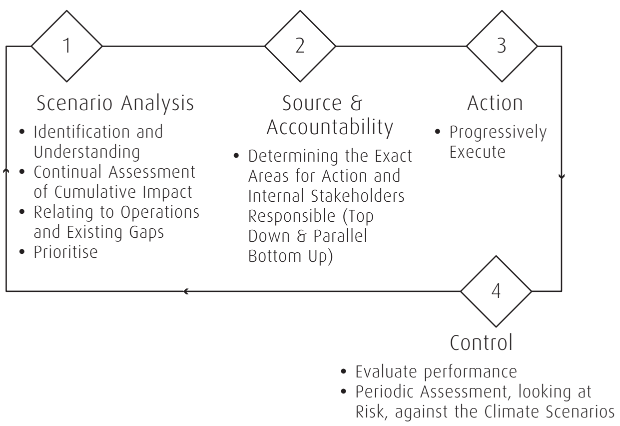
APPROACH

We recognise the inevitable threat climate change poses to the Group. Since FY2022, the Group has proactively implemented several climate-related assessment activities, including measuring and benchmarking ESG performance, incorporating climate considerations into business strategies, initiating climate-related disclosures, disclosing Scope 1 and 2 emissions, engaging stakeholders, and holding workshops to better understand climate-related risks and regulations. Aside from laying out strategies, we recognise the need to act decisively. The Group is thus taking action, while transparently reporting our progress.

The Group acknowledges the importance of integrating climate-related risks into its overall risk management framework to ensure robust identification, assessment, and management of such risks. While climate-related risks have been identified at a management level, they are not yet fully embedded into our business continuity and enterprise risk management (ERM) processes. We are actively working towards achieving this integration and aim to complete this by FY2026, with periodic updates provided to stakeholders on our progress.

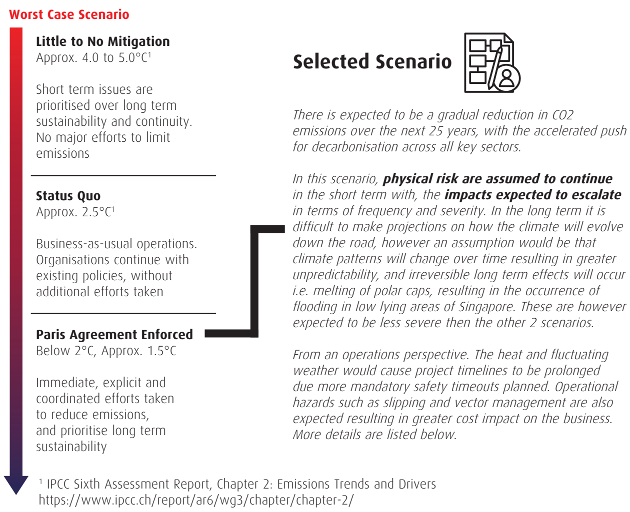
In FY2024, we adopted the cross-sector absolution contraction approach and aim to meaningfully reduce our combined annual Scope 1 and 2 emissions by FY2029 as part of our near-term science-based target for decarbonisation, which is crucial in our sector. We have also begun exploring Scope 3 accounting and assessing relevant indirect emissions sources related to our business. Our efforts on business continuity are structured around the four thematic areas of Governance – Strategy – Risk Management – Metrics and Targets, the Group's actionable approach is listed below, with a qualitative scenario analysis being the heart of it.

Continuous Loop to Identify and Manage Emerging Risk



Classification of Tiong Seng's material factors based on priority

Climate Scenarios



3 Distinct Warming Outcomes Expected. Selected: Paris Ambition 1.5°C

Scenario Analysis

The scenario analysis allows us to better understand systematically the impact of climate change on the Group. This tool allows us to then build resilience strategically. Based on our analysis, Tiong Seng will need to navigate through physical risk in the short term. This physical risk is likely to affect the way immediate operations are conducted, with transitional risk posing a threat to the landscape of construction, and impacting macro policies.

Climate Related Impact			
Physical Risks	**Potential Impact on Tiong Seng**	**Transitional Risks**	**Potential Impact on Tiong Seng**
Flooding and Heavy Rainfall *Time Horizon: S **Severity: H	• **Safety Hazards** (i.e., Slipping of operatives due to wet surfaces) • **Operational Hazard** (i.e., Machinery Damage/Power Outage) • **Delays on Planned Work Schedules** (i.e., additional scope of work, such as need to remove ponding/need to revise work plan/inability to carry out work/existing delivery routes unavailable) • **Supply Chain Disruptions** • **Compliance Issues** (i.e., potential breeding of mosquitoes)	**Shifting Consumer Preferences & Trends** *Time Horizon: M **Severity: M	• **Changing of Operations to meet New Demand** (New Materials, Construction Methods, Technologies, Processes, Policies) • **New Cost Centres** (R&D, Purchase, Train, Operate, Maintain)
Extreme Heat *Time Horizon: S **Severity: M	• **Safety Hazards** (i.e., Heat exhaustion and heat stroke on operatives) • **Operational Hazard** (i.e., Overheating of machinery) • **Delays on Planned Work Schedules** (i.e., Need to revise workplan or pushing back of schedule to incorporate mandatory rest time needed) • **Quality-Related Issues** (i.e., significant changes to temperature may impact curing of concrete and give rise to structural issues such as cracks in projects) Wear and Tear	**Markets** *Time Horizon: S **Severity: H	• **Raw Material Costs** (Steel/Concrete/Timber) • **Rising Utilities Cost** (Electricity, Water) These will result in tighter profitability margins. We may also incur additional product costs arising from disruption to supply chain logistics.
Opportunities	**Potential Impact on Tiong Seng**	**Tightening of Requirements and Regulations** *Time Horizon: M **Severity: L	• **Stricter Compliance for New Standards** (i.e., Short timeframe for building up of new capabilities, driving up compliance cost)
Branding *Time Horizon: M **Impact: M	• **Enhanced Reputation and Recognition** By adopting a variety of sustainable practises i.e., Renewable energy, green construction methodologies, biodiversity conservation, green materials, our ESG rating and image as a builder will improve		
Resource Conservation *Time Horizon: S **Impact: L	• **Cost Reduction** • **Efficient Resource Management** Enhancing efficiency of fittings for both electrical and water will result in a reduction in overall consumption. This is supplemented by strategies such as the transitioning to natural and renewable sources. This approach conserves and supports the regeneration of natural resources for a circular economy, and leads to cost savings for the Group		

* *Time Horizon (Expected to occur within) -> Short (1-2 Years), Medium (3-4 Years), or Long Term (5 or more Years)*
** *Severity (Impact to the Organisation) -> Low, Medium, or High Impact*

SUSTAINABILITY REPORT

Resilience

Over the past 5 years, Tiong Seng has adopted a suite of decarbonisation efforts. They include the extensive adoption of Design for Manufacturing and Assembly (DFMA), adoption of biodiesel, renewable energy adoption and decentralised site-based efforts. In doing so, we are already addressing a significant portion of the transition risks that we expect to encounter in the medium term, and the expectation to reduce emissions and transition away from fossil fuels in the long term. Mitigative responses have also been strengthened to better adapt to the impacts caused by physical risks. Tiong Seng's strategic responses can be found below:–

Climate Related Response (Specific)			
Physical Risks	**Tiong Seng's response**	**Transitional Risk**	**Tiong Seng's response**
Flooding and Heavy Rainfall	• Proactive EHS initiatives, promoting awareness and education of slippage/ electrocution risks etc. Monitoring and Control is also in place • Proactive and reactive maintenance schedules on equipment to ensure operability • Have contingency plans should schedule be delayed • Real-time project progress monitoring and action (Cost & Time) • Further adoption of DfMA, through design and value engineering, reducing the volume of on-site work • Adaptable resource management, to bolster workforce numbers and equipment to support change in programme • Increased vector control measures	**Shifting Consumer Preferences & Trends**	• De-risking strategies such as through test bedding • Due diligence on market demand prior to executing • Collaborations and networking with green firms to ensure relevance of the capabilities and to the market • Partnerships and alliances with IHLs for R&D • Exploration of strategic MoUs with other industry partners
Extreme Heat	• Proactive EHS Operational health initiatives with an added segment educating on heat stress • Revision of SOPs to comply with MOM Heat Stress Prescriptions and international ISOs • Scheduled extended rest breaks during periods of extreme heat • Provision of adequate ventilation and acclimatization • Real-time project progress monitoring and action (Cost & Time)	**Market**	• Strategic procurement strategies for cost optimisation – Supply chain diversification/ Bulk purchase across projects/ Option for additional purchase at fixed rate • Early Contractor Involvement for Design-Bid-Build tenders, and value engineering services • Contractual protection against cost escalation • DfMA for increased quality, reducing wastage and abortive works • Explore economically viable alternatives for power generation (i.e. Solar PV) • Sustainable water management practices

SUSTAINABILITY REPORT

Climate Related Response (Specific)			
Physical Risks	**Tiong Seng's response**	**Transitional Risk**	**Tiong Seng's response**
		Tightening of Requirements and Regulations	• Proactive engagement with stakeholders, consultants and agencies to stay up to date • Boards and Management to have monthly meetings to flag out trends and market developments • Be agile to re-adjust and re-align roadmap • Comprehensive training and skills enhancement for core staff to equip them

Climate Related Response (General)		
Business Transformation Commitments/policies to reduce our overall emission. Systems to look into waste management, renewables, building greener, operating better	**Operational Transformation** Optimising resource use, adopt green construction methodologies/materials, and planning for contingencies, we reduce our footprint while limiting vulnerabilities	**Logistical Transformation** Relooking at our supply chain and its execution to reduce inefficiencies i.e., reduce fuel consumption, switching to greener fuels, leveraging on data
Advocacy Communicating our positions, being the first mover, inspiring others to join us. Especially important for Scope 3 carbon accounting – to get the buy in from our downstream stakeholders	**Senior Leadership Commitment** Top-down support at the core, leading climate data transparency and excellence through the development of an RESG Board, disclosing our GHG emissions and efforts	**Uplifting the Industry** Collaborating with stakeholders, sharing data and information to collectively uplift one another. These includes IHLs, the Government and supply chain partners
Human Capital Development Grooming talent in the areas of sustainability, to complement our operations to meet this new world	**Research & Innovation** Investing & being up to date on market trends, increase operational efficiency, and allow for data-led risk management	

SUSTAINABILITY REPORT

OUR SUSTAINABILITY HIGHLIGHTS – FY2024

Focus Areas	FY2023's Targets	Status	Justification
Environment	Electricity Consumption Intensity (Construction) to be 2.29 kWh/revenue ('000) or less		Ramping up of site operations and the mandatory testing, calibration and commissioning of our mechanical and electrical systems before completion contributed to it – Page 41-42
	Electricity Consumption Intensity (Office) to be 3.26 kWh/revenue ('000) or less		Consolidation of our resources, a combination of efficient control measures, and changes to our logistics business operations contributed to it– Page 41-42
	Diesel Consumption Intensity (Overall) to be 4.84 litres/ revenue ('000) or less		Tapering down on diesel intensive site heavy machinery, and placing greater emphasis on operational efficiency contributed to it– Page 41
	GHG Emission Intensity (Overall) Scope 1 – 12.99 Kg CO_2e/revenue ('000) or less Scope 2 – 2.27 Kg CO_2e/ revenue ('000) or less		Our cumulative performances in the areas of energy and diesel consumption contributed to this– Page 45-46
	Water Consumption Intensity (Construction) to be 0.32 m^3/ revenue ('000) or less		Strong wastewater management systems and the changing nature of operations at the end of their project life cycle contributed to it– Page 48-49
	Water Consumption Intensity (Office) to be 0.08 m^3/ revenue ('000) or less		Major defect in a water tank at our former headquarters led to an undetected leak over several months. The issue necessitated an overall replacement of the system, contributing to it– Page 48-49
	Construction Waste Intensity (Construction) to be 13.00 Kg/ revenue ('000) or less		Final phase works and the demobilization of structures to prepare for occupation resulted in the excess generation of waste, contributing to it– Page 51
	Rebar & Scrap Metal Waste Intensity (Construction) to be 2.02 Kg/revenue ('000) or less		Proper housekeeping measures and a stable site leadership contributed to it– Page 51

SUSTAINABILITY REPORT

Focus Areas	FY2023's Targets	Status	Justification
Social	Fatality Rate of 0		Despite our strong safety culture and systemic implementation, a fatal incident involving our subcontractor's workers contributed to it– Page 56-57
	Accident Frequency Rate to be 0.5 or less		Despite our strong safety culture and systemic implementation, we clocked two more incidents compared to the previous year contributing to it– Page 56-57
	Accident Severity Rate to be 25 or less		Man-Days loss attributed to the fatality contributed to it– Page 56-57
	Overall Workplace Injury Rate to be below the prevailing 2023 industry rate of 626	✓	A strong emphasis on safety is permeated through our 4E's Programme, and our systems contributed to it– Page 56-57
	Monthly Turnover Rate to be 2.50% or less		Events such as our strategic organisational restructuring and the successful completion of key projects during the year contributed to it– Page 61-62
	Average Training Hours Per Employee to be more than 8.14	✓	Average Employee Training Hours clocked per Employee was 8.20. The suite of initiatives to empower and groom our workforce, enabling them to remain relevant and competitive contributed to it– Page 60-61
	3 Scholarships Offers	✓	3 Built Environment undergraduate scholarships offered as part of the Ministry of Education's Singapore-Industry Scholarship (SGIS) contributed to it– Page 59
	Participate in one or more IHL programme	✓	Staff participated in The Astronaut's Collective (TAC) World X, Career Exploration Festival, and SkillsFuture Festival, contributing to it– Page 64
	Offer at least 2 Bursaries	✓	Supported an equivalent cause (youth development) through CIMB's Halogen Charity. The Group also continues to provide financial aid for causes such as local humanitarian efforts and vulnerable individuals in society, contributing to it– Page 63
Governance	Confirmed Incidents of Corruption to be kept at 0	✓	Stringent policies and vigilant oversight. Coupled with anti-corruption series for all HODs and "at risk staff" contributed to it– Page 66

SUSTAINABILITY REPORT

ENERGY & EMISSIONS

WHY IT IS IMPORTANT

Electricity significantly influences Scope 2 carbon emission, generated through our business activities. Therefore, the Group prioritises the accurate quantification of our consumption data and the accompanying overall Scope 1 & 2 carbon emissions. According to a study by RBC Global Asset Management, firms have typically lowered their emissions by an average of 7% annually since they commenced measurement and reporting. We aim to emulate this achievement and position ourselves as an environmentally conscious organisation.

APPROACH & PERFORMANCE[1]

Our principle of 'prevention first, if not reduction' is applicable to the way we manage our electrical, diesel consumption and GHG related emissions. Fundamentally, we look to eliminate emission at its source, while not negatively impacting our deliverables. This practice is in alignment with our ISO 14001:2015 accreditation for environmental management, which also governs the management of other resources.

Prevention is first driven by our green procurement and partnering policies that drive innovation and efficiency. These policies stipulate:–

Who to work with
(Pre-qualified Supply Chain Partners)

When to work with them
(Under What Circumstances. i.e. Green Criteria)

How to be Greener
(Value Engineering / Circular Economy Practices)

By clearly defining the rules of engagement, there is little ambiguity on how sustainability is promoted in our practices.

Other efforts include:

- The upskilling of the workforce – i.e. our tendering and engineering teams have been trained to keep them up to date on market ready green solutions
- Having arrangements that facilitate Early Contractor Involvement in Project Tender Stages i.e. Demonstrating to clients how we can rework work packages to improve sustainability
- Encouraging our partners to follow suit in prioritising green practices, amplifying our impact on environmental sustainability

Reduction strategies are adopted on site. For the case of electricity and diesel, commitments are made centrally, defining our annual targets, our various sites then implement decentralised initiatives and practices to achieve this goal. Implementations include:

- Solar Panels to power real time monitoring systems, i.e. dust, vibration and TSS meters together
- Energy saving green labelled fixtures, Internet-of-things (IOT) sensors and switches, awareness campaigns for lightings
- AC power source over diesel generators for our site offices and dormitory to prevent power conversion loss
- Biodiesel over traditional diesel for machinery
- Regular tracking and audits

1 Since FY2022, we have adopted the use of revenue ('000) as the denominator for intensity ratios and target setting. We have assessed our performance this year using the same metric.

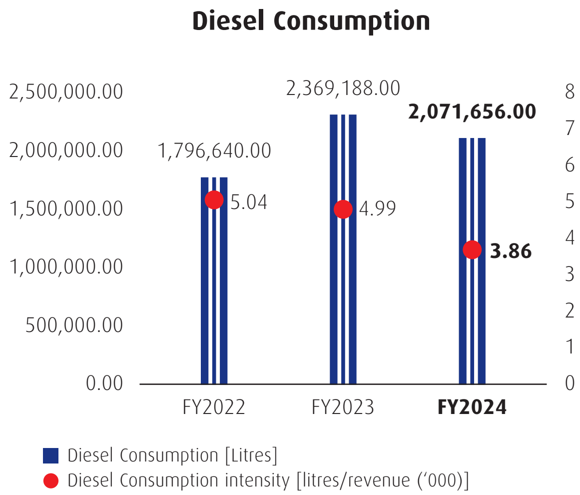
SUSTAINABILITY REPORT

Diesel Consumption

For FY2024 our diesel consumption decreased by more than 10% compared to the previous year, despite ramping up of site operations to meet project deadlines.

This reduction can be attributed to the evolving nature of site activities, with a shift from structural to architectural works, resulting in the reduced need for diesel powered heavy machinery. Consequently, fuel consumption decreased. Additionally with fewer pieces of equipment on-site, greater emphasis was placed on the need to optimize coordination, which led to enhanced operational efficiency, particularly by minimizing idle time and downtime for equipment such as cranes.

In terms of intensity, diesel consumption relative to revenue generation, the Group also saw significant improvements, and was able to hit our target.



Electricity Consumption

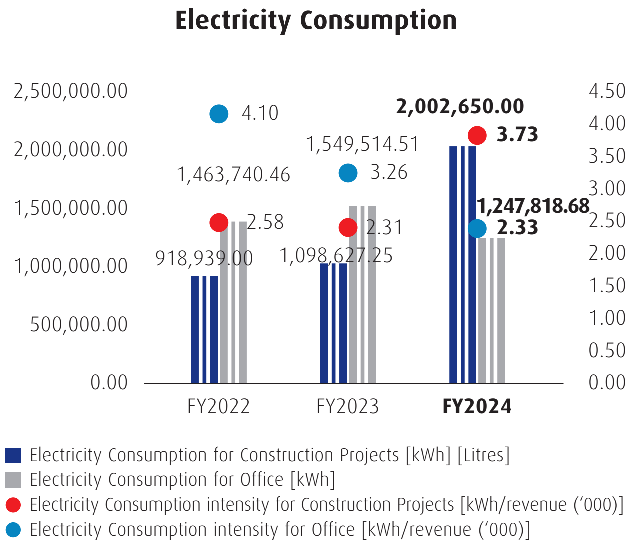
Project electricity consumption in FY2024 increased significantly. This was primarily driven by two factors. Firstly, the surge was due to system commissioning and calibration. During the year, we successfully completed five projects. As part of the completion process, these projects were required to undergo rigorous commissioning, system calibration, and loading tests. These procedures involved intensive testing of mechanical and electrical systems to ensure the units meet stringent safety, functionality, and quality standards. This is a critical step in delivering the high-quality developments our clients expect from us. Secondly, the push for project completion necessitated extended working hours. To meet project deadlines, our teams occasionally operated beyond standard hours, requiring the deployment of temporary task lighting and floodlights. The increased workforce presence on-site also led to greater electricity demand for site offices, equipment charging stations, and other support facilities. Together, these factors also contributed to the observed rise in electricity consumption intensity.

As we progress along the project lifecycle phases, we expect overall energy consumption and the intensity to drop in coming years.

Office electricity consumption in FY2024 noted a reduction of approximately 20%. This was a result of two factors. First, our change in headquarters. Back in the previous office we occupied a larger footprint, with the overall cooling load for the HVAC system being close to 15% larger. By consolidating our resources within a smaller footprint, and incorporating a variety of energy efficient control systems in our new headquarters we were able to lower our overall electricity consumption. Secondly, the scaling down of our logistics operations. In line with our completed projects, and the tapering down of our general workforce to match operational needs, the amount of servicing of equipment and machinery also similarly reduced.

The consolidation, and streamlining of business also contributed to the sharp reduction of electricity consumption intensity, amounting to 30%, this is the third consecutive year of reduction, all while facilitating business as usual operations.

SUSTAINABILITY REPORT



Revised Energy Reporting Format

To improve the consistency of reporting, we have restated our energy consumption data from various units of measurement to megajoules (MJ)[2]. This change aligns with the GRI standards. The table below shows the revised energy data.

	FY2022	FY2023	FY2024
Non-renewable sources			
Diesel Consumption	1,796,640.00 litres Restated: 68,794,121.13 MJ	2,369,188.00 litres Restated: 90,717,231.2 MJ	2,071,656 litres Restated: 79,324,602.49 MJ
Electricity Consumption	2,382,409.85 kwh Restated: 8,576,437.22 MJ	2,648,141.76 kwh Restated: 9,533,045.52 MJ	3,250,468.68 kwh Restated: 11,701,362.20 MJ
Renewable Sources			
Solar Panel	32,513.14 kWh Restated: 117,044.05 MJ	170,158.82 kWh Restated: 612,554.74 MJ	80,621.71 kWh* Restated: 290,230.09 MJ
Total (MJ)	77,487,602.4 MJ	100,862,831.46 MJ	91,316,194.78 MJ
Energy Intensity[3]	0.22	0.21	0.17

* Solar energy is not exported due to reduced demand and lack of storage facility, the system did not generate significant energy

2 Source of conversion factors used: US Energy Information Administration
3 Energy intensity is calculated by dividing the total energy consumed within the organisation (in MJ) by the Group's revenue.

SUSTAINABILITY REPORT

In FY2022 we commissioned a 166.77 kWp Solar Energy Facility atop our Fan Yoong Office Building. This system continues to be operational enabling us to harness clean renewable energy, supporting our efforts to reduce reliance on traditional grid power.

Greenhouse Gas

The Group continues to build momentum in the way we perform our disclosures. In FY2024 we expanded our efforts in two meaningful ways:–

(1) Exploring the potential adoption of science-based targets (SBT) for Scope 1 & 2 emissions in the near term. By taking guidance from SBTs, not only are we ensuring that the targets we set are relevant to macro-objectives such as the Paris Climate Agreement, but more importantly, have a clearly defined emissions reduction pathway.

(2) Start building capability in the areas of Scope 3 carbon accounting. This comes ahead of the future mandatory reporting requirements, and the recognition that for many businesses Scope 3 emissions can account for more than 70% of the overall footprint[4].

Through these efforts, we hope to provide a more comprehensive view of how we approach holistic Greenhouse Gas (GHG) reporting. These efforts complement our many existing decarbonisation initiatives and together we strive to work towards a lower carbon economy.

(1) Strengthening our Disclosures through referencing Science Based Targets

The Group takes reference from SGBC's 'Commit-Disclose-Act-Verify-Advocate' framework to systematically approach carbon reporting. With the new exploration of SBTs, we hope to align our target settings against industry relevant standards.

Commit – previously the Group has committed to qualitative pledges such as the acceleration of decarbonisation through the Singapore Built Environment Embodied Carbon pledge. On a quantitative front, every year the Group also commits to a tangible target, taking reference from the previous year's performance. Noting how targets cannot be made in isolation, in FY2024 the Group is exploring SBTs for the near-term from 2024 to 2029. As part of this, we adopted the cross-sector absolution contraction approach and look to lower our combined annual Scope 1 & 2 emissions to 4,263.00 tCO_2e by FY2029. This target is consistent with the level of decarbonisation required to limit and maintain global temperature increase at 1.5 degrees Celsius relative to pre-industrial temperatures.

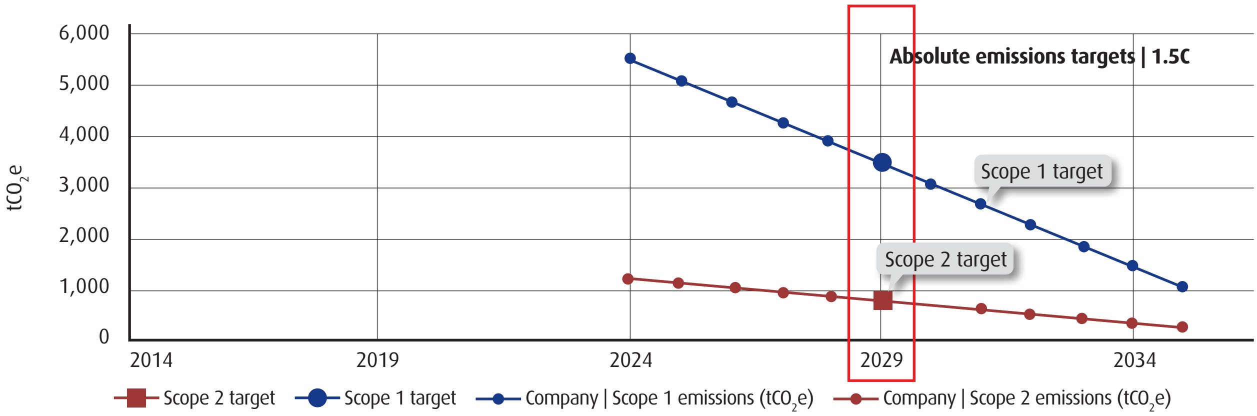
Disclose/Act/Verify – In FY2024, we continue to measure and publicly disclose our Scope 1 & 2 operational carbon emissions, as per previous years. Through our process of tabulating and reporting, shortcomings in our systems are identified allowing us to further improve.

Advocate – We want to demonstrate leadership, through meaningfully reporting our Scope 1 & 2 emissions for our core business activities. We strive to strengthen our reporting approach and frequency, possibly communicating best practices with our value chain partners upstream and downstream.

4 Greenhouse Gas Protocol, Blog: You too can master value chain emissions, https://ghgprotocol.org/bog/youtoo-can-master-valule-chain-emissions

SUSTAINABILITY REPORT

	Base year (2024)	Same as base year	Target year (2029)	% Reduction to date	% FLA Adjustment	% SBT reduction
Scope 1 emissions (tCO_2e)	5,514	–	3,430	–	Not required	37.80%
Scope 2 emissions (tCO_2e)	1,339	–	833	–	Not required	37.80%
Scope 1 + 2 emissions (tCO_2e)	6,853	–	4,263	–	–	37.80%

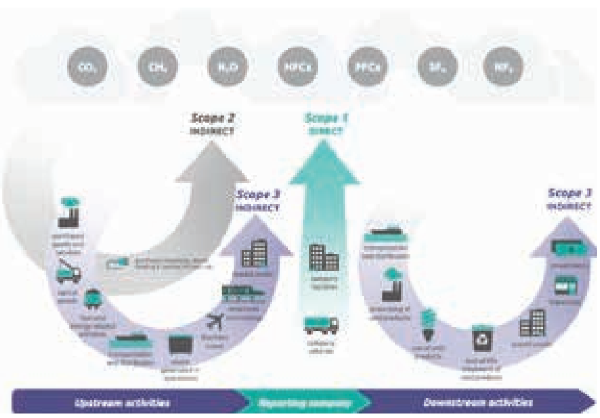


Tiong Seng's 5-year emission reduction roadmap

(2) Diving into Scope 3 Accounting

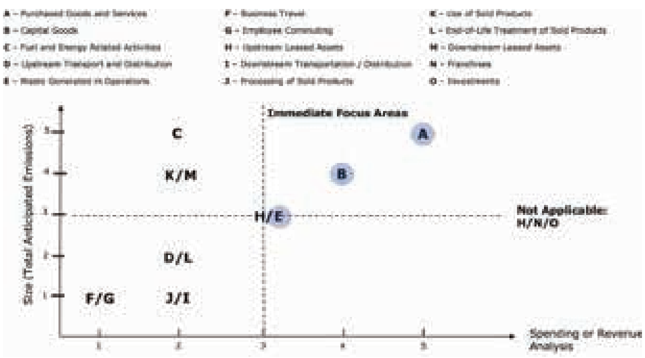
For Scope 3, we have identified and prioritised 3 upstream categories that are both representative of our business operations and offer the most GHG reduction opportunities.

The Group performed a screening process, where GHG Protocol's Criteria list was referenced against. 'Size' and 'Spending or Revenue Analysis' were qualitatively identified as principal considerations. The 15 categories were then evaluated against the two selected considerations.



Overview of the 15 Categories for Scope 3[5]

Classification & Priority Matrix



Prioritisation of 15 Categories for Scope 3

5 Greenhouse Gas Protocol, Technical Guidance for Calculating Scope 3 Emissions (version 1.0), https://ghgprotocol.org/sites/default/files/2022-12/Intro_GHGP_Tech.pdf

SUSTAINABILITY REPORT

<table>
<tr><th>Category</th><th>Description</th><th>Rationale</th></tr>
<tr><td>Purchased Goods and Services</td><td>Extraction, production, transportation of goods, materials and services acquired by Tiong Seng

i.e. Concrete supplied by our supplier</td><td rowspan="2">Emissions generated from the various lifecycle stages of construction materials

(a) Extraction of Raw Materials

(b) Raw Material Production

(c) Construction Material Manufacturing

have been known to be significant contributors of CO_2 globally[6]

Particularly the production of Portland cement, and the subsequent process of concrete manufacturing</td></tr>
<tr><td>Capital Goods</td><td>Extraction, production, transportation of capital goods, materials and services acquired by Tiong Seng

i.e. Tools and machinery used for the production of the materials</td></tr>
<tr><td>Waste Generated in Operations</td><td>Disposal and Treatment of waste generated by the suppliers from whom Tiong Seng acquires its materials</td><td>The consumption of raw materials in such vast quantities, has resulted in the sector contributing almost a third of all the world's waste[7]</td></tr>
</table>

Justification for the prioritisation for Scope 3 categories

The Group however notes that construction is a multifaceted industry, and there are numerous stakeholders involved. That is why we have plans to start engaging with our upstream partners, expressing our intention to work with them for the collection of primary data. We are also separately looking at secondary industry data, to best complement the collected data for a hybrid reporting approach.

Furthermore, we see opportunities in partnering with like-minded organisations to build capability. That is why we have engaged with IHL to share information, and leverage on their expertise. Specifically for Scope 3, we have consulted with Nanyang Technological University (NTU)'s Energy Research Institute and worked with professors from Singapore Institute of Technology (SIT)'s Engineering Faculty previously. In doing so we hope to strengthen our carbon footprint framework, and better manage and identify GHG risks and opportunities.

For FY2024, we commissioned efforts to begin preparing for Scope 3, and we target to begin reporting on the select emission categories by FY2026's Sustainability Report.

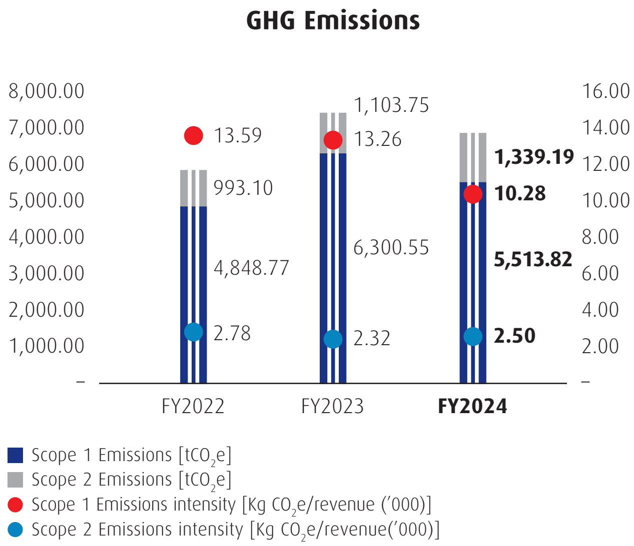
For FY2024 the GHG emissions organisational and operational boundaries remain unchanged from previous years i.e., reporting 100 percent emissions from operations over which the Group has operational control We elected to report based on operational control so we can implement operational changes and influence environmental outcomes, promoting transparency, consistency and effective climate action.

6 Chatham House Report, Making Concrete Change, Innovation in Low-carbon Cement and Concrete
https://www.chathamhouse.org/sites/default/files/publications/2018-06-13-making-concrete-change-cement-lehne-preston-final.pdf

7 Environment European Commission, Construction and Demolition Waste
https://environment.ec.europa.eu/topics/waste-and-recycling/construction-and-demolition-waste_en

SUSTAINABILITY REPORT

GHG figures also remain consistent, derived from our electricity and diesel consumption metrics. As shared in the respective sections above, our previous efforts to institutionalise sustainable practices across our work sites are starting to pay dividends.



Overview of Emissions

Overview of Emissions	FY2022	FY2023	FY2024
Scope 1[8]	4,848.77	6,300.55	**5,513.82**
Scope 2[9]	993.10	1,103.75	**1,339.19**
Total (tCO_2e)	5,841.87	7,404.30	**6,853.01**
Emissions Intensity[10]	0.016	0.016	**0.013**

	FY2022	FY2023	FY2024
Scope 1 Emissions [tCO_2e]	4,848.77	6,300.55	**5,513.82**
Scope 1 Emissions intensity [Kg CO_2e/revenue ('000)]	13.59	13.26	**10.28**
Scope 2 Emissions [tCO_2e]	993.10	1,103.75	**1,339.19**
Scope 2 Emissions intensity [Kg CO_2e/revenue ('000)]	2.78	2.32	**2.50**

8 Scope 1 emission factors were Sourced from DEFRA Greenhouse gas reporting: conversion factors 2024" published on 8 July 2024.
9 Scope 2 emission factors were sourced from Energy Market Authority (Singapore).
10 Energy intensity is calculated by dividing the total energy consumed within the organisation (in Kg CO2e) by the Group's revenue.

SUSTAINABILITY REPORT

2025 TARGETS (Management has undertaken a target setting exercise in FY2024, and updated our energy and emission targets with reference to SBTs*)

- Overall: GHG Emission intensity to be in line with SBT Scope 1: 5,096.98 Kg CO_2e/9.51 Kg CO_2e/revenue ('000), Scope 2: 1237.95 Kg CO_2e/2.30 Kg CO_2e/revenue ('000),

SUSTAINABILITY REPORT

WATER & EFFLUENTS

WHY IT IS IMPORTANT

Responsible consumption of water is a key component in the United Nations SDG, due to its importance for life and economic development. In Singapore, a country with low water stress[11], the Construction sector, alongside economic sectors such as Manufacturing and the Accommodation and Food Services Activities sector, accounts for over 70% of total water use, with our sector being the third most intensive, contributing approximately 10%[12].

The Group's immediate focus lies in adopting efficient use of the resource, and preventing pollution of waterways, to ensure that it is readily available for future generations to come.

APPROACH & PERFORMANCE

Our commitment to managing our water consumption applies to both construction work, and our offices. With our ISO14001 certification, we have a structured process in-place to holistically and systematically look at how we consume and manage both grey water and Public Utilities Board (PUB)'s domestic water supply. This framework is also complemented by our Environmental, Health and Safety (EHS) governance cycle, comprising the 4 steps of Plan-Do-Check-Act.

Water Management

Our project teams and facility management staff constantly engage with industry professionals, to stay abreast with emerging trends. A sample of our ground implementations to reduce water consumption are listed below:

- Auto cut off values
- Water Efficient Fittings i.e. Pesto Taps for Washbasins & Dual Flush systems for Water Closets (PUB Water Efficient Label)
- Auto-spraying systems for our washing bays
- Extensive use of recycled treated water i.e. wetting of roads, slab rebar cleaning, concrete cube curing, watering of plants

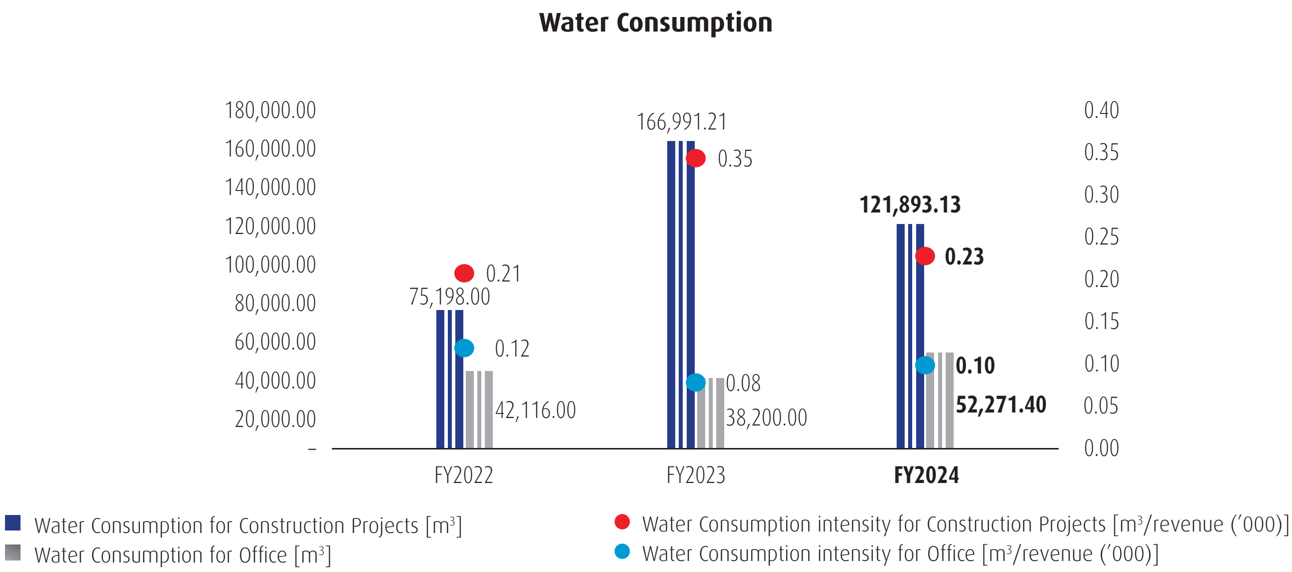
Project water consumption in FY2024, recorded a reduction in overall consumption of approximately 30%. This decline was primarily driven by the completion of water-intensive construction phases, such as concrete mixing and earthworks, across multiple sites. Additionally reduced equipment cleaning, dust suppression and washing was required with the completion of structural works. Finally as our site teams stabilized, they became more proficient in site water management and conservation practices, as we began realising the benefits of our past conservation efforts.

Office water consumption in FY2024, recorded an unusually high overall consumption exceeding the previous year's usage by over 35%. This surge was primarily due to an undetected leak in a water tank at our old headquarters, which was also not promptly and properly rectified upon discovery. As a result, water consumption from May to August was over ten times the typical monthly average. The water tank has since been fully replaced and enhanced monitoring measures implemented to prevent recurrence. Additionally the increased operations at our TSPH Factory contributed to higher water usage, aligning with expanded concrete casting and curing activities for newly secured projects under our Engineering Solutions entity.

11 According to Aqueduct Water Risk Atlas, www.wri.org/our-work/project/aqueduct/, Singapore scores Low (<10%) on baseline water stress, measured the ratio of total water demand to available renewable surface and groundwater supplies. Higher values indicate more competition among users.

12 Singapore International Water Week 2022, An exploration of water use intensity in the non-domestic sector in Singapore

SUSTAINABILITY REPORT



In reporting, we use cubic meters (m^3) instead of megalitres (ML), with 1 ML equal to 1,000 m^3

Effluent Management

Effluent management plays an equally important role alongside conservation for water management. It involves preventing water ways from being contaminated as a by-product of our actions, safeguarding the integrity of our water supply. Our strategy involves proper handling and treatment of wastewaters generated from our construction activities and are governed by PUB's stringent regulatory performance requirements. A sample of our effluent management practices are listed below:

- Use of the National Environment Agency (NEA)/Singapore Green Building Council (SGBC) approved products i.e. Multimedia Filtered products for work scopes such as misting, Relief-T for stagnant water management and 'Green' Paint

- Green Environmentally Friendly Products i.e. Green Toilet Cleaner that adopts a plant based biodegradable formula

- Non-Chemical Based Solutions i.e. termite treatment systems

- Biodegradable & reusable earth erosion blankets

Supporting the use of tangible products as above involves monitoring effluent and wastewater against regulatory thresholds and taking action in the event of a breach or non-compliance. Enabling these efforts are our periodic sampling of wastewater tests, and the use of total suspended solid meters that have been installed at many of our water release points. These devices provide live and factual measurements on whether we are complying with the necessary standards for discharged water.

2025 TARGET

- Construction Projects: Water Consumption Intensity to be [0.32 m^3/revenue ('000)] or less

- Offices: Water Consumption Intensity to be [0.08 m^3/revenue ('000)] or less

SUSTAINABILITY REPORT

WASTE & POLLUTION

WHY IT IS IMPORTANT

The construction industry is recognised to be the largest consumer of raw materials globally. Consequently, it generates substantial amounts of waste, if not managed properly, this can result in air, water, land and noise pollution, in severe cases even the loss of biodiversity. Moreover, the overexploitation of resources inherent to the industry can exacerbate environmental degradation.[13]

APPROACH & PERFORMANCE

Waste management starts off with a symbolic annual declaration by Senior Management, and key internal project stakeholders reaffirming their commitment to safeguarding the environment.

Commitment Pledge

Commitment pledge made annually by the management and senior management of the Group

This formality serves as a reminder to all of the responsibilities to uphold, fostering accountability in practice, while also encouraging transparency. Downstream, the principle of 'prevention first, if not reduction' is also enforced, supported by operational practices.

All these are supported by processes where data is diligently tracked by our EHS and Project teams, allowing us to make data-driven decisions based on our consumption, and how we are addressing this build-up.

Waste Prevention: Designing Out Waste

Since the early 2010s, Tiong Seng has embraced the use of DFMA solutions. This philosophy has impacted the way we construct and how we value engineer solutions for our clients. Today, the Group has extensive tried and tested capabilities in the areas of Precast, Prefabricated Prefinished Volumetric Construction (PPVC), Prefabricated Bathroom Units (PBU), Mass Engineered Timber (MET), Structural Steel, Light Gauge Steel (LGS) and more. In addition to productivity gains, by adopting a manufacturing mindset to construction, we have been able to significantly reduce waste generation, through higher quality workmanship, reduce re-works, and reduced moulds required for works on site.

By relooking at construction materials, methodologies and how work packages are sequenced, we strive to eliminate as many redundancies and waste production at its source. Depending on the trade, we have recorded a waste reduction ranging from 10-85%.

Waste Prevention: Reusable Modular Formwork

Furthering our embrace of alternate construction solutions. Tiong Seng was one of the first in Singapore to pioneer the use of modern formwork systems. Compared to conventional single-use timber formwork, these modular reusable rubber and steel-based solutions have an average lifespan of over 10 years and over 150 use repetitions. We currently use them for a variety of works, including the casting of high-volume walls, columns, slabs and pile caps.

Highlighting its ability to lower waste generation, a RCS Formwork was adopted for our OBS project for the casting of the high-volume lift core. Its adoption resulted in an 80% reduction in timber waste. Additionally with the process of installation on site done through the use of simple connections without drilling, noise and dust generation was further reduced.

13 Build Green Vision, 2017, The Importance of Construction Waste Management https://buildgreenvision.com/the-importance-of-construction-waste-management/

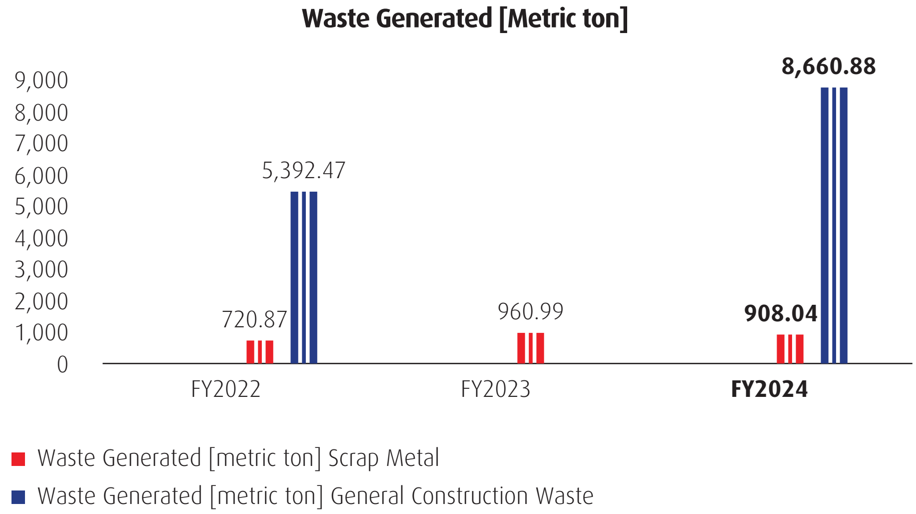
SUSTAINABILITY REPORT

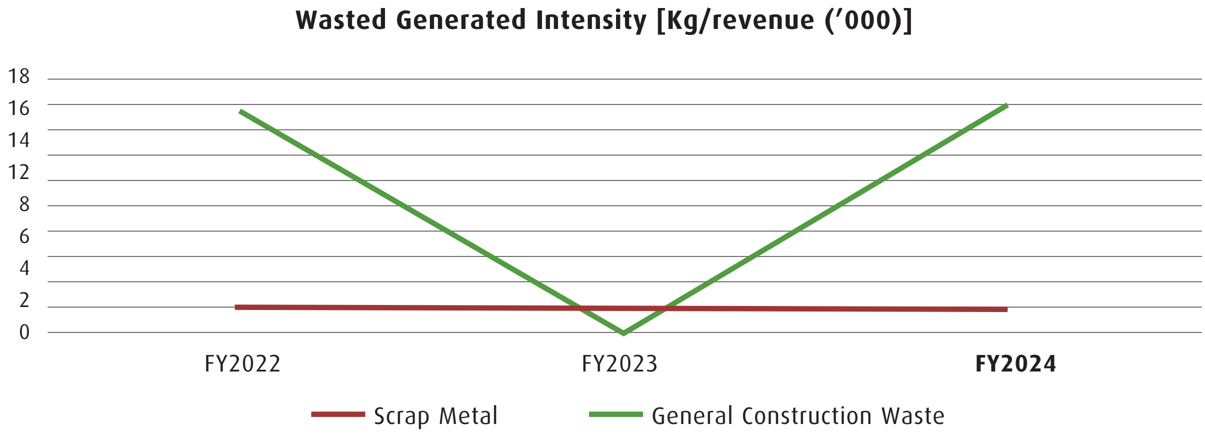
Waste Prevention: Site Strategies

In FY2024 we continue to implement a variety of best practices. They include the proactive segregation of construction waste and scrap metal and, the provision of specialised bins for the segregation of food, plastics and can drink waste. We have also embraced a transformative approach to sustainability, whereby traditionally discarded items are upcycled, and repurposed. This practice not only reduces waste sent to landfills, but also conserves natural resources. Examples include recycling a container into a site rest area, reusing old GI pipes into bicycle racks, and having earth drains done up from waste concrete.

General construction waste generation in FY2024, saw an overall increase compared to our last disclosed figures in FY2022. This rise was primarily driven by additional scopes of work associated with the completion of several projects. Key contributors included the demobilisation of temporary structures such as safety barriers and site facilities, final-phase installation works involving systems like ducting, fixtures, and conduits, as well as the comprehensive cleanup required to prepare sites for handover. These activities collectively resulted in a higher volume of waste, reflecting the intensity of project closeout efforts. Within the disclosed figure are also waste generated from our office relocation, which were stored and only cleared at the end of 2024.

Scrap metal generation in FY2024, registered a similar overall quantum compared to FY2022. However in terms of intensity we clocked a reduction, allowing us to hit our target. Despite the closing off of projects, the scrap metal generated still remained high, this was mainly attributed to the disposal of the site office, and for some of our site's last minute reworks and adjustment of components as per the request of the developer prior to handover.





SUSTAINABILITY REPORT

Pollution Reduction: Site Strategies

The Group is committed to being a responsible builder, by minimising impact to both the environment at large, and the surrounding community.

Common issues include site housekeeping matters, vector control and the occasional noise and dust pollution.

Our approach to these issues is top-driven and starts with our extensive adoption of DFMA. This is further complemented by a combination of policies on the procurement, the guidance on the preferred use of eco-friendly products, regular housekeeping on site, periodic skills training of workers, physical implementations such as our Earth Control Measure Plans, and constant communication with stakeholders.

These processes are then governed by our stringent (4)+1-step project management process, consisting of.

(a) Initiating

(b) Planning

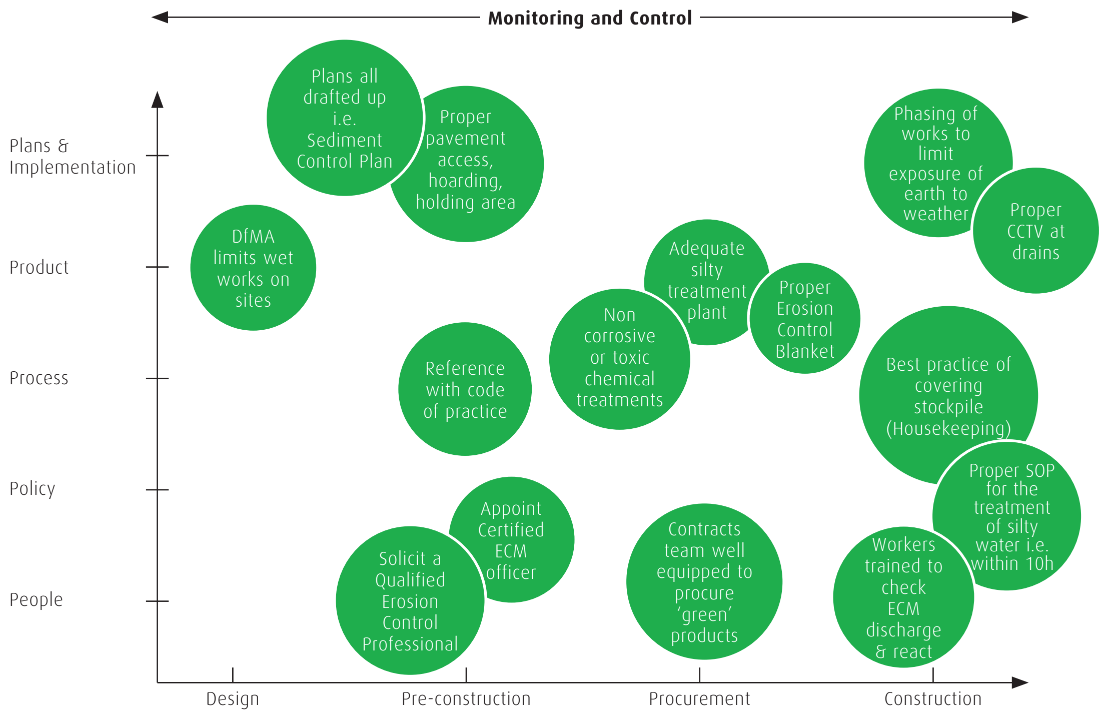
(c) Executing

(d) Closing

The +1, being the process of monitoring (Inspect – Rectify – Monitor – Treat) conducted by our in-house Environmental Health & Safety (EHS) team, this proactive oversight aims at ensuring there is both proper check and balance, and enforcement. More details on EHS' scope and responsibilities are shared in the subsequent section.

Proper standard operating procedures, coupled by regular internal audits and enforcement form the foundation for our efforts.

Erosion Control



Overview of our efforts for erosion control

SUSTAINABILITY REPORT

In FY2024 we did not receive any direct public complaints of major disturbances regarding site-related pollution. However, we have worked with agencies such as the PUB and NEA to address site specific non-conformances. We promptly rectified the issues and continue to engage with the agencies closely to enhance our processes.

2025 TARGETS

- General construction waste should not exceed 13Kg/revenue ('000)
- Wastage for Rebar/Scrap metal should not exceed 2.02Kg/revenue ('000)
- Air Quality: <50 PSI
- Noise/Vibration <75dB (Day) & 55dB (Night)/<2mm/Sec

SUSTAINABILITY REPORT

OCCUPATIONAL HEALTH AND SAFETY

WHY IT IS IMPORTANT

Based on the 2023 Ministry of Manpower (MOM) Workplace Safety and Health (WSH) Report the construction sector remains high risk, accounting for nearly 27% of all fatal and major injuries ahead of other at-risk sectors such as manufacturing and transportation[14]. Despite ongoing efforts to revolutionize operations, the sector continues to face significant challenges related to workplace safety, and Occupational Diseases (OD) such as Noise-Induced Deafness, as well as Dangerous Occurrences (DO).

APPROACH & PERFORMANCE

The Group is steadfast in our goal to uphold high standards of workplace safety. This extends beyond our employees, but also to our extended workforce comprising our sub-contractors, suppliers, and client teams. We firmly believe that a safe and supportive work environment is essential for teams to excel, therefore it is a non-negotiable consideration.

The Group is committed to adhere to the Workplace Safety and Health Act (WSHA) regulations framework. In putting the WSHA into practice, the Group follows key subsidiary legislations, among others, but not limited to[15]:

- WSH (Construction) Regulations
- WSH (Risk Management) Regulations
- WSH (General Provisions) Regulations
- WSH (Medical Examinations) Regulations
- WSH (Incident Reporting) Regulations

Subsequently, our ISO 45001 certification in Occupational Health and Safety Management, together with policies that surpass legal and regulatory requirements help to assist in identifying hazards, assessing risks, and investigating work-related incidents to determine the corrective actions needed. The Group evaluates all reports on potentially hazardous situations, consult experts and empowers employees to report such incidents.

Subcontractor Health & Safety

We seek to build an ecosystem of partners who prioritise safety as we do. Hence, beyond our efforts of professionalising safety internally, we also collaborate externally with our partners.

To this end, we require all our partners hold a minimum bizSAFE Level 3 certification or have plans in the pipeline to do so. Additionally, we also extend our risk assessment briefings, safe work procedures training and relevant courses to them. We also encourage all partners including our second and third tier suppliers to attain bizSAFE STAR status within two years of their Level 3 certification.

Environment Health & Safety

4E's Framework

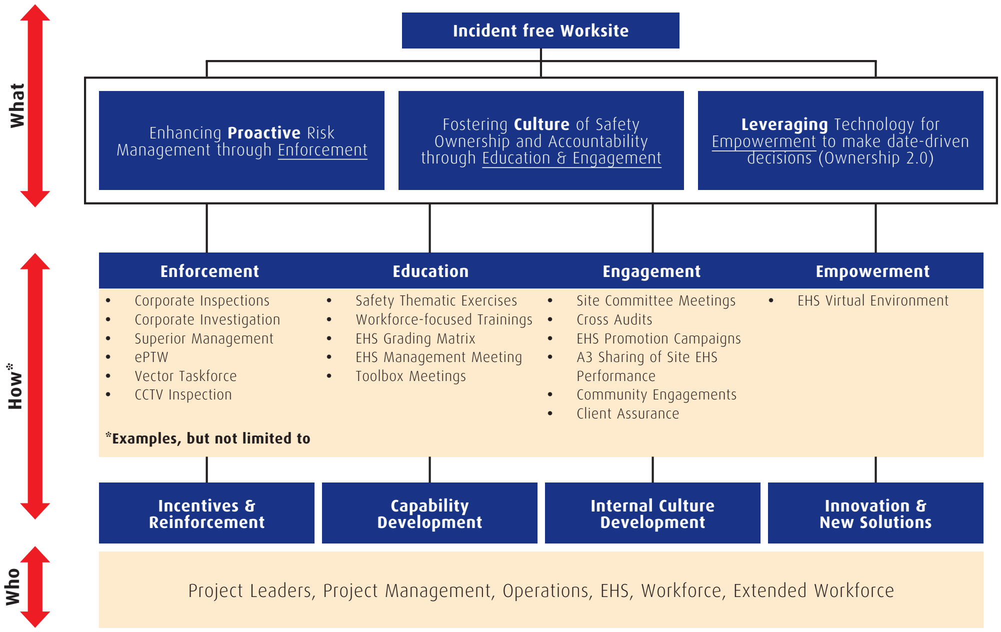
In FY2023, the EHS Department introduced the 'Engagement, Enforcement and Education' framework, aimed at aligning our efforts into a cohesive, easy to communicate structure. The framework served us well, with the Group just accumulating 6 demerit points throughout the entire year, despite us having 7 ongoing projects.

In FY2024, as part of our EHS Ownership 2.0 upgrade, a new category of Empowerment was added to the framework. The addition aimed at leveraging innovative technologies and adopting data to aid in predictive analysis. This came alongside the creation of a digitalised safety repository for the storage and sharing of insights with the rest of the workforce. Our goal of total safety, to achieve zero incidents and an injury-free worksite is enabled by 4Es.

14 Workplace Safety & Health Report 2023, https://www.mom.gov.sg/-/media/mom/documents/safety-health/reports-stats/wsh-national-statistics/wsh-national-stats-2023.pdf

15 Singapore legislation for workplace safety and health 2024, https://www.mom.gov.sg/legislation/workplace-saf66ety-and-health

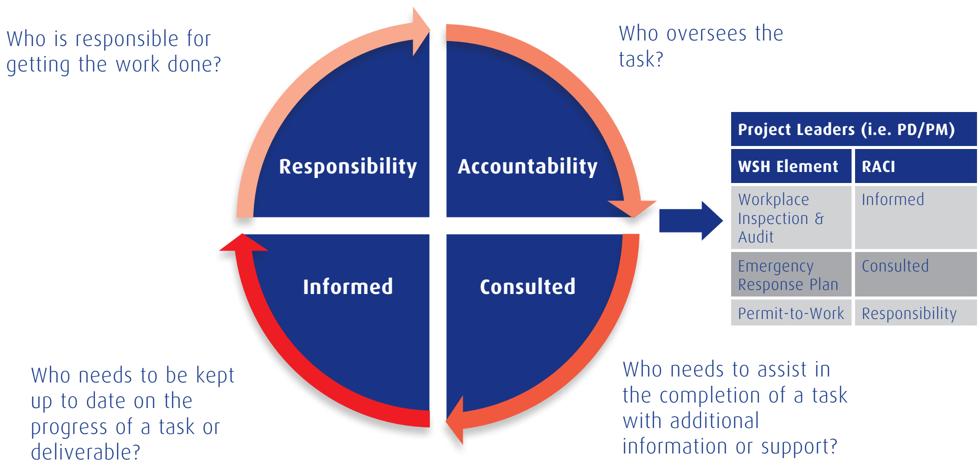
SUSTAINABILITY REPORT



EHS's 4E Framework providing guidance for total safety

RACI Framework

Recognising that safety is a collective responsibility, the EHS Department also introduced the Responsibility-Accountability-Consulted-Informed (RACI) framework. This framework delineates clear roles and responsibilities, ensuring that every individual understands their part in maintaining a safe work environment. By outlining how each party collaborates and communicates, the RACI fosters a cohesive approach, where everyone plays their specific part towards total safety.



EHS's RACI Framework, providing clarity on roles and responsibility when it comes to safety

With the establishment of overarching governing frameworks, the EHS Department has also rolled out initiatives and processes at both the project and work site level that align with the 4E's principles. These initiatives incorporate industry best practices such as our cross functional Project Management (PM) cross audits, where the EHS team evaluates existing processes to identify non-compliances and systemic weaknesses. This rigorous check and balance system ensures that safety is not compromised for the sake of project progress. Other additional measures include proactive risk management, and training programmes where staff are assessed to ensure their currency. This thorough training begins at the onset at their induction and continues with on-the-job training, progressive refreshers and ongoing skills enhancement initiatives.

SUSTAINABILITY REPORT

In-sync with the revised organisation structure, the EHS Department resides within the Corporate Division, with the provision of secondary reporting lines to the individual projects supported. This dual reporting system promotes objectivity, through unbiased assessments, while allowing for the uniform yet swift addressing of site-specific matters. All efforts to ensure alignment with the organisation's overarching safety goals.

In FY2024, the Group achieved a workplace fatality rate and workplace injury rate of 26.8 and 295 respectively.

In terms of work-related injury count, despite our initiatives the Group recorded a year-on-year increase to eleven incidents. The majority of work-related injuries suffered were minor ones consisting of cuts and pinch points for hand/finger injuries. Higher-consequence injuries included slips, trips and the protrusion of objects. The Group also recorded a fatal workplace incident involving one of our subcontractor's workers.

For Accident Frequency Rate[16] (AFR) in FY2024 the Group recorded a score of 0.77, a decrease from the previous year. Though we accumulated one more incident, it came amidst a period where the group clocked almost 15% additional man hours during the year, as the Group sought to expedite site operations to close off our legacy projects. Despite our proactive measures and consistent efforts to foster a safe working environment, construction itself has its inherent complexities, and numerous stakeholders involved, with unforeseen lapses beyond our immediate control can still occur. Eleven incidences were contributed both by our employees as well as those of our partners at our sites.

For Accident Severity Rate[17] (ASR) in FY2024, the score stood at 474.27. The numerator was impacted significantly by the fatality, which resulted in the immediate loss of 6,000 man-days. Additionally, ten minor incidents contributed to a further 195 man-days lost. Comparatively, in the previous year, nine incidents accounted for a total of 205 man-days lost, when isolating the fatality, in FY2024 we were able to limit the severity of minor accidents.

This year's performance underscores the importance of not only managing internal risk, but continuous engagement and enforcement with all stakeholders to reinforce adherence to safety and ensure accountability at every level. Moving forward, we remain steadfast in strengthening our oversight.


Toolbox Briefings for our workers and subcontractors (Education)

On-the-Job Trainings and Risk Assessment Briefings (Education)


Joint Sharing Sessions with Project Teams on Safety Matters [Education & Engagement]

Safety Pledge by the Project and EHS Teams for one of our sites [Engagement]

16 No. of Workplace Accidents Reported x 1,000,000/No. of Man-hours Worked
17 No. of Man-days Lost to Workplace Accidents x 1,000,000/No. of Man-hours Worked

SUSTAINABILITY REPORT

Table 1. All Employees

	FY2022	FY2023	FY2024	Rate of injury based on man-hours		
				FY2022	FY2023	FY2024
Number of fatalities as a result of work-related injury	0	0	**1**	0	0	**1**
Number of high-consequence work-related injuries, excluding fatalities	0	0	**0**	0	0	**0**
Number of recordable work-related injuries	5	5	**7**	1.73	1.12	**1.34**
Number of hours worked	2,890,198	4,448,218	**5,224,844**			

Table 2. All workers who are not employees but whose work and/or workplace is controlled by the organisation

	FY2022	FY2023	FY2024	Rate of injury based on man-hours		
				FY2022	FY2023	FY2024
Number of fatalities as a result of work-related injury	0	0	**0**	0	0	**0**
Number of high-consequence work-related injuries, excluding fatalities	0	0	**0**	0	0	**0**
Number of recordable work-related injuries	2	4	**4**	0.46	0.58	**0.51**
Number of hours worked	4,356,235	6,940,223	**7,837,266**			

Table 3. Accident Frequency Rate (No. of workplace Injuries/Total Man Hours Worked)* 1,000,000 hours worked

	FY2022	FY2023	FY2024
No. of workplace Injuries	7	9	**11**
No. of hours worked	7,246,433	11,388,441	**13,062,110**
Accident Frequency Rate	0.97	0.79	**0.84**

Table 4. Accident Severity Rate (No. of mandays lost/Total Man Hours Worked)* 1,000,000 hours worked

	FY2022	FY2023	FY2024
No. of mandays lost	218	205	**6,195**
No. of hours worked	7,246,433	11,388,441	**13,062,110**
Accident Severity Rate	30.08	18.00	**474.27**

2025 TARGETS

- Zero Fatalities
- Maintain the workplace injury rate to be below that of the year's MOM Construction Industry Rate

SUSTAINABILITY REPORT

HUMAN CAPITAL ASSET

WHY IT IS IMPORTANT

Employees play a pivotal role in the success of the Group's business. They are the custodians of skills, knowledge and experience, and we believe 'when our staff excels, we excel'. That is why we value them greatly, and we continue investing to groom, nurture and retain our human capital assets.

APPROACH & PERFORMANCE

We are committed to being an employer of choice, and we achieve this through implementing a diverse range of strategies that foster a conducive and supportive work culture. Our initiatives include welfare initiatives, robust training and development opportunities, industry competitive remuneration and maintaining a strong commitment to equal opportunity employment.

People Diversity

Embracing diversity is key to bringing together a wide range of perspectives, talent and experiences. That is why we adopt fair employment policies that accords everyone equal opportunity, regardless of race, sex/gender, religion, age, disability, marital status, or any other classification protected by law. Our evaluation of staff is solely based on merit, and is done in a transparent and consultative manner. This comes amidst a backdrop of us operating our core business in a traditionally male dominated environment. Though we do not have any quotas for gender, we do periodically monitor the demographics of our staff.

In FY2024, 22.25% of our staff were females. In terms of its breakdown against the employee category, a majority of females were of Executive grade (77.65%), followed by manager grade (18.82%), non-executive grade (2.35%), and finally management grade (1.18%).

This is the first year we are disclosing employee figures by gender at each job grade and we plan to provide more comprehensive human resource information moving forward.

Ts Junior Council

In FY2023, the Group inaugurated the TS Junior Council (JC), a corporate-driven cultural programme intended to tap on the drive of our young leaders to create the new Tiong Seng. Since then, they have played a key role in creating a supportive and engaging workplace for our employees (inclusive of staff and workers). In addition to staff welfare, they have also undertaken a secondary role, as a conduit between Senior Management and the broader workforce, ensuring that employees' voices are heard.

In FY2024, the JC continued to play a critical role in the organisation, in particular the planning and execution of our office relocation. By organising town halls and consultations they supported the move in proactively addressing concerns to ensure a smooth transition. Other activities include the distribution of tokens of appreciation to our staff, and the organising of our various company events.

The Junior Council's 2024 Christmas Secret Santa Event

Human Rights

The Group places strong emphasis on upholding human rights for our workforce. We recognise the diverse backgrounds of our workforce and are dedicated to creating an inclusive and equitable workplace for all.

As a part of our commitment, our policies are governed by the various prevailing Acts and Standards set forth by the Ministry of Manpower, and other associated bodies. Our policies were developed using references from the Employment Act, CPF Act, Employment of Foreign Manpower Act, and Tripartite Guidelines on Fair Employment Practices which are based on the principles of equal treatment and non-discrimination.

SUSTAINABILITY REPORT

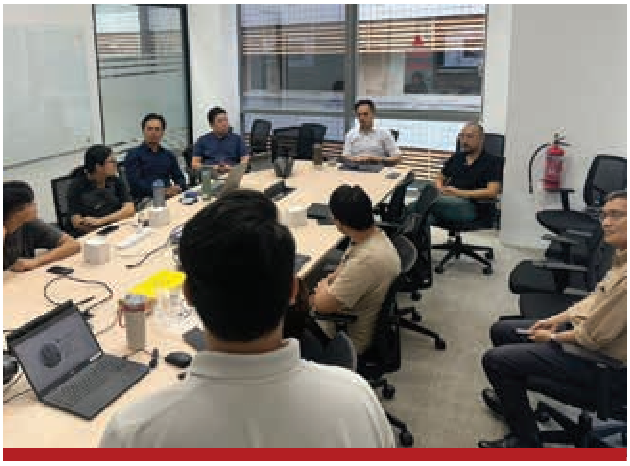
Professional Development

Internships

Internships remain our primary channel for engaging and attracting tertiary students eager to gain insights into the Built Environment.

In FY2024, we offered 11 internships to students across a diverse range of disciplines, including data science, urban greenery, human resources, alongside traditional fields such as civil engineering. This interns cohort also continued to maintain a healthy gender balance, further showcasing our commitment to overall diversity. Beyond participating in our comprehensive program where interns had the opportunity to shadow staff, and work on real-life assignments, they also undertook a capstone project, and presented their findings to the senior management.

As we invest in our interns, upstream we are also dedicated to maintaining strong relationships with the various institutes of higher learning such as NUS/NTU/SIT/the various Polytechnics and ITEs, thereby allowing us to build a robust pipeline of future leaders for tomorrow.



Capstone sharing session for our interns

Scholarships

We continue to invest heavily in future talent. Since the early 2000s, Tiong Seng has awarded scholarships to over 70 deserving tertiary students. Notably, we partnered with the BCA for 14 years through its iBuildSG scholarship programme until its conclusion in 2022.

In FY2024, we resumed the awarding of scholarships. As part of the Ministry of Education's Singapore-Industry Scholarship (SGIS) programme, the Group offered 3 Built Environment undergraduate scholarships. These scholarships not only provide financial support to deserving students but also include internships, on-the-job training, mentorship, career guidance, job rotation opportunities, and a comprehensive onboarding experience, ensuring our scholars have a robust and enriching start to their careers.

Our scholars at the 2024 Singapore-Industry Scholarship Award Ceremony

SUSTAINABILITY REPORT

Trainings

The Group recognizes the importance of continuous training. To this end, we made significant investments in the professional growth of our employees. This enhances their skill sets and knowledge, ensuring they remain current with industry advancements and best practices. Our comprehensive training programs, encompassing job-specific technical skills, on-the-job training, and professional development, are integrated throughout the organisation both laterally and vertically. For instance, our EHS teams have expanded their thematic revision exercises to encompass over 20 topics, from fundamental areas like working at heights to more specialized subjects such as hot-works and confined space operations. We also provide curated classroom-based lessons for our project teams, equipping them with in-depth knowledge to manage safety holistically.

The Group also believes in the power of leadership development. In FY2024, we expanded our participation in BCA's LEAD Programme. Our focus on leadership development ensures our high potential staff can realise their full potential.

Moreover, we are dedicated to the transformation of our workforce through the BCA CoreTrade scheme. By FY2024, over half of our workers have completed the programme, certifying their proficiency in their respective trades. Additionally, many of our workers have also received cross-training in multiple trades as part of increasing their productivity on site. These competency training are supplementary to the mandatory construction safety orientation courses required.

All the above initiatives fall under the Group's revised talent development programme that was first introduced in FY2023. As our employees dedicated a significant amount of time furthering their professional development, we will remain committed to this and continue to support them through their growth.

1. Average Training hours per employee – by gender

Gender	FY2022	FY2023	FY2024
	Number of hours		
All male employees	7.02	7.84	**8.82**
Male employees who went for training	20.81	18.19	**23.93**
All female employees	1.08	1.10	**0.91**
Female employees who went for training	20.29	32.00	**11.43**
Total for all employees	6.56	7.42	**8.20**
Total for all employees who went for training	20.80	18.27	**23.70**

In FY2024, with the new implementations, our average training hours per employee, and average training hours per employee that went for training increased. This was in alignment with the Group's strategy to uplift our core workforce, and also continually nurture and provide more opportunities for high performing talent. Breaking down by job classification, the average hours of training per worker and the average training hours of training per worker that went for training also similarly increased. However, we noted that the average training hours per staff from our core projects teams retreated as they were busy completing overdue projects. For the staff that had the opportunity to go for training, they clocked comparatively more hours compared to FY2023 to better upskill themselves.

As we fully clear our backlog in FY2025, we plan to provide the training opportunities to our project teams to ensure they have the necessary skills to perform their roles more effectively and efficiently.

The Group nominated 3 high performing staff for BCA's iBuildSG LEAD Horizon and Milestone programme. Allowing them to hone their leadership skills for the Built Environment

2. Total Training hours – by gender

Gender	FY2022	FY2023	FY2024	
	Number of hours			Percentage
Male	10,943.75	10,243.00	**9,068.00**	**99%**
Female	142.00	96.00	**80.00**	**1%**
Total	11,085.75	10,339.00	**9,148**	**100%**

SUSTAINABILITY REPORT

3. Average Training hours per employee – by employee category

Employee category	FY2022	FY2023	FY2024
	Number of hours		
All workers	8.16	8.85	**10.98**
Workers who went for training	20.67	18.44	**22.70**
All staff	2.36	3.44	**2.85**
Staff who went for training	22.08	17.14	**35.16**
Total for all employees	6.56	7.42	**8.20**
Total for all employees who went for training	20.80	18.27	**23.70**

4. Total Training hours – by employee category

Employee Category	FY2022	FY2023	FY2024	
	Number of hours			Percentage
Staff	1,104.00	1,268.00	**1,090.00**	**12%**
Workers	9,981.75	9,071.00	**8,058.00**	**88%**
Total	11,085.75	10,339.00	**9,148.00**	**100%**

New Hires & Turnover

In FY2024, the Group recorded a decline in its overall headcount. This reduction, amounting to approximately 20% from previous year's figure, was expected, and attributed to the cyclical nature of project-based construction. Through the course of the year, the Group completed five projects while securing two new ones, resulting in a net reduction of three projects.

With reduced operational workload, workforce adjustments were made to align with business needs. However we remained committed to employee retention by proactively identifying opportunities to redeploy willing staff into adjacent roles whenever possible. Internal mobility arrangements were also made to transfer staff over to our new projects as an effort to maintain workforce stability and retaining valuable expertise and knowledge within the Group.

New Hires, the total number similarly reduced compared to previous years. This outcome was anticipated as FY2022 and FY2023 were marked by significant adjustments to our workforce. These changes were primarily driven by the uncertainties of the COVID-19 pandemic, which saw many homesick workers opting to return to their home countries. By the end of 2023, our site workforce had stabilized, and the associated transitions were fully accounted for. During that period, the Group also strategically overhired contract staff to support the expedited completion of our legacy projects. These additional team members played a critical role in providing the necessary manpower and expertise to meet project demands.

We rolled out a revamped new hire programme, to enhance the overall onboarding experience. This involved essential training, providing new joiners with core skills, and an in-depth understanding of the Group's operations, core functions, and key personnel. By equipping new employees with a clearer perspective on their roles and how they contribute to the organisation's overall success, the initiative fosters a stronger sense of purpose and belonging, setting the foundation for greater engagement and long-term growth.

Turnover, the Group experienced a slight increase compared to the previous years. This was driven primarily by the alignment of our workforce with evolving operational requirements. Additionally, the relocation of our headquarters to the central-eastern region of Singapore played a contributing role, marking a strategic shift from our previous location at Fan Yoong Road. This move however optimized operational efficiency, positioning us closer to key stakeholders, clients, and projects, while also helping to attract fresh talent.

1. Total number of employees in 2024

Total No. of Employees in FY2024	Total
No. of full-time male employees	**1,028**
No. of full-time female employees	**88**
Total number of employees in the corresponding year[1]	**1,116**
No. of full-time staff	**382**
No. of full-time workers	**734**
Total number of employees in the corresponding year[1]	**1,116**

1 Our employees are located in Singapore. For data compilation, we use the total headcount at the end of the reporting period to report the total number of employees whose work is managed by Tiong Seng.

SUSTAINABILITY REPORT

2. Total number of new hires – by gender

	FY2022	FY2023	FY2024	
	Number of new hires			Percentage
Male	944	400	**171**	**86%**
Female	53	81	**28**	**14%**
Total	997	481	**199**	**100%**
Total number of employees in the corresponding year	1,691	1,394	**1,116**	**17.83%**

3. Total number of new hires – by age

	FY2022	FY2023	FY2024	
	Number of new hires			Percentage
Under 30 years old	400	207	**46**	**23%**
30-50 years old	568	234	**122**	**61%**
Over 50 years old	29	40	**31**	**16%**
Total	997	481	**199**	**100%**
Total number of employees in the corresponding year	1,691	1,394	**1,116**	**17.83%**

4. Total number of turnover – by gender

	FY2022	FY2023	FY2024	
	Number of people who left			Percentage
Male	513	414	**485**	**88%**
Female	57	119	**64**	**12%**
Total	570	533	**549**	**100%**
Total number of employees in the corresponding year	1,691	1,394	**1,116**	**49.19%**

5. Total number of turnover – by age

	FY2022	FY2023	FY2024	
	Number of people who left			Percentage
Under 30 years old	102	111	**168**	**31%**
30-50 years old	418	367	**314**	**57%**
Over 50 years old	50	55	**67**	**12%**
Total	570	533	**549**	**100%**
Total number of employees in the corresponding year	1,691	1,394	**1,116**	**49.19%**

2025 Targets (Management has undertaken a target setting exercise in FY2024, and updated our human capital targets*)

- Average Training Hours per Employee: To be similar or better than 8.20 hours or Average Training Hours per Employee who went for training to be similar or better than (23.70 hours)
- Voluntary turnover[18] rate to be 2.5% by 2027*
- To offer at least 2 scholarships

18 The voluntary turnover rate is defined as the percentage of employees who leave the organisation voluntarily. It does not take into account turnover due to completion of contract, dismissal, retirement or death in service.

SUSTAINABILITY REPORT

LOCAL COMMUNITY

WHY IT IS IMPORTANT

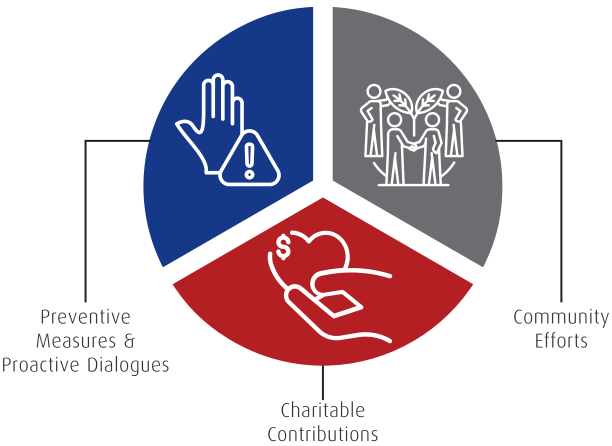
Local communities are integral to us as they form the bedrock to which we develop our projects. The relationship is inherently symbiotic; our activities profoundly impact the communities, while their dynamics and feedback shape our project's implementation.

APPROACH & PERFORMANCE

The Group believes in fostering strong relationships with the local community.

That is why regular engagements with our key stakeholders (community included) remains a focal point and the first step to our corporate strategy. Through this discussion, we emphasise our commitment to fostering social inclusion, environmental stewardship and community development with the broader society.

Our efforts to be a trusted and socially responsible organisation can be categorised into 3 categories.



Preventive Measures

Noting that our operations can have an impact on the quality of lives for surrounding citizens, we have implemented a series of measures to mitigate possible disturbances. For projects such as TQL, HL20 and SAA that are in close proximity to dense city centres and residential estates, our customer satisfaction survey identified noise pollution as the primary concern.

Following a similar approach to how we look at waste generation, to our best ability we adopted the avoidance strategy, through the use of alternate construction materials and methods to mitigate the generation at its source. That is followed by limiting strategies which include having a proper equipment maintenance regime to reduce the residual noise generated, paying special attention to noise suppression components and dampeners, and having adequate noise curtains to curb emissions. Finally, our teams actively engaged with the residents to communicate our efforts and hear their concerns. This was championed by our project customer satisfaction office.

On hand we also had projects of high environmental sensitivity such as OBS. For this, we adopted a more stringent approach for biodiversity conservation. We also maintain a consultative approach with agencies, nature groups and the relevant authorities, demonstrating our commitment to environmental and community stewardship

Charitable Contributions

In FY2024, Tiong Seng partnered with over 10 organisations and charitable platforms to provide cash donations. Causes that we supported include youth development programmes through the CIMB Halogen Charity Golf Event; local humanitarian efforts to vulnerable individuals through the Singapore Red Cross Charity Golf and Dinner Event; initiatives by Children's Wishing Well and Club Rainbow (Singapore) through PAP's Fun Golf 2024 Event; and the Medical Missions Foundation.

We believe that our contributions will bring about positive change, fostering a more equitable and compassionate society.

SUSTAINABILITY REPORT

Community Efforts

In FY2024, Tiong Seng staff engaged in numerous community and educational related outreach efforts. Staff collaborated with the Astronauts Collective (TAC) at SkillsFuture Festivals to support programmes that bridge the gap between academics and employment. We also facilitated networking opportunities to support our long-term vision of cultivating a skilled and passionate workforce that will drive the industry forward.

In FY2024, our social impact extended to the well-being of our foreign workforce and the migrant worker community residing in our dormitories. During Chinese New Year and International Migrants Day, the Group organised a donation drive, collaborating with Non-profit Organisations (NGOs) and corporate allies to provide essential aid. Through these initiatives, we strive to foster a sense of appreciation, reinforcing our belief that a thriving workforce is the foundation of a resilient and progressive industry.

Community outreach and engagement as part of BCA's iBuildSG Built Environment Formation Programme

Community outreach and engagement at SkillsFuture Festival 2024

Donation drive for our workers and the surrounding migrant worker community

2025 Targets (Management has undertaken a target setting exercise in FY2024, and updated our local community targets*)

- To donate to at least 3 charitable causes, with social impact relevant to the Group
- To participate in at least 2 community events, with social impact relevant to the Group
- To participate in at least 1 event that involves our foreign workforce

SUSTAINABILITY REPORT

COMPLIANCE & ANTI-CORRUPTION

WHY IT IS IMPORTANT

The Group recognises that a corruption-free environment is crucial for stakeholder trust, morale and our reputation. That is why we strive to create a foundation built on ethical business conduct, transparency and accountability.

APPROACH & PERFORMANCE

Over the years, the Group has developed a suite of regulatory compliant anti-corruption policies and practices that both safeguard our business operations and aligns with our end goal of being a fair and ethical business. To enable our zero-tolerance for corruption, we also have additional measures such as mandatory workshops, annual disclosures, leadership commitment, internal controls for prevention & reporting (detecting/whistle blowing, investigating & reporting) and more.

As a Listed Company, there is also the Audit Committee that serves as oversight of the institution's control and integrity for its financial reporting.

Policies & Action

These are the following policies in place to ensure that employees conduct business ethically:

- **Whistle Blowing Policy**
- **Insider Trading Policy**
- **Gift Policy**
- **Conflict of Interests Policy**
- **Interested Parties Transaction Review & Reporting Policy**

These policies are embedded within our HR Handbook which is readily accessible by all staff. To stay abreast with the dynamic business conditions and the ever-changing laws and regulations, the Group also has its policies examined and contextualised to our staff during our annual anti-corruption training.

When required, these policies and their accompanying Standard Operating Procedures (SOPs) provide clear guidance to the Group in addressing various situations. In FY2024, the Group received a whistle-blower report concerning the former Managing Director of one of our subsidiaries. In response, a dedicated task force was established to investigate the matter, and a police report was subsequently filed.

Robust Board

Adhering to SGX regulations limiting the tenure of independent directors to nine years, in FY2024 the Group welcomed Mr. Ng Kim Beng to the Board. He succeeds Mr. Ang Peng Koon, Patrick who had served as an Independent Director since 2010. Ng brings over two decades of expertise in international arbitration and construction law, reinforcing the Group's dedication to strong corporate governance and strategic oversight.

Mr. Ng's appointment follows the Board's leadership transition with the appointment of Dr Teo Ho Pin as Board Chairman in FY2023.

SUSTAINABILITY REPORT

ANTI CORRUPTION ANTI BRIBERY TRAINING

As part of the Group's commitment to fostering a culture of ethical conduct at a corporate level, we continued our annual tradition of partnering with law firm Dentons for anti-corruption anti-bribery training (ACAB). This year marked the 4th year we are conducting the training, aimed at continuously strengthening our ethical practices and corporate integrity.

In FY2024, the central topic was Competition Law. As part of the curriculum, attendees were exposed to the rationale for the law, its prohibitions, powers of the Competition and Consumer Commission (CCCS) and case studies. Attendees were also brought up to date to recent cases of corruption and bribery. Through its attendance we believe that attendees are better equipped with the necessary knowledge and tools to identify and handle such risks.

Over 60 members of the management and senior management together with our directors, subsidiary heads and 'at risk staff' attended the session.

Heads of Departments and Project Managers attending the second session of the 2024 ACAB training. The second session had its content specially curated for their operational roles

Total Number of Incidents	FY2024
Confirmed incidents of corruption (i.e., incidents of corruption that have been found to be substantiated)	0
Confirmed incidents in which employees were dismissed or disciplined for corruption	0
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such	0

2025 Targets

- Zero incidents of non-compliance with socioeconomic and environmental laws and/or regulations resulting in significant fines and non-monetary sanctions

- Zero confirmed incidence of corruption

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of Use	Tiong Seng Holdings Limited has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Notes/Page no.(s)
General Disclosures		
Organisation and its Reporting Practices		
2-1	Organisational details	19, 24
2-2	Entities included in the organization’s sustainability reporting	19
2-3	Reporting period, frequency and contact point	19-20
Activities and workers		
2-6	Activities, value chain and other business relationships	19, 28-29
2-7	Employees	61-62
Governance		
2-9	Governance Structure	30, Corporate Governance 71-101
2-10	Nomination and selection of highest governance body	Corporate Governance 71-101
2-11	Chair of the highest governance body	Corporate Governance 71-101
2-12	Role of the highest governance body in overseeing the management of impacts	30
2-13	Delegation of responsibility for managing impacts	30
2-14	Role of the highest governance body in sustainability reporting	30
2-15	Conflicts of interest	Corporate Governance 71-101
2-16	Communication of critical concerns	31-33, 65-66
2-17	Collective knowledge of the highest governance body	Corporate Governance 71-101
2-18	Evaluation of the performance of the highest governance body	Corporate Governance 71-101
2-19	Remuneration policies	Corporate Governance 71-101
2-20	Process to determine remuneration	Corporate Governance 71-101
Strategy, policies and practices		
2-22	Statement of sustainable development strategy	CEO Message, 38-39
2-23	Policy commitments	58
2-24	Embedding policy commitments	40, 50-51, 54-55, 58, 59, 65-66
2-25	Processes to remediate negative impacts	31-33, 51, 63
2-26	Mechanisms for seeking advice and raising concerns	65-66
2-27	Compliance with laws and regulations	66
Stakeholder engagement		
2-29	Approach to stakeholder engagement	31-33, 64

SUSTAINABILITY REPORT

Material Topics		
3-1	Process to determine material topics	30-31
3-2	List of material topics	30-31
3-3	Management of material topics	40, 48, 50, 54, 58, 63, 65
Energy, Emissions and Pollution		
3-3	Management of material topics	40
302-1	Energy consumption within the organisation	42
302-3	Energy intensity	42
305-1	Direct (Scope 1) GHG emissions	46
305-2	Energy indirect (Scope 2) GHG emissions	46
305-4	GHG emissions intensity	46
Water and Effluents		
3-3	Management of material topics	48-49
303-5	Water Consumption	49
Waste Management		
3-3	Management of material topics	50-53
306-2	Management of significant waste related impacts	50-52
306-3	Waste generated	51
Health and Safety		
3-3	Management of material topics	54-57
403-1	Occupational health and safety management system	54-55
403-2	Hazard identification, risk assessment and incident investigation	54-55
403-3	Occupational health services	54-55
403-4a	Worker participation, consultation and communication on occupational health and safety	32, 54-55
403-5	Worker training on occupational health and safety	54-55, 60
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	54-57
403-9	Work-related injuries	56-57
Human Capital Assets		
3-3	Management of material topics	58-62
401-1	New employee hires and employee turnover	61-62
404-1	Average training hours per year per employee	60-61
Local Communities		
3-3	Management of material topics	63-64
Anti-Corruption		
3-3	Management of material topics	65-66
205-3	Confirmed incidents of corruption and actions taken	66

SUSTAINABILITY REPORT

TCFD INDEX

TCFD Pillars and Recommended Disclosures	Notes/Page number(s)
Governance: Disclose the organisation's governance around climate-related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities	30, 34-37
b) Describe management's role in assessing and managing climate-related risks and opportunities	30, 34-37
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	35-37
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	35-37
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	34-37
Risk Management: Disclose how the organisation identifies, assesses and manages climate-related risks	
a) Describe the organisation's processes for identifying and assessing climate-related risks	34
b) Describe the organisation's processes for managing climate-related risks	34, 36-37
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	38-39, 41-47
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	46
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	38

CORPORATE GOVERNANCE

The Board of Directors ("Board") of Tiong Seng Holdings Limited (the "Company" and together with its subsidiaries, the "Group") is committed to maintaining high standards of corporate governance with the aim to protect and enhance shareholders' value and the financial performance of the Group. The Company recognises that good corporate governance processes are essential for enhancing corporate sustainability.

This report describes the corporate governance framework and practices that the Group has adopted with reference to the Code of Corporate Governance 2018 (the "Code"), and where applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Board confirms that the Company has adhered to the principles and guidelines as set out in the Code, where applicable, and explanations are provided for any deviations from the Code.

(A) BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Provision 1.1: Principal Duties of the Board and Conflict of Interest

The Board is primarily responsible for overseeing and supervising the management of the business affairs of the Group by putting in place code of conduct and ethics, sets appropriate tone-from-the-top and desired organizational culture in order for management to act in good faith for the long-term performance of the Group. Board members are expected to bring their diversified knowledge and experience to bear on issues of strategy, performance, and resources and exercise independent judgment in the best interests of the Group.

The Board as at the date of this report comprises six directors of whom three are independent directors:

Teo Ho Pin	Non-Executive Chairman and Independent Director Member of Audit Committee
Ong Seet Joon	Non-Executive Independent Director, Chairman of Audit and Remuneration Committees Member of Nominating Committees
Pay Sim Tee	Executive Director and Chief Executive Officer Member of Nominating Committee
Lee Yew Sim	Non-Executive and Non-Independent Director Member of Audit and Remuneration Committees
Ng Kim Beng	Non-Executive Independent Director Chairman of the Nominating Committee Member of Audit and Remuneration Committees
Pek Zhi Kai	Executive Director

Each director is required to promptly disclose any conflict or potentially conflict of interest, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his knowledge. On an annual basis, each director is also required to submit a director's interest declaration form for the purpose of monitoring interested persons transactions. Where a director has a conflict or potential conflict of interest in relation to any matter, he should immediately disclose his interest when the conflict-related matter is being discussed and abstained himself from discussion and voting on the conflict-related matters.

CORPORATE GOVERNANCE

The function of the Board includes:

(i) providing effective leadership, setting corporate strategy and directions to ensure that the necessary financial and human resources are in place for the Group to achieve its objectives;

(ii) advising Management on major policy initiatives and significant issues;

(iii) approving the Group's annual budgets, major investment and divestment proposals, material acquisitions and disposal of assets, interested person transactions of a material nature and funding decisions;

(iv) establishing a framework of prudence and effective internal controls and risk management systems, including safeguarding of shareholders' interests and the company's assets and review the adequacy and effectiveness of the company's internal control systems and risk management systems at least annually;

(v) evaluating the performance and compensation of directors and senior management;

(vi) approving nominations and appointment of Board members and key management personnel;

(vii) identify the key stakeholder groups and recognise that their perceptions affect the company's reputation;

(viii) setting the Group's values and standards through the implementation of corporate governance and best practices; and

(ix) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The Group prides itself on being an innovator and champion of practices to shape a safe, high quality and sustainable built environment and is aware of the impacts that its activities may have on society and the environment and continually strive to mitigate any such repercussions. The Board considers sustainability issues as part of the business strategic formulation and decision-making processes. It believes strong sustainability governance is critical to the Group success. The Board plays an important role in the selection and review of ESG factors that are material to the Group and oversees the management of the performance relating to these factors. The sustainability report adheres to the Rules 711A and 711B of the Listing Manual of the SGX-ST and references the internationally recognised Global Reporting Initiative (GRI) Standards.

Provision 1.2 Directors' Orientation and Training

A formal letter is provided to each director upon his appointment, setting out the Director's duties and obligations. Newly appointed Directors will receive an orientation that includes briefing by Management on the Group's structure, business activities, strategic direction and corporate governance practices. The Directors are provided updates on amendments in relevant laws and regulations, where appropriate, to enable them to make well-informed decisions and to discharge their duties responsibly. Mr Ng Kim Beng and Mr Lee Yew Sim were newly appointed as Directors of the Company on 1 June 2024 and 1 November 2024, respectively and have no prior experience as a director of a listed company.

Management will bring to Directors' attention, information on seminars that may be of relevance or of use to them. As part of their continuing education, the Directors, whether as a group or individually, are encouraged to attend relevant industry conferences, external courses and seminars to keep themselves apprised of and updated on the latest changes in areas pertaining to regulatory, legal and commercial risks, amongst others, at the Company's expenses. For FY2024, the Directors had been briefed on the key audit matters in the auditors' report and quarterly updates on the strategic development of the Group. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the Directors are also circulated to the Board. For any first time director who has no prior experience as a director of a listed company in Singapore ("First time director"), orientation programmes would include mandatory training as prescribed by the Listing Manual of the SGX-ST. Mr Ng Kim Beng and Mr Lee Yew Sim will undergo the aforesaid mandatory training within one year from the date of their appointment to the board.

CORPORATE GOVERNANCE

As an ongoing exercise, the Directors are updated on amendments and requirements of the SGX-ST and other statutory and regulatory changes which have an important bearing on the Company and the Directors' obligations to the Company, from time to time.

Provision 1.3: Board Approval

The Board had considered and adopted a formal policy setting out specific matters that require the Board's decision and/or approval. Material transactions that require decision and/or approval of the Board are as follows:

(i) All announcements to be released to the SGX-ST;

(ii) Annual budget of the Group and corporate and strategic business directions;

(iii) Major transactions proposals which include, *inter alia*, merger, acquisition, disposal, interested person transactions of a material nature and funding transactions;

(iv) Setting up or change in Dividend Policy and declaration of dividends;

(v) Convening of shareholders' meetings;

(vi) Annual Report which includes the audited financial statements;

(vii) Review, recommendations, appointments and re-appointments of Directors;

(viii) Human resource matters which include remuneration of Directors and key management personnel; and

(ix) All other matters which required approval of the Board and corporate actions for which shareholders' approval is required.

Provision 1.4: Delegation by the Board

To facilitate effective management, certain functions of the Board have been delegated to Board Committees, namely, Audit, Nominating, and Remuneration Committees. Each Board Committee has the authority to examine particular issue and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the Board. Further information regarding the functions of the respective Board Committees is set out in the later part of this report.

In year 2022, the Company established a Risks, Environment, Social & Governance Committee as a progressive step to capture strategic ESG-related opportunities and promote sustainable and visible growth for the Company. The details of the Risks, Environment, Social & Governance Committee is set out in the section entitled "Sustainability Report" of this Annual Report and in the later part of this report.

Regular scheduled meetings are conducted to review and approve interim and annual results, strategic policies of the Group, significant business transactions and performance of the business. Ad-hoc meetings are held as and when required to address any significant issues that arise in between the scheduled meetings. The Company's Constitution provide for meetings to be held via telephone, electronic or other communication facilities which permits all persons participating in the meeting to communicate with each other simultaneously.

CORPORATE GOVERNANCE

Provision 1.5: Board Meetings and Attendance

Details of the number of meetings of the Board and Board Committees held in the financial year ended 31 December 2024 ("FY2024"), as well as the Directors' attendance at these meetings are summarised in the table below:

Name of Directors	Board Meetings	Audit Committee Meetings	Nominating Committee Meeting	Remuneration Committee Meeting
	Attendance/Number of meetings held			
Dr. Teo Ho Pin	4/4	4/4	1/1#	1/1#
Pay Sim Tee	2/4	2/4#	1/1	1/1#
Lee It Hoe[1]	2/3	2/3	1/1#	1/1
Ang Peng Koon, Patrick[2]	1/1	1/1	1/1	1/1
Ong Seet Joon	4/4	4/4	1/1	1/1
Pek Zhi Kai	4/4	4/4#	1/1#	1/1#
Ng Kim Beng[3]	1/2	1/2	NA	NA
Lee Yew Sim[4]	1/1	1/1	NA	NA

Notes:

\# By Invitation

1 Mr Lee It Hoe, had resigned from the Board as a Non-Independent Non-Executive Director of the Company on 31 October 2024.

2 Mr Ang Peng Koon, Patrick had resigned from the Board as an Independent Non-Executive Director of the Company on 30 April 2024.

3 Mr Ng Kim Beng had been appointed as an Independent Non-Executive Director of the Company on 1 June 2024.

4 Mr Lee Yew Sim had been appointed as a Non-Independent Non-Executive Director of the Company on 1 November 2024.

NA – Not available

Provision 1.6: Access to Information

The Directors are from time to time furnished with detailed information concerning the Group to enable them to be fully aware of and understand the decisions and actions of Management. In addition, the Board receives from Management quarterly management reports which present a balanced and understandable assessment of the Group's financial performance, position and prospect.

Board papers are prepared by Management for each Board meeting and are circulated to the Board before the scheduled meeting on a timely basis. Board papers prepared by Management include adequate information relating to financial, business and corporate issues to enable the Board to be properly briefed on agenda issues to be reviewed and considered at Board meetings. Management staff are invited to attend Board Meetings, as and when appropriate, to provide additional insight to matters raised, and to respond to any queries that the Board members may have.

The Company Secretary and/or her representatives attends all Board and Board Committees meetings and takes the minutes of all key decisions taken and issues discussed. The Company Secretary also provides advice, secretarial support and assistance to the Board and ensures adherence to Board procedures (including but not limited to good information flows within the Board and its Committees and between senior management and Non-Executive Directors) and the relevant rules and regulations applicable to the Company.

CORPORATE GOVERNANCE

Provision 1.7: Access to Management, Company Secretary and Independent Professional Advice

Pursuant to the Company's Constitution, the appointment or removal of the Company Secretary is subject to approval by the Board.

All Directors have separate and independent access to the Group's Chairman, Chief Executive Officer, Key Executives, Senior Management, Company Secretary and internal and external auditors at all times. The Board may seek independent professional advice if deemed necessary at the Company's expense to ensure that adequate information and advice are available before important decisions are made.

Principle 2: Board Composition and Guidance

Provision 2.1: Board Independence

Provisions 2.2 and 2.3: Proportion of non-executive and independent directors

The Board comprises 6 members, 3 of whom are independent. The Chairman is an Independent Director and Non-Executive Directors make up a majority of the Board.

Under the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporation, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. In this aspect, every Independent Director is required to disclose any relationships or appointments which might impair their independence to the Board on a timely manner.

The independence of each Director is reviewed annually by the Nominating Committee ("NC"). Each independent director is required annually to complete a checklist to confirm his independence. The checklist is drawn up based on the guidelines provided in the Code and the Listing Manual. The NC adopts the Listing Manual's and the Code's definition of what constitutes an "independent" Director in its review. Thereafter, the NC reviews the checklist completed by each Independent Director, assess the independence of the Independent Directors and recommends its assessment to the Board.

Provision 2.4: Board Composition and Diversity

The size and composition of the Board are reviewed by the NC on an annual basis to ensure that the Board has the appropriate diversification of expertise and experience and collectively possesses the necessary skills sets and core competencies for effective decision making. The NC is of the opinion that its current board size of six Directors is appropriate, taking into account the nature and scope of the Group's operations.

The Company recognises the benefits of having a Board with diverse backgrounds and experience. As a group, the Directors bring with them a broad range of expertise in areas, such as, legal, accounting, finance, management experience, industry knowledge, customer-based experience and knowledge as well as familiarity with regulatory requirements. The diversity of the Directors' experience allows for the useful exchange of ideas and views. It has adopted a Board Diversity Policy which recognises that a diverse Board will enhance decision-making capability and is more effective in dealing with organisational changes. Diversified views enhance Board discussions and ensure that the decisions made by the Board have been considered from all points of view.

The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. The current Board comprises six members from age groups ranging from 30s to 70s who are corporate leaders, and are professionals with varied backgrounds, expertise and experience including in finance, banking, legal, civil engineering, business management and consultancy, building and estate management investment and knowledge of risk management, audit and internal controls. The Company does not set any specific target for having female directors or boardroom age diversity but will work towards having at least one female director if there is a suitable candidate nominated for the Board's consideration or having appropriate age diversity in the Board, if the opportunity arises.

CORPORATE GOVERNANCE

Information on each Director's academic and professional qualifications, industry knowledge, shareholdings, relationships (if any) and, directorship is presented in the sections entitled "Board of Directors" and "Directors' Statement" of this Annual Report.

Non-executive Director and Independent Directors contribute to the Board process by involving in the Group's strategic proposals and monitoring and reviewing Management's performance against agreed goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. When challenging Management proposals or, decisions, they will bring independent judgment to bear on business activities and transactions involving conflicts of interest and other complexities.

Provision 2.5: Meeting of Independent Directors without presence of Management

All the Independent Directors meet at least annually without the presence of the Management including other Executive and Non-independent Directors to discuss matters of significance which are thereon reported to the Board accordingly. Ad-hoc meetings will be held if there is a need to discuss any other matters without the presence of Management.

Principle 3: Chairman and Chief Executive Officer

There is balance in the Board because of the presence of Independent and Non-executive Directors which is particularly important in ensuring that the strategies proposed by Management are constructively challenged, fully discussed and examined, and take account of the long term interests, not only of the shareholders, but also employees, customers, suppliers and the communities in which the Group conducts business.

Provision 3.1: Separation of the Role of Chairman and the Chief Executive Officer ("CEO")

To ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making such that no one individual represents a considerable concentration of authority, the roles of Non-executive Chairman and CEO are separate.

The Chairman of the Board, Dr Teo Ho Pin is a Non-Executive Independent Director and also a member of the Audit Committee. The Chairman and Mr Pay Sim Tee, the CEO of the Company are not immediate family members. The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

Provision 3.2: Role of Non-Executive Chairman and CEO

The Chairman is responsible for the workings of the Board which includes:

i) lead the Board to ensure its effectiveness on all aspects of its role;

ii) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

iii) promote a culture of openness and debate at the Board;

iv) ensure that the directors receive complete, adequate and timely information;

v) ensure effective communication with shareholders;

vi) encourage constructive communication within the Board and between the Board and Management;

vii) facilitate the effective contribution of non-executive directors in particular; and

viii) promote high standards of corporate governance.

CORPORATE GOVERNANCE

As CEO, Mr Pay Sim Tee is responsible for formulating the Group's business strategy, directions, corporate plans and policies and day-to-day management affairs of the Group. He ensures effective and comprehensive discussion of the Board on these matters and monitors the translation of Board's decisions into executive actions. He also ensures the quality, quantity and timeliness of information flow between the Board and Management and that the Board has sufficient opportunities for interaction and informal meetings with Management.

The Board is of the view that there are sufficient safeguards and checks to ensure that the decision making process of the Board is independent and based on collective decision of the Board without any individual exercising any considerable concentration of power or influence.

Provision 3.3: Lead Independent Director

Given that the Chairman is independent, no lead independent director was appointed. The Chairman is available to Shareholders where they may have concerns for which contact through the normal channels of communication with the Management including the CEO or Chief Financial Officer ("CFO") is inappropriate or inadequate.

Principle 4: Board Membership

Provisions 4.1 and 4.2: Nominating Committee Composition and Role

As at the date of this annual report, the NC comprises three members, a majority of the Directors, including the Chairman, are Independent Directors.

Ng Kim Beng (Chairman) (appointed on 1 June 2024)
Ong Seet Joon
Pay Sim Tee

The principal functions of the NC in accordance with its written terms of reference are as follows:

i) to review the Board structure, size and composition and make recommendations to the Board with regard to any Board appointments and changes, where appropriate;

ii) to determine the process for search, nomination, selection and appointment of new Board members and assess nominees or candidates for appointment to the Board;

iii) to determine, on an annual basis, if a Director is independent;

iv) to recommend the nomination of Directors who are retiring by rotation to be put forward for re-election;

v) to review and determine whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations;

vi) to assess the effectiveness of the Board as a whole;

vii) to review the succession plans for the CEO and key management personnel; and

viii) to review training and professional development programmes for the Board and its directors.

CORPORATE GOVERNANCE

Provision 4.3: Process for selection, appointment and reappointment directors

The process for selection and appointment of new directors provides the procedure for identification of potential candidates, evaluation of candidate's skills, knowledge and experience, gender, assessment of candidates' suitability and recommendation for nomination to the Board. In the search, nomination and selection process for new directors, the NC identifies the key attributes that an incoming director should have such as integrity, ability to commit time and effort to the Board, taking into account the attributes of the existing Board, the requirements of the Group and the Board Diversity policy. After endorsement by the Board of the key attributes, the NC taps on the resources of Directors' personal contacts and recommendations of potential candidates, and goes through a shortlisting process. If candidates identified from this process are not suitable, executive recruitment agencies will be appointed to assist in the search process. Interviews are set up with potential candidates for the NC members to assess them, before a decision is reached.

Re-election of directors at the forthcoming Annual General Meeting

The NC oversees the re-appointment of Directors. In recommending a Director for re-election to the Board, the NC considers, amongst other things, his performance and contributions to the Board (including attendance and participation at meetings, and time and effort accorded to the Group's business and affairs).

In accordance with Regulation 89 of the Company's Constitution, one-third of the Directors for the time being shall retire from office by rotation at each Annual General Meeting ("AGM"); and each Director is required to retire at least once every three years and, shall be eligible for re-election. A newly appointed Director is also required to submit himself for retirement and re-election at the AGM immediately following his appointment in line with Regulation 88 of the Constitution.

Mr Pek Zhi Kai, Dr Teo Ho Pin, Mr Ng Kim Beng and Mr Lee Yew Sim will be retiring as Directors of the Company at the forthcoming AGM under Regulations 89 and 88 respectively and they are eligible for re-election. The NC has reviewed and recommended the re-election of Mr Pek Zhi Kai, Dr Teo Ho Pin, Mr Ng Kim Beng and Mr Lee Yew Sim and they have offered themselves for re-election. The Board has accepted the recommendations of the NC.

CORPORATE GOVERNANCE

Below table list down the information on the directors nominated for re-election, including the information required under Appendix 7.4.1 of the Listing Manual of the SGX-ST:

	Name of Director Name of Director to be re-elected under Regulation 88 of the Company's Constitution
	Ng Kim Beng
Date of appointment	1 June 2024
Date of last re-appointment	Not Available
Age	53
Country of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The Board of Directors of the Company has considered the recommendation of the NC and is of the view that, based on Mr Ng Kim Beng's ("Mr Ng") performance and contributions to the Board during his tenure as a Non-Executive Independent Director of the Company, along with his qualifications and professional experience, has accepted the NC's recommendation. The Board believes that Mr Ng's addition as a Non-Executive Independent Director will bring a fresh perspective and specialised legal expertise that will be pivotal as the Company accelerates its regionalisation strategy. His addition to the Board underpins the Group's commitment to robust corporate governance and foresight in curating a diverse talent pool to propel its vision forward. The Board nominates Mr Ng to be re-elected as the Director of the Company at the forthcoming AGM. The Board considers Mr Ng to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
Whether the appointment is executive, and if so, the area of responsibility	Non-executive
Job Title	Non-Executive Independent Director, Chairman of the NC, Member of the Remuneration and Audit Committees.
Professional qualifications	Please refer to Board of Directors section for details
Working experience and occupation(s) during the past 10 years	1 April 2022 – Present Deputy Managing Partner, Rajah & Tann Singapore LLP 2007 – Present Partner, Rajah & Tann Singapore LLP
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	None

CORPORATE GOVERNANCE

	Name of Director Name of Director to be re-elected under Regulation 88 of the Company's Constitution
	Ng Kim Beng
Conflict of Interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) submitted to the Company?	Yes
Current other principal commitments including directorships	i) Tiong Seng Holdings Limited ii) Rajah & Tann Singapore LLP iii) Singapore Management University Yong Pung How School of Law iv) Law Society of Singapore, Building & Construction Law v) Singapore Mediation Centre vi) Mount Alvernia Hospital
Past other principal commitments including directorships (in the last 5 years)	Nil
Information required items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST	There is no change to the responses previously disclosed by Mr Ng under items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST which were all "No". The Appendix 7.4.1 information in respect of Mr Ng's appointment as Director was announced on 29 May 2024.

CORPORATE GOVERNANCE

	Name of Director Name of Director to be re-elected under Regulation 88 of the Company's Constitution
	Lee Yew Sim
Date of appointment	1 November 2024
Date of last re-appointment	Not Available
Age	76
Country of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The Board of Directors of the Company has considered the recommendation of the NC and is of the view that, based on Mr Lee Yew Sim's ("Mr Lee") performance and contributions to the Board as the Non-Executive Independent Director of the Company, along with his qualifications and professional experience, has accepted NC's recommendation. The Board nominates Mr Lee to be re-elected as the Director of the Company at the forthcoming AGM.
Whether the appointment is executive, and if so, the area of responsibility	Non-Executive, Non-Independent Director
Job Title	Non-Executive, Non-Independent Director, Member of the Audit and Remuneration Committees.
Professional qualifications	Please refer to Board of Directors section for details
Working experience and occupation(s) during the past 10 years	2007 – Present Director, Wan Seng Enterprises (Private) Limited 1993 – Present Director, Xin Dong Fang Holdings Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	Direct interest – 762,630 Indirect interest – 285,512,700
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Sibling of Mr Lee It Hoe, a former director and a substantial shareholder of the Company.
Conflict of Interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) submitted to the Company?	No

CORPORATE GOVERNANCE

	Name of Director Name of Director to be re-elected under Regulation 88 of the Company's Constitution
	Lee Yew Sim
Current other principal commitments including directorships	i) Tiong Seng Holdings Limited ii) Wan Seng Enterprises (Private) Limited iii) Xin Dong Fang Holdings Pte Ltd
Past other principal commitments including directorships (in the last 5 years)	Nil
Information required items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST	There is no change to the responses previously disclosed by Mr Lee under items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST which were all "No". The Appendix 7.4.1 information in respect of Mr Lee's appointment as Director was announced on 29 October 2024.

CORPORATE GOVERNANCE

	Name of Director to be re-elected under Regulation 89 of the Company's Constitution	
	Pek Zhi Kai	**Dr Teo Ho Pin**
Date of appointment	1 July 2021	15 October 2020
Date of last re-appointment	22 April 2022	28 April 2023
Age	34	65
Country of Principal Residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The Board of Directors of the Company has considered the recommendation of the NC and is of the view that, based on Mr Pek Zhi Kai's ("Mr Pek") performance and contributions to the Board as the Executive Director of the Company, along with his qualifications and work experience has accepted NC's recommendation and nominates Mr. Pek to be re-elected as the Director of the Company at the forthcoming AGM.	The Board of Directors of the Company has considered the recommendation of the NC and is of the view that, based on Dr Teo Ho Pin's ("Dr Teo") performance and contributions to the Board during his tenure as a Non-Executive Independent Director of the Company, his valuable experience in the construction, as well as his business acumen has accepted NC's recommendation and nominates Dr Teo to be re-elected as the Director of the Company at the forthcoming AGM. The Board considers Dr Teo to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
Whether the appointment is executive, and if so, the area of responsibility	Executive, please refer to Board of Directors section for area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Independent Non-Executive Director Chairman of the Board Member of Audit Committee
Professional qualifications	Please refer to Board of Directors section for details	Please refer to Board of Directors section for details

CORPORATE GOVERNANCE

	Name of Director to be re-elected under Regulation 89 of the Company's Constitution	
	Pek Zhi Kai	**Dr Teo Ho Pin**
Working experience and occupation(s) during the past 10 years	Director of Tiong Seng Group of companies 2019: Manager (Business Development), Tiong Seng Chang De Investment (Pte.) Ltd. 2018: Manager (Commercial) of Steeltech Industries Pte. Ltd. 2016 to 2017 Senior Associate of PwC Singapore	1. Director of: i) Tiong Seng Holdings Limited ii) ISOTEAM Ltd. iii) King Wan Corporation Limited iv) Broadway Industrial Group Limited v) Enviro-Hub Holdings Ltd. vi) Singapore Environment Council 2. Vice-President, Singapore Environment Council 3. Mayor, North-West District
Shareholding interest in the listed issuer and its subsidiaries	No	No
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Mr Pek Zhi Kai is the nephew of Mr Pay Sim Tee (CEO and Executive Director); the nephew of Mr Pek Dien Kee (Executive Officer); and son of Mr Pek Lian Guan (Director of Tiong Seng Shareholdings Pte Ltd, a substantial shareholder of the Company).	No
Conflict of Interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) submitted to the Company?	Yes	Yes

CORPORATE GOVERNANCE

	Name of Director to be re-elected under Regulation 89 of the Company's Constitution	
	Pek Zhi Kai	**Dr Teo Ho Pin**
Current other principal commitments including directorships	i) Tiong Seng Holdings Limited ii) Pylon.AI Pte. Ltd. iii) Robin Village Development Pte. Ltd. iv) Steeltech Industries Pte. Ltd. v) Tiong Seng Chang De Investment (Pte.) Ltd. vi) Tiong Seng Civil Engineering (Private) Limited vii) Tiong Seng Contractors (Private) Limited viii) Tiong Seng Engineering Solutions Pte. Ltd. ix) Tiong Seng Properties (Private) Limited x) TSC Innovative Builder Pte. Ltd. xi) TSky (Jervois) Pte. Ltd. xii) TSky Balmoral Pte. Ltd. xiii) TSky Cairnhill Pte. Ltd. xiv) TSky Development Pte. Ltd. xv) Yuan Ching Development Pte. Ltd	i) Tiong Seng Holdings Limited ii) ISOTEAM Ltd. iii) King Wan Corporation Limited iv) Broadway Industrial Group Limited v) Enviro-Hub Holdings Ltd. vi) Singapore University of Social Sciences vii) National University of Singapore
Past other principal commitments including directorships (in the last 5 years)	i) Jet-scan private Limited ii) Cobiax Technologies (Asia) Pte. Ltd. iii) Robin Village International Pte. Ltd.	Nil
Information required items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST	There is no change to the responses previously disclosed by Mr Pek under items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST which were all "No". The Appendix 7.4.1 information in respect of Mr Pek's appointment as Director was announced on 17 June 2021.	There is no change to the responses previously disclosed by Dr Teo under items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST which were all "No". The Appendix 7.4.1 information in respect of Dr Teo's appointment as Director was announced on 12 October 2020.

CORPORATE GOVERNANCE

The key information regarding the directors is presented in the section entitled "Board of Directors" of this Annual Report.

Provision 4.4: Continuous Review of Directors' Independence

The NC, which is responsible for reviewing the independence of each Director on an annual basis, has adopted the Listing Manual and the Code's definition of an independent director and guidelines as to relationships which would deem a director not to be independent (Principal 2). Under the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporation, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. In this aspect, every independent Board member is required to disclose any relationships or appointments which might impair their independence to the Board on a timely manner.

Based on the confirmation of independence submitted by the Independent Directors, the NC was of the view that each Independent Director namely Dr Teo Ho Pin, Mr Ong Seet Joon, and Mr Ng Kim Beng, are independent in accordance with the Listing Rule 210(5)(d) as the Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past three financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is or was determined by the Remuneration Committee; (iii) has not been a director of the Company for an aggregate period of more than nine years.

Each Independent Director is duly abstained from the NC/Board's determination of his independence.

Following the review, the NC is satisfied that at least one-third of the Board comprises Independent Directors.

Provision 4.5: Directors' commitment to discharge their duties and obligations

Although the Non-executive Director and Independent Directors hold directorships in other listed companies and/or have other principal commitments, the NC is satisfied that sufficient time and attention was given by the Directors to the affairs of the Group and is of the view that such multiple board representations do not hinder their ability to carry out their duties as Directors of the Company. The Board affirms and supports this view. While there are no guidelines to address the competing time commitments faced by Directors serving on multiple boards, the Board has concurred with the NC's recommendation to fix the maximum number of board representations on listed company and other principal commitments for each Director at 5. Any appointment beyond the number of "5", the NC would review and determine if that particular Director is able to and has been adequately carrying out his duties as a Director of the Company.

Currently, no Director has appointed an Alternate Director.

Principle 5: Board Performance

Provisions 5.1 and 5.2: Board Evaluation Process

The NC has established a process for assessing the effectiveness of the Board as a whole for the long term performance of the Group. Board performance evaluation is carried out on an annual basis to assess and evaluate the Board's size, composition, and expertise, independence, the Board's access to information as well as Board accountability and processes. The board evaluation process involves having directors complete the performance evaluation forms. The results of the performance evaluation will be compiled by the Company Secretary into a summary report and reported to the NC Chairman before discussing at the NC meeting and reporting to the Board. No external facilitator had been engaged by the Board for this purpose. The NC and the Board were generally satisfied with the results of the Board performance evaluation for FY2024.

CORPORATE GOVERNANCE

Despite the deviation from Provision 5.1 of the Code regarding the evaluation of effectiveness of the Board Committees namely, Audit Committee, NC and Remuneration Committee, that comprise members who are also Board members, the NC had reviewed and considered that separate assessment of the effectiveness of each Board Committee as well as individual Director evaluation were not deemed necessary and that the current annual assessment of the Board as a whole was sufficient for the time being and the practice is consistent with the intent of Principle 5 of the Code as the Board can effectively undertake a formal assessment of its effectiveness as a whole and that of its Board Committee and individual Directors.

(B) REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

Provision 6.2: Remuneration Committee Composition

As at the date of the annual report, the Remuneration Committee ("RC") comprises three members, a majority of whom, including the Chairman, are Independent Directors. All the members of the RC are non-executive directors.

Ong Seet Joon (Chairman)
Lee Yew Sim (appointed as member on 1 November 2024)
Ng Kim Beng (appointed as member on 1 June 2024)

Provisions 6.1, 6.3 and 6.4: Remuneration Framework

The principal functions of the RC in accordance with its written terms of reference are as follows:

1. to review and recommend to the Board a general framework of remuneration for the Board and key management personnel and to review and recommend for endorsement by the Board the specific remuneration packages and terms of employment for each Director, key management personnel of the Group and employees related to Directors or, controlling shareholders of the Group; and

2. to review the Group's obligation arising in the event of termination of the executive directors' and key management personnel's contract of service, to ensure that such contract of services contain fair and reasonable termination clauses which are not overly generous.

The scope of the RC's review covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, and benefits-in-kind. The remuneration packages take into consideration the long-term interests of the Group, industry standards, and ensure that the interests of the Executive Directors are aligned with that of shareholders.

If required, the RC will from time to time seek advice from external consultants, who are unrelated to the Directors or any organisation they are associated with, on remuneration matters and remuneration of the Directors' and key management personnel. The Company has not appointed any remuneration consultants for FY2024.

Principle 7: Level and Mix of Remuneration

Provisions 7.1 and 7.3: Remuneration setting for Executive Directors and Key Management Personnel ("KMPs")

The RC takes into consideration the prevailing economic situation, skills, expertise and contribution to the Company's performance, the pay and employment conditions within the industry and in comparable companies in reviewing and determining the remuneration packages of the Executive Directors and KMPs.

The existing service agreement of Mr Pay Sim Tee, CEO and Executive Director of the Company, is for a period of 3 years, and may be terminated with 6 months' notice in writing served by either party.

CORPORATE GOVERNANCE

The remuneration packages of Executive Directors and key executives consist of fixed, variable components and benefits. The fixed component comprises the basic salary and Central Provident Fund contribution. To ensure that key executives' remuneration is consistent and comparable with market practice, the RC regularly benchmarks remuneration components against those of comparable companies, giving due regard to the performance criteria as set out in the Key Performance Indicators (which are specific, measurable, result oriented and time-bound) and that linked to pre-agreed financial and non-financial performance targets for variable bonus and Incentive Plan, while continuing to be mindful that there is a general correlation between increased remuneration and performance improvements. The variable component comprises a variable bonus based on the Group's and the individual's performance, as well as the monthly variable component of the basic salary. Bonuses payable to key executives are reviewed by the RC and approved by the Board to ensure alignment of their interests with those of shareholders and promote the long-term success of the Group.

Benefits provided are consistent with market practice and include medical benefits, flexible benefits, car allowance and club benefits. Eligibility for these benefits will depend on factors inter-alia individual roles and responsibilities, salary grade and length of service.

Contracts with Executive Directors and key management personnel contain "claw back" termination clause to safeguard the Group's interests in the event of exceptional circumstances of misstatement of financial statements, misconduct resulting in financial loss or fraud by Executive Directors and KMPs.

Provision 7.2: Remuneration of Non-Executive Directors

The RC also reviews all matters concerning the remuneration of the Independent Directors and Non-Executive Director to ensure that the remuneration commensurate with the effort, time spent and responsibilities of the Directors and not to be over-compensated to the extent that their independence may be compromised.

The RC had recommended to the Board an amount of S$300,000 as Directors' fee for the financial year ending 31 December 2025, to be paid in arrears.

The Directors' fees are payable to all the Directors except for the CEO. The Board will table this recommendation at the forthcoming AGM for shareholders' approval. No Director is involved in deciding his own remuneration.

CORPORATE GOVERNANCE

Principle 8: Disclosure on Remuneration

Provisions 8.1, 8.2 and 8.3: Disclosure of Remuneration of directors, KMPs, immediate family member of a director/CEO and share scheme

The annual remuneration level and mix of each individual Director for FY2024 is set out as follows:

	Basic Salary	Bonus, AWS and Profit Sharing	Other Benefits	Director's Fees	Total	
	%	%	%	%	%	S$'000
Executive Directors						
Pay Sim Tee	92	7	1	–	100	645
Pek Zhi Kai	70	6	9	15	100	341
Non-Executive Directors						
Lee It Hoe[3]	–	–	–	100	100	50
Ong Seet Joon	–	–	–	100	100	60
Ang Peng Koon, Patrick[4]	–	–	–	100	100	20
Teo Ho Pin	–	–	–	100	100	80
Ng Kim Beng[1]	–	–	–	100	100	35
Lee Yew Sim[2]	–	–	–	100	100	8

1 Mr Ng Kim Beng's fees are pro-rated as he was appointed on 1 June 2024.
2 Mr Lee Yew Sim's fees are pro-rated as he was appointed on 1 November 2024.
3 Mr Lee It Hoe has resigned as Non-Executive Non-Independent Director on 31 October 2024.
4 Mr Ang Peng Koon had retired as Non-Executive Independent Director on 30 April 2024.

Save as disclosed above, there are no other employees who are immediate family members of a Director or the CEO or a substantial shareholder of the Company and whose remuneration exceed S$100,000 for FY2024.

The aggregate remuneration paid to the top 5 KMPs (who are not Directors or the CEO) in FY2024 was S$1,651,000. However, the remuneration of the top 5 KMPs (who are not Directors or the CEO) is not disclosed in the bands of S$250,000 and on a named basis as the Company believes in maintaining confidentiality of staff remuneration matters and that disclosure of the remuneration of the individual key management personnel is disadvantageous to its business interest, given the scarcity of talents and highly competitive industry conditions that it is operating in.

The Company does not provide any termination, retirement and post-employment benefits to Directors, CEO and the top 5 KMPs, who are not Directors or the CEO.

CORPORATE GOVERNANCE

The Board is of the view that in light of the above and despite its deviation from Provision 8.1 of the Code, the Company has provided a high level of transparency on remuneration matters, as information on its remuneration policies, level and mix of remuneration, the relationships between remuneration, performance and value creation has been disclosed in detail in Principles 7 and 8. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of key Management personnel will not be prejudicial to the interest of shareholders and complies with Principle 8 of the Code.

The Company has no employee share or stock options scheme nor long-term incentive scheme in place.

While the Company currently does not have any employee share option scheme, the RC recognises the benefits of long-term incentive schemes and will evaluate the costs and benefits arising there from prior to implementation of such schemes in future.

(C) ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

Provision 9.1: Nature and Extent of Risks

The Board is responsible for the governance of risks and sets the tone and direction for the Group in the way risks are being managed. The Board has the responsibility to approve the strategy of the Group in a manner which addresses stakeholders' expectations without subjecting to an unacceptable level of risks.

The Company, with the assistance of PricewaterhouseCoopers Risk Services Pte. Ltd. ("PwC"), the internal auditor, had implemented an Enterprise Risk Management ("ERM") framework incorporating the establishment of risk strategy, policies, identification and management processes. Action plans to manage the risks are continually being monitored and refined by Management and the Board.

Given the level of operations of the Group, the Board has decided to incorporate the oversight of the ERM framework and policies into the function of the Audit Committee. No separate Risk Committee was established for FY2024.

In order to be assured that the Group's risks are managed adequately and effectively, the Board had reviewed the risks overview identified counter measures to manage the risks at an acceptable level as well as reviewing the adequacy and effectiveness of the internal controls and risk management systems put in place to mitigate the risks.

The Group's material risks can be broadly classified as follows:

Business/Operational Risks

This relates to operations and includes health of property market, security threats, product quality, employee attribution and increased competition. Owners of such risks such as the business unit and departmental heads would monitor such risks through identification of key risks at respective business units and department level and on-going meetings within and across business units and departments to monitor, measures with follow up actions to manage the risks.

Compliance Risks

Compliance with local laws and regulations in various geographical locations are monitored by respective process owners and including respective business units, finance and human resource departments, and when needed, with consultation to legal advisors, auditors and company secretary. Corporate, finance, human resource and other related department will constantly share latest regulatory update that have implications to the Group's operations and come out with measures for compliance.

CORPORATE GOVERNANCE

Financial Risks

These risks are set out in the notes to the financial statements. Generally, the Group is conservative in its financial dealings and does not engage in speculative instruments that would expose the Group to unnecessary financial risks.

Provision 9.2 Assurance from the CEO, CFO and KMPs

The Board has obtained a written confirmation from:–

a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, the ERM framework maintained, assurance received from the CEO, CFO and other key management personnel, and reviews performed by the Board, Management and various Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's risk management and internal controls systems addressing the financial, operational, compliance and information technology risks were adequate and effective as at 31 December 2024.

There was no material weakness in risk management and internal controls noted as at 31 December 2024.

Principle 10: Audit Committee

Provisions 10.1, 10.2 and 10.3: Audit Committee Composition and Role

As at the date of the annual report, the Audit Committee ("AC") comprises four members, a majority of whom, including the Chairman, are Independent Directors. All the members of the AC are non-executive directors:

Ong Seet Joon (Chairman)
Dr Teo Ho Pin
Lee Yew Sim (appointed as member on 1 November 2024)
Ng Kim Beng (appointed as member on 1 June 2024)

The AC is responsible for assisting the Board in discharging its responsibilities relating to internal controls and risk management systems, financial and other accounting matters as well as matters pertaining to regulatory compliance. The Board believes that the AC members are appropriately qualified to discharge their duties and responsibilities. Two members of the AC, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience. None of the members nor the Chairman of the AC are former partners or directors of the Group's auditing firm within the previous two years or hold any financial interest in the auditing firm.

The AC met at least 2 times in respect of FY2024 and, as and when deemed appropriate to carry out its function, AC members are kept abreast of any changes to accounting standards and issues affecting the financials by the external auditors and Management at the AC meetings, where appropriate.

CORPORATE GOVERNANCE

The principal functions of the AC in accordance with its written terms of reference are as follows:

1. to review with the internal and external auditors their audit plans, their evaluation of the system of internal controls, their audit reports and the management letter and Management's responses;

2. to review significant financial reporting issues and judgments so as to ensure the integrity of the half yearly and full-year financial statements of the Group and any formal announcements relating to the Group's financial performance before submission to the Board for approval;

3. to review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management policies;

4. to review the assurance from the CEO and the CFO on the financial records and financial statements;

5. to oversee the ERM framework and policies and review the internal control procedures and ensure co-ordination between the external and internal auditors and Management, review the assistance given by Management to the auditors, and discuss problems and concerns, if any, arising from the interim and/or full-year audits;

6. to make recommendations to the Board on proposals to shareholders on the appointment, re-appointment, resignation and removal of the external auditors, and approving the remuneration and terms of the engagement;

7. to review the adequacy, effectiveness, independence, scope and results of the Company's external audit and internal audit function;

8. to review interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

9. to review the Group's hedging policies, procedures and activities (if any) and monitor the implementation of the hedging procedure/policies, including reviewing the instruments, processes and practices in accordance with any hedging policies approved by the Board;

10. to review potential conflict of interest, if any, including review of annual confirmations from the relevant parties to determine if the terms of the non-compete undertakings remain valid;

11. to undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

12. to review and discuss with the external auditors any suspected frauds or irregularity, or suspected infringement of any applicable law, rules or regulations which has or is likely to have material impact on the Group's operating results or financial position, and Management's response; and

13. to review the policy and arrangements by which staff of the Company or the Group and any other persons may, in confidence, raise concerns about possible improprieties in financial reporting or any other matters; and conduct an independent investigation of such matters for appropriate follow-up action pursuant to the Company's whistle-blowing programme.

The AC is authorised by the Board to investigate any matter within its terms of reference and has full access to, and cooperation of Management, with full discretion to invite any director or executive officer to attend its meetings. The AC has adequate resources to enable it to discharge its functions properly.

CORPORATE GOVERNANCE

Provision 10.5: Meeting Auditors without Management presence

Annually, the AC meets with the external auditors and internal auditor separately, without the presence of Management. This is to review the adequacy of audit arrangements, with particular emphasis on the observations of the external and internal auditors, the scope and quality of their audits and the independence and objectivity of the external and internal auditors.

In the review of the financial statements, the AC has discussed with management and external auditors with regards to the significant matters in relation to the financial statements, the accounting principles applied therein and judgement involved that might have an implication to the integrity of the financial statements. The AC has discussed and concurs with the basis and conclusions in the auditors report with respect to the following key audit matters identified by the external auditors for FY2024.

i) Accounting for construction contracts

The Group applies estimates in accounting for construction contracts, which includes determination of the stage of completion of the construction contracts to-date, assessment of total construction costs of delivering the entire construction contracts and of work performed to-date, provision for onerous contracts and liquidated damages (if any). The AC assessed the reliability of the management's estimates by considering bases used by the management in the estimates of total construction costs of delivering the entire construction contracts and of work performed to-date, approaches applied in determining stage of completion of the construction contracts to-date, judgement made as to provision for onerous contracts and liquidated damages (if any). The AC also considered the communication from the external auditors on this matter.

ii) Valuation of development properties

The AC considered the approach and methodology applied to the valuation model in determining the recoverable amounts of development properties and reviewed the reasonableness of assumptions adopted and judgement made by management in the assessment of any potential allowance for impairment and the provision therefrom (if any). The AC also considered the external auditors' communication on this matter.

iii) Impairment assessment on non-financial assets

The AC considered the approach and methodology applied to the valuation model in non-financial assets impairment assessment. It reviewed the reasonableness of the estimation of fair value less cost to sale and considered the external auditors' communication on this matter.

Following the review and discussion, the AC recommended to the Board to approve the full year financial statements.

External Auditors

The accounts of the Company's significant subsidiaries and associated companies are audited by KPMG LLP, an auditing firm registered with the ACRA, and overseas member firms of KPMG. For subsidiaries and/or significant associated companies which are not audited by KPMG LLP or overseas member firms of KPMG, the AC and Board are satisfied that the appointment of different auditing firms would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Company has complied with the Rules 712, 715 and 716 of the Listing Manual of the SGX-ST.

The AC review adequacy, effectiveness, independence, scope and results of the external auditors throughout:

i) the audit planning level in respect on qualification and experience of engagement team involved, key audit areas identified and audit scope covered;

ii) overall audit report presented, together with the discussion with the auditors with regards to significant matters in relation to the financial statements, accounting principles applied and judgement involved in the preparation of the financial statements, the audit quality indicator of the engagement team level and at firm level taking into consideration of the Audit Quality Indicators Disclosure Framework published by the ACRA involved in carrying out the audit;

iii) assesses the independence of the external auditors annually based on factors such as performance, skills and independence and is satisfied that the non-audit services provided by the external auditors in FY2024 did not affect the independence or objectivity of the external auditors. The amount of non-audit fees paid to the external auditors in respect of FY2024 was S$85,000.

Based on the above review, the AC is satisfied as to the adequacy, effectiveness, independence, scope and results of the external audit.

On the above basis, and with the concurrence of the Board, the AC had recommended the re-appointment of KPMG LLP as auditors at the forthcoming AGM. Rule 713(1) of the Listing Manual of the SGX-ST provides that the audit partner must not be in charge of more than 5 consecutive audit for a full financial year. The Company adheres to the regular rotation of audit partner once every five years.

Details of the fees of the external auditors of the Company for FY2024 are as follows:

	FY2024 $'000	**FY2023 $'000**
Fees paid/payable to external auditors for:		
Audit services		
– Auditors of the Company and other firms affiliated with KPMG International Limited	459	454
– Other auditors	54	44
Non-audit services		
– Auditors of the Company and other firms affiliated with KPMG International Limited	85	100

Whistle Blowing Programme

The Audit Committee is responsible for the oversight and monitoring of whistleblowing. The Group has in place a Whistle-Blowing Programme that has been clearly communicated with employees. This programme provides well-defined and accessible channels in the Group through which employees and external parties may, in confidence, raise concern about possible fraudulent activities, malpractices or misconduct or wrongdoing conduct on financial reporting or other matters within the Group, in a responsible and effective manner. The Group undertakes to independently investigate such complaints made in good faith and in an objective manner with appropriate follow up actions being taken thereafter. The identity of the whistle-blower is kept confidential and the Group will ensure he/she will not be victimized and will be protected against detrimental or unfair treatment. To facilitate participation by the external parties, the Whistle-Blowing Programme is also available on the Company's website at www.tiongseng.com.sg.

Once a whistle-blowing issue is initiated, the Chairman of the AC and/or the HR manager, with a copy to the CEO will conduct an initial assessment to determine how the investigation should proceed. An investigation report will then be put up by the investigation committee for review and recommended actions would be initiated. The investigation results are confidential. The AC and Board of Directors are to review actions taken and ensure that fraudulent practices are reviewed without prejudice or biasness, and executed with professional integrity in compliance with the Company's Whistle-Blowing Programme.

CORPORATE GOVERNANCE

New employees are briefed on the policy when they join the company's orientation programme. The Whistle-Blowing Policy, amongst other policies, are uploaded onto human resource portal accessible by all employees.

No whistle-blowing concerns were reported for FY2024.

Provision 10.4: Internal Audit

The AC with the assistance of the internal and external auditors, reviews the adequacy and effectiveness of the Company's internal controls and risk management policies and systems established by Management on an annual basis. Any material non-compliance or weakness in internal controls and recommendations for improvements is reported to the AC. The AC also reviews the effectiveness of the actions taken by Management on the recommendations made by the internal and external auditors in this respect.

The Company's internal audit function is independent of the external audit. PwC has been appointed as internal auditor and is staffed with professionals with relevant qualifications and experience to carry out the internal audit function.

The PwC engagement team led by Mr Ng Siew Quan who has over 30 years experiences in auditing and led internal audit and risk management engagements for corporate entities from the private and public sectors. Mr Ng Siew Quan is supported by Ms Teoh Ka Yee, a Senior Manager from the Risk Assurance practice of PwC who directly oversees the engagement team and has over 10 years of experiences in providing risk management services.

The internal auditor reports directly to the AC Chairman and has full access to all documents, records, properties and personnel of the Group. The role of the internal auditor is to support the AC in ensuring that the Group maintains a sound system of internal controls by monitoring and assessing the effectiveness of key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigations as directed by the AC.

During the financial year, the internal auditor conducted its audit reviews based on the internal audit plan approved by the AC. Upon the completion of their internal audit reviews, the internal auditor reports to the AC on the status of the audit plan and on audit findings and responses from/actions taken by Management on the findings.

The AC assesses the adequacy, effectiveness, independence, scope and results of the internal audit function on an annual basis and are satisfied that the Company's internal audit function is independent, effective and adequately resourced. The internal auditor is guided by the PwC Global Internal Audit Services Methodology which is aligned to the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company recognizes and is committed to protect shareholders rights under the Constitution and the relevant laws and regulations. All shareholders are treated fairly and equitably. The Company continues to keep all stakeholders informed of its corporate activities on a timely and consistent basis. The Company is mindful of the need for regular, effective and fair communication with its shareholders. The Company disseminates all material price-sensitive information and half-yearly results to its shareholders via SGXNET and Company's website www.tiongseng.com.sg on a non-selective basis, and through press releases on a timely basis.

The Board aims to provide a balanced and understandable assessment of the Group's financial performance, position and prospect when presenting interim and other price sensitive public reports, and reports to regulators (if required).

CORPORATE GOVERNANCE

All the financial information presented in the results announcement or Annual Report have been prepared in accordance with the Singapore Financial Reporting Standards (International) and approved by the Board before release to the SGX-ST and the investing public through SGXNET. Negative assurance statements were issued by the board to accompany the company's half-yearly results announcements in FY2024, confirming that to the best of its knowledge, nothing had come to its attention which would render the company's half-yearly results false or misleading. The releases of the half-yearly and annual financial information are accompanied by news releases issued to the media and which are also posted on the SGXNet. Management provides the Board with information on the Group's performance, financial position and prospects on a quarterly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the company's performance, position and prospect. This is supplemented by regular updates on matters affecting the financial performance, business of the Group, if any.

Provisions 11.1, 11.2 and 11.4: Conduct of General Meetings

Information is communicated to shareholders on a timely basis.

Communication may be made through:

(a) annual reports, sustainability report or circulars that are prepared and announced through SGXNET and Company's corporate website at https://www.tiongseng.com.sg;

(b) half yearly and full year results announcements;

(c) notices and explanatory notes of the AGM and any Extraordinary General Meeting ("EGM"); and

(d) other announcements and press releases that are announced via SGXNET.

The Company welcomes the views of the shareholders on matters concerning the Company and Group and encourages shareholders' participation at AGMs. Each item of special business included in the notice of the meeting will be accompanied by a statement regarding the effect of a proposed resolution. Issues seeking approval of shareholders, if any, are usually tabled as separate resolutions.

If Shareholders are unable to attend the AGMs/General Meetings, the Constitution of the Company allows a Shareholder of the Company to appoint up to two proxies to attend, speak and to vote in place of the Shareholder through proxy form sent in advance. A shareholder who is relevant intermediary as prescribed under Section 181 of the Companies Act 1967 is entitled to appoint more than two proxies to attend and participate in AGMs/General Meetings.

Shareholders should specifically indicate how they wish to vote for or against (or abstain from voting on) the resolutions. The detailed results showing the number of votes cast for and against each resolution and the respective percentages would be disclosed in the general meetings and announced via SGXNET after the conclusion of the general meetings.

As the authentication of Shareholder identity information and other related security issues remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email, or fax. Electronic poll voting may be efficient in terms of speed but may not be cost effective. In this respect, the Company did not adopt electronic poll voting.

The Company will appoint an independent external party as scrutineer for the poll voting process for the purpose of directing and supervising the count of the votes cast through proxy and in person. Prior to the commencement of the general meetings, the scrutineer will review the proxies and proxy process and also ensure that satisfactory procedures of the voting process are in place. Shareholders are informed of the voting process at each general meeting.

CORPORATE GOVERNANCE

The Company will organise the forthcoming AGM on 30 April 2025 with physical attendance. There will be no option for shareholders to participate virtually or by electronic means. Please refer to the notice of AGM for more information.

Provision 11.3: Interaction with Shareholders

Shareholders are given the opportunity to proactively engage with the Board and Management regarding the Group's business activities and operations, financial performance and other business related matters. Shareholders are now allowed at least 7 calendar days after the publication of the notice of general meeting to submit their questions. Shareholders are informed of any cut-off time within which questions must be submitted and when their questions would be responded to. All substantial and relevant questions received from shareholders prior to a general meeting will be publicly addressed by the Company at least 48 hours prior to the closing date and time for the lodgment of the proxy forms through publication on SGXNET and the Company's corporate website at www.tiongseng.com.sg.

All Directors, in particular, the Chairman of the Board and Chairpersons of the AC, NC and RC together with the external auditors are usually present at the AGMs/General Meetings.

At the Company's last AGM held on 30 April 2024, majority of the directors, the company secretary and external auditors have attended the AGM. Majority of the directors comprising Dr Teo Ho Pin, Mr Pay Sim Tee, Mr Pek Zhi Kai, Mr Ong Seet Joon and Mr Lee It Hoe together with the Company secretary, external auditors and legal advisors were present at the AGM.

The Chairman of the meeting with the assistance of the Company Secretary and service provider briefed the shareholders on the rules of the meeting including the voting procedures.

Provision 11.5: Minutes of the General Meetings

Company secretary will prepare minutes of general meetings that include substantial and relevant comments or queries from shareholders relating the agenda of the meeting, and responses from the Board and Management. The Company publishes minutes of the general meetings of shareholders on SGXNET and its corporate website within one month from the date of AGM.

Provision 11.6: Dividend Policy

The Company currently does not have a fixed dividend policy. Any declaration and payment of dividends will depend on, inter alia, the Group's earnings, operating results, financial conditions, development/investment plans, capital requirements, capital expenditure, gearings and any other factors deemed relevant by the Board.

The details of dividend payment would be disclosed via the release of financial results announcements through SGXNET.

No final dividend has been recommended for FY2024 in order to preserve the Group's working capital.

CORPORATE GOVERNANCE

Principle 12: Engagement with Shareholders

Provisions 12.1, 12.2 and 12.3: Communication with Shareholders and Investor Relations Practices

The Group keeps its stakeholders and public informed on information that would be likely to materially affect the price, value and/or trade volumes of the Group's securities on a timely and consistent basis.

The Company has engaged an external professional investor relation ("IR") firm, with the aim to better communicate with its shareholders and analyst on a regular basis and to gather views or inputs, and take any of their queries or concerns. The IR firm also manages the dissemination of information to the media, public, institutional investors and public shareholders, and act as liaison with these parties. Shareholders can contact or provide their views directly to the IR firm at connect@gem-comm.com. The contact details of the IR firm are available at the Company's website.

(V) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

Provisions 13.1 and 13.2: Stakeholders' Engagement

The Group engages with all its material stakeholder groups via various medium and channel, which including project management meetings, numerous business interactions and other corporate events, and through external professional investor relation. The material stakeholders of the Group identified include directors, suppliers and sub-contractors, customers, employees, investors and financial institutions, community and regulators.

The Group constantly shares its growth strategy and core value system with its stakeholders and strive to work together to have continuous improvement on productivity and efficiency in a responsible and sustainable manner.

The sustainability report released to the SGX-ST provides more details about the strategy and key areas of focus in relation to the management of stakeholder relationships which include:

- Adoption of environmentally practices such as reducing water consumption and general construction waste
- Delivering long term sustainable construction works and housing development
- Safeguarding the health and safety of employees and sub-contractors
- Providing learning opportunities for employees and invest in human capital and support employee development to meet changing business needs

Provision 13.3: Corporate Website

The Company disseminates all its key business updates and half-yearly results to its stakeholders via SGXNET and Company's website www.tiongseng.com.sg on a non-selective basis, and through press releases on a timely basis.

The corporate website keeps the investment community up to date, providing company profile with the Board Diversity policy, financial information such as results announcements and annual reports, stock information which shows stock fundamentals and historical stock price. The whistle-blowing policy is also published under the "Corporate Governance" link. There is an email alert option under "Shareholder Tools" for shareholders to receive financial information such as calendar events, announcements and/or press release by email automatically.

CORPORATE GOVERNANCE

Risks, Environment, Social & Governance Committee

The Risks, Environment, Social & Governance Committee ("RESGC") is established to oversee the risks and sustainability frameworks, governance and reporting at the Group level. The RESGC comprises RESG Board and a Standing Committee. Majority of the members of RESG Board are independent directors and members of the Standing Committee are management:

RESG Board

Dr Teo Ho Pin (Chairman)
Ong Seet Joon
Pek Zhi Kai

Standing Committee

7 members across 3 Divisions

The RESG Board seeks to independently advise on matters relating to how the Group can operate in an environmentally and socially sustainable manner to generate long term value for its stakeholders. The RESG Board also serves to review, approve and provide guidance on initiatives relating to Risks, Environment, Social and Governance ("RESG").

The Standing Committee operates on a Management level, monitoring and ensuring the Group's RESG Strategy is up to date against the Group's business strategy. They also are responsible for the Group's compliance with regulatory requirements and work with the various data owners and departments to drive sustainability throughout the organisation.

The RESGC met at least 2 times in respect of FY2024 and, as and when deemed appropriate to carry out its function.

The RESGC performs the following functions in accordance with its written terms of reference for FY2024:

1. RESG Board advise the Standing Committee on the appropriateness of the Group's RESG related policies and strategies.

2. RESG Board review the RESG performance findings from the Standing Committee.

3. Standing Committee review the Group's RESG performance against industry relevant RESG targets, RESG Strategy, Group's material risks, objectives, concerns and RESG factors.

4. Standing Committee prepares and RESG Board reviews the sustainability report.

Dealings in Securities

The Company had adopted a policy governing dealings in securities of the Company by the Directors and the Officers of the Group. The Company and its Officers are prohibited from dealing in securities of the Company for the periods commencing one month before the release of the half-yearly results and full-year results and at all times whilst in possession of unpublished price and/or trade-sensitive information.

The Directors and key officers are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading period. Where a potential conflict of interest arises, the Director concerned does not participate in discussion and refrains from exercising any influence over other members of the Board.

Directors and key officers are also encouraged not to deal in the Company's securities on short-term considerations.

The guidelines on share buyback under the Share Buyback Mandate, to be renewed at the Company's forthcoming AGM also provides that the Company will not affect any purchases of shares on the SGX-ST during the period of one month immediately preceding the announcement of the Company's half year and full year results.

The Company has complied with Rule 1207(19) of the Listing Manual of the SGX-ST.

CORPORATE GOVERNANCE

Interested Person Transactions

The Company has adopted an internal policy governing the procedures for the identification, approval and monitoring of interested person transactions ("IPTs"). All IPTs are subject to review by the AC to ensure that they are carried out on normal commercial terms or entered into on arm's length basis and are not prejudicial to the interests of the Group and its minority shareholders.

Considering that the Group will, in the ordinary course of business, continue to have transactions with Peck Tiong Choon (Private) Limited and its subsidiaries, the Interested Persons, from time to time; and the time-sensitive and recurrent nature of the transactions, Shareholders' mandate for the IPTs ("IPT Mandate") was first obtained at the EGM held on 28 April 2014. The methods or procedures for determining the transaction prices have not changed since the last EGM and are sufficient to ensure that the transactions have been and will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. In view of the above, an independent financial adviser's opinion is not required for the renewal of the IPT Mandate at the forthcoming AGM.

The aggregate value of IPTs entered into during FY2024 is as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Hiring Charges			
Peck Tiong Choon Transport (Pte) Ltd	Subsidiary of Controlling Shareholder, Peck Tiong Choon (Private) Limited	–	$6,089,000
Peck Tiong Choon Logistic (Pte) Ltd	Subsidiary of Controlling Shareholder, Peck Tiong Choon (Private) Limited	–	$26,000
Total		–	$6,115,000
Lease of Storage Space			
Peck Tiong Choon Logistic (Pte) Ltd	Subsidiary of Controlling Shareholder, Peck Tiong Choon (Private) Limited	$271,000	–
Consultancy fees			
G&T Multitask (Private Limited)	Associate of Director, Pek Zhi Kai	$1,000,000	–
Total		$1,271,000	–

The Company appointed Mr Pek Lian Guan ("**Mr Pek**"), a former employee of the Company, as a consultant of the Group in May 2022. The intent is to avail the Group of Mr Pek's knowledge in three main areas: strategic growth advisory, executive coaching for senior management, and digital transformation advisory services.

CORPORATE GOVERNANCE

The Board considered the appointment of Mr Pek as consultant, having taken independent advice from relevant third-party advisors regarding the suitability of Mr Pek for the roles, the quantum of the consultancy fees payable, and the methodology and governance framework of implementing such an agreement. The Audit Committee and the Board were satisfied from the findings and advice of the third-party advisors that the consultancy agreement with Mr Pek was entered into on an arm's length basis and is not prejudicial to the interests of the Company and its minority shareholders. Accordingly, the Audit Committee and the Board approved the proposal for Mr Pek to provide consultancy services to the Group. Mr Pay Sim Tee (who is a cousin of Mr Pek) and Mr Pek Zhi Kai (who is the son of Mr Pek) abstained from voting in the process of making this decision.

Mr Pek renders the consultancy services through G&T Multitask (Private Limited) which is 100% owned by Mdm Ong Geok Toe (who is the spouse of Mr Pek and the mother of Executive Director Mr Pek Zhi Kai). Accordingly, the consultancy agreement constitutes an IPT.

Use of Proceeds

As at the date of this Annual Report, the net proceeds from the Placement of 20,000,000 new ordinary shares in the capital of the Company which was completed on 20 January 2025 have not been utilised and the details were as depicted in the table below:

Use of Net Proceeds	Amount allocated		Amount utilised S$	Balance of Net Proceeds utilised S$
	S$	%		
General working capital	S$1,920,000	100	Nil	S$1,920,000

Material Contracts

Saved for item as disclosed under IPTs above, and the Service Agreement entered with the CEO, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, Directors or controlling shareholders during or at the end of FY2024.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

Year ended 31 December 2024

We present this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2024.

In our opinion:

(a) the financial statements set out on pages 111 to 200 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 2024 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 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.

Directors

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

Teo Ho Pin
Pay Sim Tee
Pei Zhi Kai
Ong Seet Joon
Ng Kim Beng (Appointed on 1 June 2024)
Lee Yew Sim (Appointed on 1 November 2024)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ("the Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings in the name of the director		Holdings in which the director is deemed to have an interest	
	At date of appointment	**At the end of the year**	**At date of appointment**	**At the end of the year**
Lee Yew Sim				
Tiong Seng Holdings Limited – ordinary shares	762,630	762,630	285,512,700	285,512,700

By virtue of Section 7 of the Act, Lee Yew Sim is deemed to have interests in the other subsidiaries of the Company, all of which are wholly-owned, at the date of appointment and at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2025.

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

DIRECTORS' STATEMENT

Year ended 31 December 2024

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of options to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

Ong Seet Joon	Independent director
Lee It Hoe	Non-executive director (Resigned on 31 October 2024)
Lee Yew Sim	Non-executive director (Appointed on 1 November 2024)
Teo Ho Pin	Independent director
Ng Kim Beng	Independent director (Appointed on 1 June 2024)
Ang Peng Koon, Patrick	Independent director (Resigned on 30 April 2024)

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held two meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;

- half-yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and its Singapore-incorporated subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

Year ended 31 December 2024

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Pay Sim Tee
Director

Pek Zhi Kai
Director

3 April 2025

INDEPENDENT AUDITORS' REPORT

Members of the Company Tiong Seng Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tiong Seng Holdings 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 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 111 to 200.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

INDEPENDENT AUDITORS' REPORT

Members of the Company Tiong Seng Holdings Limited

Accounting for construction contracts	
The key audit matter	***How the matter was addressed in our audit***
The Group uses estimates in accounting for its construction contracts. Revenues from construction contracts are recognised progressively over time. Stage of completion is determined based on input method, which is based on construction costs incurred to-date as compared to the estimated total construction costs. Determining the stage of completion, the recoverability of contract assets and the provision for onerous contract involve judgement and are subject to estimation uncertainties. Such estimates include: • Total costs of delivering the entire contract; • Total costs of work performed to-date; and • Possible reduction in contract sums due to late completion of projects, if any. Changes in the above estimates may have an impact on the Group's revenue from construction contracts, costs of construction contracts and profit.	**Our response** We tested controls over the Group's processes for budgeting contract costs and determining costs of work performed to-date. We also assessed the reliability of management's estimation of contract costs by comparing the final outcomes of projects completed during the year to previous estimates made on those projects. We selected samples of contract and assessed the reasonableness of calculation of stage of completion by: • Assessing the adequacy of budgeted contract costs by comparing them with the actual costs incurred to-date and the reasonableness of the remaining costs to be incurred taking into consideration the latest market factors; • Where applicable, identifying any changes in assumptions and estimates applied in the budget from previous years and evaluated the reasons provided by management for the changes; • Enquiring with management on the progress of the construction to identify potential delays or cost overruns that may require revision in budgeted contract costs or a provision for onerous contracts; and • Ascertaining the reasonableness of costs of work performed to-date by checking to the latest claims from the subcontractors/suppliers and testing the post year end payments. We selected samples of contract and assessed the recoverability of the carrying amounts of contract assets by checking to post year end receipts, enquiring with management and reviewing correspondences to identify potential dispute on the work done. In respect of the risks of reduction in contract sums due to late completion of projects arising from contracts, if any, we enquired with management to understand their assessment of the progress of claims. We inspected correspondences with the customers. We also considered the Group's prior experience on final settlement of claims and compared resolutions of claims to settlements after year end, where applicable, to ascertain the reasonableness of management's assessment.

INDEPENDENT AUDITORS' REPORT

Members of the Company Tiong Seng Holdings Limited

Accounting for construction contracts	
The key audit matter	***How the matter was addressed in our audit***
	We considered the adequacy of the Group's disclosure made around contract accounting in the financial statements. **Our finding** We found that the Group's estimates of budgeted contract costs, costs for work performed to-date, stage of completion and provision for onerous contracts to be balanced. We found that the Group's disclosure of contract accounting in Note 3.17 and 24 to the financial statements complies with relevant accounting standards.

Valuation of development properties	
The key audit matter	***How the matter was addressed in our audit***
The Group has significant development properties in China. There is a risk that net realisable values of these properties may be lower than their carrying amounts. Development costs may also escalate when the progress of any development is delayed and this could result in the carrying amounts of the affected development properties exceeding their net realisable values. Delay in completing the development within the time specified by the authority will be subject to penalty. The Group determined net realisable values of its development properties by reference to the recent transacted prices of units within the same development or comparable properties in the vicinity or the selling price estimated by external independent valuers who have the relevant qualification and industry experience.	**Our response** For external independent valuation reports, we evaluated the competence, capabilities and objectivity of these valuers. We held discussions with the valuers to understand their valuation methods and basis of valuation by comparing them with methodologies applied by other valuers for similar properties. We evaluated the reasonableness of the estimated selling prices indicated in valuation reports by comparing them with recent asking prices of comparable properties in the vicinity. For the assessment done by management, we assessed the reasonableness of management's estimated selling prices by comparing these with recently transacted prices of the units within the same development or recent asking prices of comparable properties in the vicinity. Where applicable, we assessed the reasonableness of the estimated development costs to complete a project by comparing the progress of the construction with the initial plan and considering whether there is any significant delay or deviation in plan which may require revision in estimated costs to complete. We reviewed management assessment of the likelihood of penalty being imposed due to delay in completing the development and the adequacy of the penalty provided for. We also considered the adequacy of the Group's disclosures made in respect of the allowance for diminution in value in the financial statements.

INDEPENDENT AUDITORS' REPORT

Members of the Company Tiong Seng Holdings Limited

Valuation of development properties	
The key audit matter	***How the matter was addressed in our audit***
	Our finding We found no matters of concern regarding the competence, capabilities and objectivity of the external valuers and the methodologies and assumptions used by the valuers. We found the management's assessment of estimated selling prices, estimated costs and amount of penalty provided for late completion of the development to be balanced. We found that the Group's disclosure of allowances made for development properties in Note 16 to the financial statements complies with relevant accounting standards.

Impairment of non-financial assets	
The key audit matter	***How the matter was addressed in our audit***
The Group's net asset value exceeded its market capitalisation by $39,573,000 (2023: $46,482,000) as at 31 December 2024. This indicates that non-financial assets may be impaired. Impairment assessment involves estimating the recoverable amounts of the cash generating unit ("CGU") to which the non-financial assets belongs. The determination of recoverable amounts involves judgement and is subject to estimation uncertainties. The recoverable amount of each CGU is its fair value less costs to sell with reference to recent market transactions.	**Our response** Our audit procedures included, among others, evaluated the design of the controls and applied by the Group to ensure that its impairment analysis is appropriately undertaken and reviewed. We evaluated the identification of CGUs by the Group based on our understanding of the business. When recoverable amounts were based on a CGU's fair value less costs to sell supported by external valuations, we evaluated the competence, capabilities and objectivity of these valuers. We evaluated the reasonableness of the estimated selling prices indicated in valuation reports by comparing them with recent asking prices of comparable properties in the vicinity. When recoverable amounts were based on management own estimate of a CGU's fair value less costs to sell, we assessed the reasonableness of management's estimated selling prices by comparing them with recent selling prices of similar plant and machinery adjusted for age, recent asking prices of comparable properties in the vicinity and considered the market supply and demand of properties projected by valuers. **Our finding** We found no matters of concern regarding the competence, capabilities and objectivity of the external valuers and the assumptions used by the valuers. We found that the Group had assessed based on a balanced set of assumptions and estimates.

INDEPENDENT AUDITORS' REPORT

Members of the Company Tiong Seng Holdings Limited

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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.

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional 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 controls.

- Obtain an understanding of internal controls 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 controls.

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

INDEPENDENT AUDITORS' REPORT

Members of the Company Tiong Seng Holdings Limited

- 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 auditors' 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 auditors' 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 controls 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude 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.

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Low Gin Cheng, Gerald.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
3 April 2025

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Non-current assets					
Property, plant and equipment	4	**57,352**	44,730	**–**	–
Intangible assets	5	**1,342**	983	**–**	–
Investment properties	6	**1,209**	1,219	**–**	–
Right-of-use assets	7	**7,402**	7,540	**–**	–
Subsidiaries	8	**–**	–	**53,986**	53,986
Joint ventures	9	**16,344**	14,609	**–**	–
Trade and other receivables	10	**25,222**	31,482	**–**	–
Amount due from related parties	17	**2,548**	4,930	**–**	–
Other investments	11	**573**	673	**–**	–
Deferred tax assets	12	**2,254**	2,259	**–**	–
		114,246	108,425	**53,986**	53,986
Current assets					
Inventories	13	**3,648**	4,291	**–**	–
Contract costs	14	**173**	900	**–**	–
Contract assets	15	**46,785**	56,724	**–**	–
Development properties	16	**110,634**	128,402	**–**	–
Trade and other receivables	10	**41,651**	46,969	**1,949**	2,226
Amounts due from related parties	17	**15,857**	14,376	**31,310**	31,310
Cash and cash equivalents	18	**35,776**	112,578	**314**	328
		254,524	364,240	**33,573**	33,864
Assets held for sale	19	**38,429**	41,384	**–**	–
		292,953	405,624	**33,573**	33,864
Total assets		**407,199**	514,049	**87,559**	87,850
Equity attributable to owners of the Company					
Share capital	20	**181,947**	181,947	**181,947**	181,947
Treasury shares	21	**(4,906)**	(4,906)	**(4,906)**	(4,906)
Reserves	21	**(94,549)**	(93,508)	**(45,850)**	(45,850)
Accumulated losses		**(7,988)**	(10,455)	**(116,240)**	(112,300)
		74,504	73,078	**14,951**	18,891
Non-controlling interests	35	**2,119**	2,074	**–**	–
Total equity		**76,623**	75,152	**14,951**	18,891
Non-current liabilities					
Trade and other payables	22	**30,031**	21,973	**–**	–
Loans and borrowings	23	**8,335**	12,131	**–**	–
Deferred tax liabilities	12	**–**	674	**–**	–
		38,366	34,778	**–**	–
Current liabilities					
Contract liabilities	15	**53,149**	114,986		–
Trade and other payables	22	**143,048**	169,472	**894**	366
Amounts due to related parties	17	**7,189**	6,720	**71,714**	68,593
Loans and borrowings	23	**84,426**	109,929	**–**	–
Current tax payable		**4,398**	3,012	**–**	–
		292,210	404,119	**72,608**	68,959
Total liabilities		**330,576**	438,897	**72,608**	68,959
Total equity and liabilities		**407,199**	514,049	**87,559**	87,850

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Revenue			
Revenue from construction contracts and engineering solutions		**526,626**	449,645
Revenue from sales of development properties		**9,417**	24,852
Rental income		**190**	551
	24	**536,233**	475,048
Other income	25(a)	**11,931**	5,130
Cost of construction contracts and engineering solutions		**(501,859)**	(425,709)
Cost of sales of development properties		**(7,603)**	(26,496)
Reversal of impairment loss on investment in joint venture		**1,974**	–
Net impairment loss on:			
– contract assets	25(b)	**(543)**	(244)
– trade and other receivables	25(b)	**(1,249)**	–
– trade amount due from related parties	25(b)	**–**	(294)
		(1,792)	(538)
Depreciation and amortisation		**(4,778)**	(4,381)
Selling expenses		**(360)**	(918)
Staff costs	25(c)	**(16,452)**	(17,892)
Other expenses		**(13,035)**	(13,657)
		(543,905)	(489,591)
Profit/(loss) from operating activities		**4,259**	(9,413)
Finance income	26	**4,122**	2,966
Finance costs	26	**(5,325)**	(7,564)
Net finance costs		**(1,203)**	(4,598)
Share of profit of joint ventures, net of tax		**2,749**	857
Profit/(loss) before tax		**5,805**	(13,154)
Tax expense	27	**(2,975)**	(445)
Profit/(loss) for the year		**2,830**	(13,599)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Translation differences relating to financial statements of foreign subsidiaries		**(102)**	(6,495)
Exchange differences on monetary items forming part of net investment in a foreign operation		**(1,204)**	(1,154)
Realisation of exchange differences on monetary items previously forming part of net investment in a foreign operation transferred to income statement		**(156)**	–
Net change in fair value of equity investment at fair value through other comprehensive income		**103**	(245)
Other comprehensive income for the year, net of tax		**(1,359)**	(7,894)
Total comprehensive income for the year		**1,471**	(21,493)
Profit/(loss) attributable to:			
Owners of the Company		**2,858**	(12,122)
Non-controlling interests		**(28)**	(1,477)
Profit/(loss) for the year		**2,830**	(13,599)
Total comprehensive income attributable to:			
Owners of the Company		**1,426**	(19,075)
Non-controlling interests		**45**	(2,418)
Total comprehensive income for the year		**1,471**	(21,493)
Earnings per share			
– Basic (cents)[1]	28	**0.65**	(2.75)
– Diluted (cents)[2]	28	**0.62**	(2.75)

1 The earnings per share net of non-controlling interests has been calculated based on 441,076,649 (2023: 441,076,649) weighted average number of shares excluding treasury shares.

2 The earnings per share net of non-controlling interests has been calculated based on 461,076,649 (2023: 441,076,649) weighted average number of shares adjusted for the effects of all dilutive potential ordinary shares excluding treasury shares.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the Company										
	Share capital $'000	Treasury shares $'000	Merger reserve $'000	Capital reserve $'000	Statutory reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Retained earnings/ (Accumulated loss) $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2023	181,947	(4,906)	(77,720)	(9,345)	4,045	142	(6,036)	4,026	92,153	4,492	96,645
Total comprehensive income for the year											
Loss for the year	–	–	–	–	–	–	–	(12,122)	(12,122)	(1,477)	(13,599)
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	–	–	–	–	–	–	(5,554)	–	(5,554)	(941)	(6,495)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	–	–	–	(1,154)	–	(1,154)	–	(1,154)
Net change in fair value of equity investment of fair value through other comprehensive income	–	–	–	–	–	(245)	–	–	(245)	–	(245)
Total other comprehensive income	–	–	–	–	–	(245)	(6,708)	–	(6,953)	(941)	(7,894)
Total comprehensive income for the year	–	–	–	–	–	(245)	(6,708)	(12,122)	(19,075)	(2,418)	(21,493)
Transfer to statutory reserve	–	–	–	–	2,359	–	–	(2,359)	–	–	–
At 31 December 2023	181,947	(4,906)	(77,720)	(9,345)	6,404	(103)	(12,744)	(10,455)	73,078	2,074	75,152

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the Company										
	Share capital $'000	Treasury shares $'000	Merger reserve $'000	Capital reserve $'000	Statutory reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Accumulated loss $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2024	181,947	(4,906)	(77,720)	(9,345)	6,404	(103)	(12,744)	(10,455)	73,078	2,074	75,152
Total comprehensive income for the year											
Profit for the year	–	–	–	–	–	–	–	2,858	2,858	(28)	2,830
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	–	–	–	–	–	–	(175)	–	(175)	73	(102)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	–	–	–	(1,204)	–	(1,204)	–	(1,204)
Realisation of exchange differences on monetary items previously forming part of net investment in a foreign operation transferred to income statement	–	–	–	–	–	–	(156)	–	(156)	–	(156)
Net change in fair value of equity investment of fair value through other comprehensive income	–	–	–	–	–	103	–	–	103	–	103
Total other comprehensive income	–	–	–	–	–	103	(1,535)	–	(1,432)	73	(1,359)
Total comprehensive income for the year	–	–	–	–	–	103	(1,535)	2,858	1,426	45	1,471
Transfer to statutory reserve	–	–	–	–	651	–	–	(651)	–	–	–
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Liquidation of subsidiary	–	–	–	189	(1,566)	–	1,117	260	–	–	–
At 31 December 2024	181,947	(4,906)	(77,720)	(9,156)	5,489	–	(13,162)	(7,988)	74,504	2,119	76,623

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	2024 $'000	2023 $'000
Cash flows from operating activities		
Profit/(loss) from operating activities	**4,259**	(9,413)
Adjustments for:		
Depreciation and amortisation	**9,964**	11,536
Gain on disposal of:		
– property, plant and equipment	**(312)**	(280)
– other investments	**(76)**	–
– assets held for sales	**(6,514)**	–
Impairment loss on:		
– contract assets	**554**	244
– trade amount due from related parties	**–**	294
– trade and other receivables	**1,391**	–
Reversal of impairment loss on:		
– contract assets	**(11)**	(455)
– property, plant and equipment	**(2,462)**	–
– joint venture	**(1,974)**	–
– trade receivables	**(142)**	–
Provisions	**5,289**	10,097
Written down of inventories	**–**	317
Written off:		
– goodwill	**–**	756
– property, plant and equipment	**–**	30
– bad debts	**343**	126
Operating cash flows before working capital changes	**10,309**	13,252
Inventories	**640**	(964)
Contract costs	**727**	(190)
Contract assets/liabilities	**(52,441)**	59,819
Development properties	**5,179**	8,395
Trade and other receivables	**13,158**	(6,235)
Trade and other payables	**(23,813)**	(28,041)
Balances with related parties (trade)	**992**	2,909
Cash (used in)/generated from operations	**(45,249)**	48,945
Tax paid	**(2,256)**	(275)
Net cash (used in)/generated from operating activities	**(47,505)**	48,670

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Cash flows from investing activities			
Interest received		**828**	1,538
Loan to a joint venture		**–**	(600)
Loan repayment from joint ventures		**3,030**	19,998
Other investments		**–**	229
Payment for capital expenditure on intangible assets		**(319)**	(737)
Proceeds from disposal of:			
– property, plant and equipment		**464**	1,567
– other investments		**433**	–
– assets held for sales		**9,995**	–
Purchase of:			
– property, plant and equipment		**(4,948)**	(4,523)
– intangible assets		**(310)**	(806)
Net cash generated from investing activities		**9,173**	16,666
Cash flows from financing activities			
Increase in deposits pledged		**–**	557
Interest paid		**(5,360)**	(5,825)
Payments of lease liabilities		**(2,197)**	(833)
Proceeds from loans and borrowings		**80,782**	91,908
Repayment of loans and borrowings		**(109,913)**	(87,674)
Net cash used in financing activities		**(36,688)**	(1,867)
Net (decrease)/increase in cash and cash equivalents		**(75,020)**	63,469
Cash and cash equivalents at beginning of the year		**112,578**	47,075
Effect of exchange rate changes on balances held in foreign currencies		**(1,782)**	2,034
Cash and cash equivalents at end of the year	18	**35,776**	112,578

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2024

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 3 April 2025.

1 DOMICILE AND ACTIVITIES

Tiong Seng Holdings Limited (the "Company") is a company incorporated in Singapore. The address of the Company's registered office is 30A Kallang Place, #04-01 to #04-11, Singapore 339213.

Tiong Seng Shareholdings Pte. Ltd., a company incorporated in Singapore, is the immediate and ultimate holding company of the Company.

The financial statements of the Group as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity-accounted investees.

The Group is primarily involved in building construction and civil engineering, provision of engineering solutions and property development.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to material accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management where appropriate. Revisions to accounting estimates are recognised prospectively.

There are no critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

Note 16 – Measurement of realisable amounts of development properties

Note 24 – Revenue and costs recognition from construction contracts

Information about other judgements made and estimates applied are included in the following notes:

Note 4 – Measurement of recoverable amounts of property, plant and equipment

Note 8 – Measurement of recoverable amounts of investment in subsidiaries

Note 9 – Measurement of recoverable amounts of investment in joint ventures

Note 22 – Recognition and measurement of provisions

Note 34 – Measurement of expected credit loss ("ECL") allowance for trade and other receivables and contract assets

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group periodically reviews significant fair value measurements, including Level 3 fair values, significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1* : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2* : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3* : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

Measurement of fair values (Continued)

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 6 – Investment properties

Note 34 – Financial instruments

2.5 Changes in material accounting policies

New accounting standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2024:

- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-Current and Non-current liabilities with Covenants*
- Amendments to SFRS(I) 1-16 *Lease Liabilities in a sales and Leaseback*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7 *Supplier Finance Arrangements*

The application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note below on subsidiaries). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

NCI are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the consolidated financial statements of the Group's controlling shareholder. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

Loss of control

When the Group loses control over a subsidiary, it derecognised the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit and loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Investments in joint ventures (equity-accounted investees)

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

Subsidiaries and joint ventures in the separate financial statements

Investments in subsidiaries and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss and presented within finance cost/income. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an equity investment designated as at fair value through other comprehensive income ("FVOCI");
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

The estimated useful lives for the material property, plant and equipment for the current and comparative years are as follows:

• Leasehold land	Over the term of the lease of 60 years
• Leasehold properties	Over the terms of the leases of between 20 to 45 years
• Plant and machinery	10 years
• Tools and moulds	10 years
• Furniture, equipment and fittings	10 years
• Motor vehicles	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Intangible assets and goodwill

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the joint ventures.

Software development cost

Software development cost comprises manpower and related overhead incurred directly in the development of computer software. Software development expenditures are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and use or sell the asset;
- the ability to use or sell the intangible asset generated;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the software development cost as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit of 5 years. During the period of development, the asset is tested for impairment annually. Software development cost which is not or has ceased to be commercially viable are written off.

Patented technology

Patented technology was acquired in a business combination. The cost of patented technology is its fair value at acquisition date. Patented technology has finite useful life and is stated at cost less accumulated amortisation and accumulated impairment losses.

Licence fee

Licence fee represents consideration paid for the rights to install and manufacture construction materials for use in the operations. Licence fee is stated at cost less accumulated amortisation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Intangible assets and goodwill (Continued)

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the use of the specific software. Direct expenditure, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining the computer software are recognised in profit or loss as incurred.

Computer software licences are stated at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

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

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

• Patented technology	5 years
• Licence fee	Over the respective life of the licences of 1 to 10 years
• Computer software	3 years
• Software development costs	5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Investment property

Investment property is measured at cost less accumulated depreciation and accumulated impairment losses.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Investment property (Continued)

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of investment properties.

The estimated useful lives for the current and comparative years are as follows:

Leasehold properties	50 years

Depreciation methods and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Non-current assets held for sale

Non-current assets that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit and loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not depreciated.

3.7 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost and FVOCI – equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (Continued)

Classification and subsequent measurement (Continued)

Non-derivative financial assets (Continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of certain equity investments that are not held-for-trading, the Group has made an irrevocably election to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (Continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (Continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (Continued)

Derecognition (Continued)

Financial assets (Continued)

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits and restricted cash are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (Continued)

Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specific payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Liabilities arising from financial guarantees are included within "loans and borrowings".

3.8 Impairment

Non-derivative financial assets and contract assets

The Group recognises loss allowances for ECL on financial assets measured at amortised costs, contract assets, lease receivables and intra-group financial guarantee contracts.

Lease receivables are disclosed a part of trade and other receivables.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract assets.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables (including lease receivables) and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (Continued)

Non-derivative financial assets and contract assets (Continued)

General approach (Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Company considers an intra-group financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (Continued)

Non-derivative financial assets and contract assets (Continued)

Credit-impaired financial assets (Continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Loss allowances for intra-group financial guarantee contract are recognised as a financial liability to the extent that they exceed the initial carrying amount of the intra-group financial guarantee contract less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories, development properties, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (Continued)

Non-financial assets (Continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in a joint venture may be impaired.

3.9 Club memberships

Club memberships are measured at cost less accumulated impairment loss.

3.10 Contract costs

Incremental costs of obtaining a contract for the sale of a development property are capitalised if these costs are recoverable. Costs incurred to fulfil a contract are capitalised only if the costs relate directly to the contract, generate or enhance resources used in satisfying future performance obligations, and are expected to be recovered. These costs are amortised consistently with the pattern of revenue for the related contract. Other costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 3.17) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in Note 3.8 and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see Note 3.17). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 3.19).

3.12 Development properties

Development properties are those properties which are held with the intention of development and sale in the ordinary course of business.

Properties under development for sale

Properties under development for sale are stated at lower of cost and estimated net realisable value. Net realisable value takes into account the price ultimately expected to be realised and the anticipated costs to completion. Cost of properties under development comprise specifically identified costs, including land acquisition costs, development expenditure, capitalised borrowing costs and other related expenditure, less any allowance for diminution in value of property considered necessary by the management. Borrowing costs payable on loans funding a development property are capitalised (applicable to construction of a development for which revenue is to be recognised at a point in time), on a specific identification basis, as cost of the development property until the date of its practical completion.

When it is probable that total development costs will exceed total revenue, an allowance is recognised as an expense immediately.

When completed, the units held for sale are classified as completed properties for sale.

Completed properties for sale

Completed properties for sale but remain unsold at year end are stated at lower of cost and net realisable value. Cost is determined by apportionment of the total development costs for that development project attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

Development properties are classified as current assets in the statement of financial position. Payments received from purchasers arising from pre-sales of the property units prior to the completion or physical handover to the purchasers are included as contract liabilities under current liabilities in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.12 Development properties (Continued)

Reclassification to investment property or property, plant and equipment

When the use of a property changes from development to investment property or property, plant and equipment, the property is measured at cost less accumulated depreciation and accumulated impairment losses.

3.13 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out allocation method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

3.14 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.15 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Onerous contracts

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.16 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or 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.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Leases (Continued)

(i) As a lessee (Continued)

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease terms of right-of-use assets are as follows:

Leasehold land	20 to 60 years
Office and storage space	1 to 6 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Leases (Continued)

(i) As a lessee (Continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of 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.

Where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Group presents right-of-use assets that do not meet the definition of investment property separately in the statement of financial position and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including worker dormitory and office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see Note 3.7). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.17 Revenue

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

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

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

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. The Group accounts for a contract modification as a separate contract if both the following conditions are present: (i) the scope of the contract increase because of the addition of promised goods or services that are distinct; and (ii) the price of the contract increases by an amount of consideration that reflects the Group's stand-alone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

If the contract modification is not accounted for as a separate contract, the Group will account for the contract modifications as if it were a part of the existing contract if the remaining goods or services are not distinct and, therefore, form part of a single performance obligation that is partially satisfied at the date of the contract modification. The effect that the contract modification has on the transaction price, and on the Group's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification.

Revenue from construction contract and provision of engineering solutions

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on real estate assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control. Revenue from provision of engineering solutions include revenue from sale of precast and prefabricated components and revenue from steel and mass engineering timber work.

Revenue may be recognised over time or at a point in time following the timing of satisfaction of the PO. For construction contracts and steel and mass engineered time work contracts, each PO in the contract is considered satisfied over time when the Group has an enforceable right to payment for performance completed to date and the outcome of the PO can be reasonably measured. The progress towards the completed satisfaction of each PO is measured using the input method based on construction cost incurred to-date as compared to the estimated total construction costs. For precast and prefabricated contracts, each PO in the contract is considered satisfied at a point in time when criteria for acceptance have been satisfied.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.17 Revenue (Continued)

Revenue from construction contract and provision of engineering solutions (Continued)

When the outcome of the contract cannot be reasonable measured but the Group expects to recover the costs incurred in satisfying the PO, revenue is recognised only to the extent of contract costs incurred that are expected to recovered until such time that it can reasonably measure the outcome of the PO.

The likelihood of the Group suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then provision is recognised in accordance with the policy set out in Note 3.15.

Sales of development properties

Revenue is recognised when the control over a development property has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the development property over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

Where a development property has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment for performance completed to date arising from the contractual terms, revenue is recognised over time by reference to the Group's progress towards completing the construction of the development property. The measure of progress is determined based on the stage of completion of construction certified by quantity surveyors. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In respect of contracts where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised only when:

(a) receipt of completion certificate;

(b) financial contracts are signed and registered with housing authorities in the relevant province in the People's Republic of China;

(c) receipt of 100% of the sales amount under contract; and

(d) keys are handed over to purchasers of the unit.

Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception. A finance income or finance expense will be recognised depending on the arrangement. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of goods or services to a customer and the payment date is 12 months or less.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.17 Revenue (Continued)

Sales of development properties (Continued)

Revenue is measured at the transaction price agreed under the contract entered into with customers. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced based on a payment schedule which is typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised. The accounting policy for contract assets and contract liabilities is set out in Note 3.11.

Rental income

Rental income from investment property is recognised as 'revenue' on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3.18 Government grants

Government grants related to assets are recognised as a deduction in arriving at the carrying amount of the asset when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.19 Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income, accretion of discount implicit in retention sum receivables and implicit interest in retention sum payables.

Finance costs comprise interest expense on borrowings, amortisation of borrowings related costs, accretion of implicit interest in retention sum payables and discount implicit in retention sum receivables.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on which the Group's right to receive payment is established. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Finance income and finance costs (Continued)

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.20 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provision, Contingent Liabilities and Contingent Assets.*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
  - is not a business combination and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.20 Tax (Continued)

Deferred tax asset are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

3.21 Earnings per share

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

3.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.23 New accounting standards and interpretations not adopted

Amendments to SFRS(I) 1-21: *Lack of Exchangeability* is effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted the amended this amendment in preparing these financial statements.

The Group is in the process of assessing the impact of this amendment to standards on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

4 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land $'000	Freehold land $'000	Leasehold properties $'000	Plant and machinery $'000	Tools and moulds $'000	Furniture, equipment and fittings $'000	Motor vehicles $'000	Total $'000
Cost								
At 1 January 2023	5,557	3,641	57,752	82,639	75,439	8,985	3,747	237,760
Additions	–	–	82	908	2,764	686	83	4,523
Disposals	–	–	(112)	(3,406)	(283)	(521)	(463)	(4,785)
Write-off	–	–	–	(245)	–	(243)	–	(488)
Transfer to assets held for sale	–	–	(24,964)	–	–	–	–	(24,964)
Effects of movements in exchange rates	–	(203)	(365)	(199)	(43)	46	(36)	(800)
At 31 December 2023	5,557	3,438	32,393	79,697	77,877	8,953	3,331	211,246
Additions	–	–	–	16	3,146	1,567	219	4,948
Disposals	–	–	–	(3,267)	–	(1,474)	(547)	(5,288)
Write-off	–	–	–	(84)	(255)	–	(43)	(382)
Transfer from development property	–	–	12,394	–	–	–	–	12,394
Reversal of impairment loss	–	–	2,663	1,084	92	35	84	3,958
Effects of movements in exchange rates	–	210	373	81	25	(62)	–	627
At 31 December 2024	**5,557**	**3,648**	**47,823**	**77,527**	**80,885**	**9,019**	**3,044**	**227,503**
Accumulated depreciation								
At 1 January 2023	1,597	–	19,316	68,793	69,352	8,351	2,417	169,826
Depreciation for the year	105	–	1,670	3,743	4,022	325	390	10,255
Disposals	–	–	(100)	(2,207)	(278)	(495)	(418)	(3,498)
Write-off	–	–	–	(229)	–	(229)	–	(458)
Transfer to assets held for sales	–	–	(9,330)	–	–	–	–	(9,330)
Effects of movements in exchange rates	–	–	(129)	(123)	(43)	44	(28)	(279)
At 31 December 2023	1,702	–	11,427	69,977	73,053	7,996	2,361	166,516
Depreciation for the year	105	–	1,239	3,054	2,182	587	358	7,525
Disposals	–	–	–	(3,150)	–	(1,475)	(511)	(5,136)
Write-off	–	–	–	(84)	(255)	–	(43)	(382)
Reversal of impairment loss	–	–	900	477	38	17	64	1,496
Effects of movements in exchange rates	–	–	137	34	25	(64)	–	132
At 31 December 2024	**1,807**	**–**	**13,703**	**70,308**	**75,043**	**7,061**	**2,229**	**170,151**
Carrying amounts								
At 1 January 2023	3,960	3,641	38,436	13,846	6,087	634	1,330	67,934
At 31 December 2023	3,855	3,438	20,966	9,720	4,824	957	970	44,730
At 31 December 2024	**3,750**	**3,648**	**34,120**	**7,219**	**5,842**	**1,958**	**815**	**57,352**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The depreciation for the year is analysed as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Depreciation for the year	**7,525**	10,255
Depreciation included in cost of construction contracts and engineering solutions	**(4,375)**	(6,788)
Depreciation charged to profit or loss	**3,150**	3,467

Impairment test

The Group reviews the carrying amounts of property, plant and equipment as at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. Determining the recoverable amount requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of the assets. This requires the Group to make estimates and assumptions that can materially affect the financial statements.

The Group estimated recoverable amount of property, plant and equipment based on fair value less cost to sell method. The critical assumptions used for assessing the fair value of leasehold land, freehold land and leasehold properties included selling price per square feet based on recent market transactions for comparable properties and adjusted for property size. The critical assumptions used for assessing the fair value of plant and machinery included the selling price for similar items, adjusted for machine age.

Reclassification from development properties

During the financial year, a care facility building in Tianjin was transferred from development properties to property, plant and equipment following a change in its use to be held for the Group's own use.

Security

Certain property, plant and equipment are mortgaged to the banks as collateral for credit facilities provided to the Group as disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

5 INTANGIBLE ASSETS

	Patented technology $'000	Licence fee $'000	Computer software $'000	Software development cost $'000	Total $'000
Group					
Cost					
At 1 January 2023	1,767	264	1,100	–	3,131
Additions	–	15	54	737	806
Effect of movements in exchange rates	–	–	(35)	–	(35)
At 31 December 2023	1,767	279	1,119	737	3,902
Additions	–	–	273	356	629
Transfer	–	–	774	(774)	–
Effect of movements in exchange rates	–	–	(1)	–	(1)
At 31 December 2024	**1,767**	**279**	**2,165**	**319**	**4,530**
Accumulated amortisation					
At 1 January 2023	1,767	263	805	–	2,835
Amortisation for the year	–	9	94	–	103
Effect of movements in exchange rates	–	–	(19)	–	(19)
At 31 December 2023	1,767	272	880	–	2,919
Amortisation for the year	–	6	264	–	270
Effect of movements in exchange rates	–	–	(1)	–	(1)
At 31 December 2024	**1,767**	**278**	**1,143**	**–**	**3,188**
Carrying amounts					
At 1 January 2023	–	1	295	–	296
At 31 December 2023	–	7	239	737	983
At 31 December 2024	**–**	**1**	**1,022**	**319**	**1,342**

The amortisation of intangible assets is included in depreciation and amortisation in the consolidated statement of comprehensive income.

The Group capitalised costs relating to the development of its new software for precast and prefabrication business upon meeting the criteria for capitalisation as disclosed in Note 3.4. Amortisation of the software begins when development is complete and the software is available for use over the period of expected future benefit. The Group reviews the economic useful lives of the software on an annual basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

5 INTANGIBLE ASSETS (CONTINUED)

Determining the useful lives of the software involves judgment which includes estimating the period over which the asset is expected to generate economic benefits for the Group, taking in consideration the factors such as technological obsolescence, market conditions and competitive landscape in which the developed asset will operate, changing customer preferences, emerging substitutes, or disruptive innovations, legal and regulatory considerations if there are restrictions or licenses associated with the asset, internal factors whether the asset aligns with the Group's long-term objectives and whether the Group has the capacity to maintain and support the asset over its expected useful life. Changes in these factors could impact the economic useful lives and the residual values of the software, therefore future amortisation charges could be revised.

Impairment test

The Group reviews the carrying amounts of intangible assets as at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. Determining the recoverable amount requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of the assets. This requires the Group to make estimates and assumptions that can materially affect the financial statements.

The Group estimated recoverable amount of the intangible assets based on value in use approach, determined by discounting the pre-tax future cash flows, using a pre-tax discounted rate of 5%. Cash flow projections used in the value-in-use calculations were over a period of 5 years.

The Group determined that the estimated recoverable amount of intangible assets exceeded its carrying amount and no impairment losses were recognised.

6 INVESTMENT PROPERTIES

	Group $'000
Cost	
At 1 January 2023	657
Transfer from development properties	865
Effect of movements in exchange rates	(17)
At 31 December 2023	1,505
Effect of movements in exchange rates	(32)
At 31 December 2024	**1,473**
Accumulated depreciation	
At 1 January 2023	271
Depreciation for the year	18
Effect of movements in exchange rates	(3)
At 31 December 2023	286
Depreciation for the year	2
Effect of movements in exchange rates	(24)
At 31 December 2024	**264**
Carrying amounts	
At 1 January 2023	386
At 31 December 2023	1,219
At 31 December 2024	**1,209**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

6 INVESTMENT PROPERTIES (CONTINUED)

The details of the Group's investment properties as at 31 December 2024 were:

Location	Description	Existing use	Tenure of land	Lease term
9 Kaki Bukit Road 2, #03-03	1 warehouse unit	Warehouse	Leasehold	99 years (expiring on 24 July 2080)
Guangang Jiayuan Zone 2, Gangtang Road, Binhai New Area, Tianjin	3-story standalone building	Residential	Leasehold	28 years (expiring on 31 May 2051

Investment properties comprise warehouse and residential building leased to third parties.

The fair value of the investment properties as at 31 December 2024 was $1,209,000 (2023: $1,219,000).

Determination of fair value

The fair value of investment properties is based on market comparison approach being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The market comparison approach involves an analysis of comparable sales of similar properties and adjusting the transacted prices to those reflective of the investment properties of the Group.

Investment properties leased out under operating leases

The Group leases out investment properties under operating lease. The leases is generally for a period within one year, and subsequent renewals are negotiated at prevailing market rate and terms.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

7 RIGHT-OF-USE ASSETS

The Group leases assets including leasehold land, office and storage space. Information about leases for which the Group is a lessee is presented below.

	Leasehold land $'000	Office and storage space $'000	Total $'000
Group			
Balance at 1 January 2023	2,426	448	2,874
Additions	–	7,005	7,005
Reclassification to assets held for sale	(1,166)	–	(1,166)
Depreciation charge for the year	(34)	(1,126)	(1,160)
Effect of movements in exchange rates	–	(13)	(13)
Balance at 31 December 2023	1,226	6,314	7,540
Balance at 1 January 2024	**1,226**	**6,314**	**7,540**
Additions	**2,029**	**–**	**2,029**
Depreciation charge for the year	**(605)**	**(1,562)**	**(2,167)**
Balance at 31 December 2024	**2,650**	**4,752**	**7,402**

The depreciation for the year is analysed as follows:

	Group 2024 $'000	Group 2023 $'000
Depreciation for the year	**2,167**	1,160
Depreciation included in cost of construction contracts and engineering solutions	**(811)**	(367)
Depreciation charged to profit or loss	**1,356**	793

8 SUBSIDIARIES

	Company 2024 $'000	Company 2023 $'000
Unquoted shares in subsidiaries, at cost	**59,624**	59,624
Less: Allowance for impairment loss	**(5,638)**	(5,638)
	53,986	53,986

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

8 SUBSIDIARIES (CONTINUED)

Details of the significant subsidiaries are as follows:

Name of subsidiary	Principal activities	Principal places of business/ Country of incorporation	Ownership interest 2024	2023
			%	%
(i) Direct subsidiary				
Tiong Seng Contractors (Private) Limited ("Tiong Seng Contractors")[1]	Construction works	Singapore	**100**	100
(ii) Indirect subsidiaries				
Robin Village Development Pte. Ltd.[1]	Precast and prefabrication	Singapore	**100**	100
Tiong Seng Civil Engineering (Private) Limited[1]	Construction works	Singapore	**100**	100
Tianjin Zizhulin Guangang Property Development Co., Ltd. ("Guangang")[2]	Property development	People's Republic of China ("PRC")	**83**	83

1 Audited by KPMG LLP, Singapore

2 Audited by Tianjin Grant Thornton Certified Public Accountants Co., Ltd., PRC

Impairment of investment in subsidiaries

The Company assesses at each reporting date whether there is any objective evidence that the investment in subsidiaries is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the industry performance, technology changes, operational and financing cash flow. Management also considers the financial conditions and business prospects of the investment.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on the forecasted performance of the subsidiary.

During the year, the Company carried out a review on the recoverable amount of its investment in subsidiaries. The estimated recoverable amounts of its subsidiaries were determined based on the fair value less cost to sell of the underlying assets and liabilities of the companies.

Based on the assessment, the Company determined that impairment of $5,638,000 that was provided in prior year still remains this year as the fair value less cost to sell of the underlying net assets of the subsidiary is lower than the carrying amount.

There was no movement in the allowance for impairment in respect of investment in subsidiaries during year 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

9 JOINT VENTURES

	Group 2024 $'000	Group 2023 $'000
Interests in joint ventures	**12,221**	10,901
Loans to joint ventures	**4,123**	3,708
	16,344	14,609

The loans to joint ventures are unsecured, interest-free and repayable on demand. As the Group does not expect the loan to be repaid within the next twelve months from 31 December 2024, it is classified as non-current.

Joint ventures

Details of the significant joint ventures are as follows:

Name of joint venture	Principal activities	Principal places of Business/ Country of incorporation	Ownership interest 2024	Ownership interest 2023
			%	%
Incorporated joint ventures				
TSky Development Pte. Ltd.[1]	Property development	Singapore	**60***	60*
TSky Balmoral Pte. Ltd.[1]	Property development	Singapore	**42**	42
TSky Cairnhill Pte. Ltd.[1]	Property development	Singapore	**31**	31
Unincorporated joint ventures				
Tiong Seng-Dongah Joint Venture (partnership)[1]	Construction works	Singapore	**66***	66*

1 Audited by KPMG LLP, Singapore

* Although the Group holds more than 50% ownership interest in these entities, pursuant to contractual agreements between the Group and its joint venture partners in these companies, joint control is exercised by both parties over the key activities of these entities. Accordingly, TSky Development Pte. Ltd. and Tiong Seng-Dongah Joint Venture (partnership) are classified as joint ventures of the Group.

All joint ventures are unlisted joint arrangements in which the Group has joint control via investors' agreements, and are the Group's strategic partners, principally engaged in construction, precast and prefabrication and property development.

Joint ventures are structured as separate vehicle and the Group has residual interests in its net assets. Accordingly, the Group has classified its interests as joint ventures, which is equity accounted.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

9 JOINT VENTURES (CONTINUED)

Joint ventures (Continued)

The following summarises the financial information of each of the Group's material joint ventures based on their respective financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interests in immaterial joint ventures, based on the amounts reported in the Group's consolidated financial statements.

	Tiong Seng Dongah Joint Venture (partnership) $'000	TSky Development Pte. Ltd. and its joint ventures $'000	Individually immaterial joint ventures $'000	Total $'000
31 December 2024				
Revenue	15,170	–		
Profit after tax/Total comprehensive income[a]	1,066	830		
Non-current assets	12,920	10,037		
Current assets[b]	12,811	467		
Non-current liabilities[c]	(12,037)	(16,303)		
Current liabilities	(1,638)	(26)		
Net (liabilities)/assets	12,056	(5,825)		
Group's interest in net (liabilities)/ assets of investee at beginning of the year (before the reclassification of losses to amounts due to joint ventures)	7,254	(2,827)	(950)	3,477
Share of profit of joint venture, net of tax	703	498	1,548	2,749
Return of investment from a joint venture	–	–	(931)	(931)
Offsetting losses against loan to joint ventures	–	2,329	–	2,329
Reclassification of losses to amount due to joint ventures	–	–	4,597	4,597
Carrying amount of interest in investee at end of the year	7,957	–	4,264	12,221

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

9 JOINT VENTURES (CONTINUED)

Joint ventures (Continued)

	Tiong Seng Dongah Joint Venture (partnership) $'000	TSky Development Pte. Ltd. and its joint ventures $'000	Individually immaterial joint ventures $'000	Total $'000
31 December 2023				
Revenue	5,876	–		
(Loss)/profit after tax/Total comprehensive income[(a)]	(254)	1,943		
Non-current assets	6,687	18,066		
Current assets[(b)]	13,133	1,048		
Non-current liabilities[(c)]	(6,678)	(23,694)		
Current liabilities	(2,151)	(132)		
Net (liabilities)/assets	10,991	(4,712)		
Group's interest in net (liabilities)/assets of investee at beginning of the year (before the reclassification of losses to amounts due to joint ventures)	7,422	(3,993)	(809)	2,620
Share of profit of joint venture, net of tax	(168)	1,166	(141)	857
Offsetting losses against loan to joint ventures	–	2,827	–	2,827
Reclassification of losses to amount due to joint ventures	–	–	4,597	4,597
Carrying amount of interest in investee at end of the year	7,254	–	3,647	10,901

(a) includes:
- interest expense of $299 (2023: $4,000).
- interest income of $Nil (2023: $1,058,000).

(b) includes cash and cash equivalents of $3,662,000 (2023: $4,386,000).

(c) includes non-current financial liabilities (excluding trade and other payables and provisions) of $28,340,000 (2023: $30,372,000).

The Group's share of commitment has been included in Note 31.

Details of significant judgement relating to revenue and cost recognition of construction contract undertaken by the joint ventures are set out in Note 24.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

9 JOINT VENTURES (CONTINUED)

Impairment of investment in joint ventures

The Group assesses at each reporting date whether there is any objective evidence that the investment in joint ventures is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the industry performance, technology changes, operational and financing cash flow. Management also considers the financial conditions and business prospects of the investment.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on the forecasted performance of the joint venture.

During the year, the Group carried out a review on the recoverable amount of its investment in joint ventures. The estimated recoverable amounts of its investment in joint ventures were determined based on the fair value less cost to sell of the underlying assets and liabilities of the companies.

During the year, the Group has made a partial reversal of impairment amounting to $1,974,000 as the Group has received proceeds from its joint venture arising from sale of development property. Based on the assessment, the Group determined that the remaining impairment of $644,000 is still required as the fair value less cost to sell of the underlying assets and liabilities are lower than the carrying amounts.

The movement in the allowance for impairment in respect of investment in joint ventures during the year was as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
At 1 January	**2,618**	2,618
Reversal of impairment loss	**(1,974)**	–
At 31 December	**644**	2,618

10 TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024	**2023**	**2024**	**2023**
		$'000	**$'000**	**$'000**	**$'000**
Non-current					
Retention monies on construction contracts		**25,156**	31,467	**–**	–
Other receivables		**66**	15	**–**	–
		25,222	31,482	**–**	–
Current					
Trade receivables		**26,043**	27,505	**–**	–
Less: Allowance for impairment loss	34(b)	**(872)**	(946)	**–**	–
		25,171	26,559	**–**	–
Advances to suppliers, trade		**1,147**	1,048	**–**	–
Retention monies on construction contracts		**7,262**	3,962	**–**	–
Less: Allowance for impairment loss	34(b)	**(158)**	–	**–**	–
		7,104	3,962	**–**	–
Deposits and prepayments		**1,230**	2,163	**43**	209
Tax prepayments		**388**	1,322	**–**	–
Value-added tax receivables		**1,662**	1,664	**–**	–
Building and Construction Authority ("BCA") grant receivables		**–**	1,384	**–**	–
Other receivables		**6,091**	8,867	**2,905**	2,017
Less: Allowance for impairment loss		**(1,142)**	–	**(999)**	–
		4,949	8,867	**1,906**	2,017
		41,651	46,969	**1,949**	2,226
Total		**66,873**	78,451	**1,949**	2,226

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

11 OTHER INVESTMENTS

	Group 2024 $'000	Group 2023 $'000
Club membership	**406**	406
Equity investments designated as at FVOCI		
Quoted equity investments	**22**	22
Unquoted equity investments	**145**	245
	573	673

Equity investments designated as at FVOCI

The Group designated equity investments as at FVOCI because these equity investments represent investments that the Group intends to hold for the long-term for strategic purposes.

12 DEFERRED TAX ASSETS/(LIABILITIES)

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year were as follows:

	At 1 January 2023 $'000	Recognised in profit or loss (Note 27) $'000	At 31 December 2023 $'000	Recognised in profit or loss (Note 27) $'000	At 31 December 2024 $'000
Group					
Deferred tax assets					
Investment properties	93	–	93	34	**127**
Trade and other payables	10,918	(6,494)	4,424	(3,119)	**1,305**
Trade and other receivables	–	37	37	–	**37**
Estimated benefit on loss carry forward	7,838	(5,775)	2,063	(509)	**1,554**
Lease liabilities	87	711	798	291	**1,089**
	18,936	(11,521)	7,415	(3,303)	**4,112**
Deferred tax liabilities					
Property, plant and equipment	(17,205)	12,909	(4,296)	3,458	**(838)**
Trade and other payables	(40)	(1,494)	(1,534)	514	**(1,020)**
	(17,245)	11,415	(5,830)	3,972	**(1,858)**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2024

12 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the statement of financial position as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Deferred tax assets	**2,254**	2,259
Deferred tax liabilities	**–**	(674)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024	**2023**
	$'000	**$'000**
Deductible temporary differences	**34,313**	36,346
Tax losses	**158,577**	166,614
	192,890	202,960

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. Except for tax losses of $35,694,000 (2023: $42,190,000) which expire between 2025 and 2039 (2023: 2024 and 2039), the remaining amounts do not expire under their respective current tax legislation. Deferred tax assets have not been recognised in respect of these items because it may not be probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Deferred tax liabilities have not been recognised for withholding and other taxes that would be payable on the unremitted earnings of $1,513,000 (2023: $3,023,000) of certain overseas subsidiaries for the year ended 31 December 2024 as the timing of the reversal of the temporary difference arising from such amounts can be controlled and it is probable that such temporary differences will not reverse in the foreseeable future.

13 INVENTORIES

	Group	
	2024	**2023**
	$'000	**$'000**
Raw materials and consumables	**1,022**	1,142
Finished goods	**2,626**	3,149
	3,648	4,291

During the year, inventories of $19,406,000 (2023: $32,144,000) were recognised as an expense and included in "Cost of construction contracts and engineering solutions".

Management carried out an inventory review at the end of each reporting period and write down the obsolete items. The net realisable value for inventories is estimated based on the current market condition and the historical experience of the sales of the inventories. It could change significantly as a result of changes in market conditions. In the prior year, based on management review, inventories have been reduced by $317,000 as a result of the write-down to net realisable value. The write down was included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

14 CONTRACT COSTS

Contract costs relates to commission fees paid to property agents for securing sale contracts and direct cost incurred on the construction projects that will be used in satisfying future performance obligations which were capitalised during the year. The capitalised costs are amortised when the related revenue is recognised. During the year, $233,000 (2023: $684,000) was amortised to profit or loss. There was no impairment loss in relation to the costs capitalised.

15 CONTRACT ASSETS AND CONTRACT LIABILITIES

The following table provides information about contract assets and contract liabilities from contracts with customers.

	Group	
	2024	**2023**
	$'000	**$'000**
Contract assets	**46,785**	56,724
Contract liabilities	**(53,149)**	(114,986)

The contract assets relate to the Group's right to consideration for work completed but not billed at the reporting date in respect of its construction and engineering solutions businesses. The contract assets are transferred to trade receivables when the rights become unconditional, this usually occurs when the customer certifies the progress claims.

The contract liabilities relate to:

- advanced consideration received from customers from sale of development properties; and
- progress billings issued in excess of the Group's rights to the consideration in respect of its construction and engineering solutions businesses.

Significant changes in the contract assets and the contract liabilities balances during the year were as follows:

	Contract assets		**Contract liabilities**	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**–**	–	**114,986**	74,300
Increases due to cash received, excluding amounts recognised as revenue during the year	**–**	–	**(54,907)**	(98,953)
Contract assets recognised at the beginning of the year reclassified to trade receivables	**(46,204)**	(61,345)	**–**	–
Recognition of revenue, net of reclassification to trade receivables during the year	**43,547**	42,212	**–**	–
Impairment loss on contract assets	**(554)**	(244)	**–**	–
Reversal of impairment loss on contract assets	**11**	455	**–**	–
Cumulative catch-up as a result of contract modifications	**(6,739)**	–	**1,758**	(16,033)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

16 DEVELOPMENT PROPERTIES

		Group	
		2024	**2023**
		$'000	**$'000**
(a)	Properties under development, for which revenue is to be recognised at a point in time		
	Land and land related costs	**58,655**	57,160
	Development costs	**28,600**	23,133
	Total	**87,255**	80,293
	Allowance for diminution in value	**(24,133)**	(24,166)
	Properties under development	**63,122**	56,127
(b)	Completed development properties, at cost	**48,775**	80,010
	Allowance for diminution in value	**(1,263)**	(7,735)
	Completed development properties	**47,512**	72,275
	Total development properties	**110,634**	128,402

Allowance for diminution in value

Movement in allowance for diminution in value was as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
At 1 January	**31,901**	33,819
Utilisation during the year	**(6,453)**	(603)
Translation differences on consolidation	**(52)**	(1,315)
At 31 December	**25,396**	31,901

The Group's properties under development and completed development properties are stated at the lower of cost and net realisable value. Taking into consideration the expected selling prices for the project based on external independent professional valuations undertaken or recent selling prices for the development projects, the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion in case for properties under development and the costs to be incurred in selling the properties based on prevailing market conditions. If there is a decrease in net sales value, the net realisable value will decrease. Changes in the estimates of the costs to completion and the estimated selling price would also have an effect on the determination of diminution in value for each project. Such allowance requires the use of judgement and estimates.

During the year, the Group engaged an independent professional valuer to value one of its development properties in PRC. The valuation was undertaken by the independent professional valuer who has appropriate recognised professional qualifications and recent experience in the location and category of the development properties being valued. The valuation was based on the comparable sales method, taking into consideration of the recent selling price per square meter for comparable properties and prevailing property market conditions. The key assumption used in the valuation is estimated selling price per square feet of the subject properties. Based on the valuation, the Group determined that no additional allowance for diminution in value is required.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

16 DEVELOPMENT PROPERTIES (CONTINUED)

Allowance for diminution in value (Continued)

Where the expectation is different from the original estimate, the carrying value and allowance for diminution in value on properties in the period in which such estimate is changed will be adjusted accordingly. In addition, given the volatility of the PRC property market and the unique nature of individual properties, the actual outcome in terms of costs and revenue may be higher or lower than estimated at the reporting date. Any increase or decrease in the allowance would affect profit or loss in future years.

During the year, completed development properties of $7,603,000 (2023: $26,496,000) were recognised as an expense and included in "Cost of sales of development properties".

The details of the Group's development properties as at 31 December 2024 and 2023 were:

Location	Description	Intended use	Stage of completion	Expected date of completion	Land area	Gross floor area	Group's effective interest
The Equinox, Dagang, Guangang Forest Park, Tianjin, PRC	Residential development	Residential	Phase developments with expected full completion around 2029		325,000 sqm	Residential: 160,000 sqm (2023: 162,000 sqm)	83% (2023: 83%)
Tranquility Residences, Xushuguan Development Zone, Suzhou, PRC	Residential development	Residential	Completed	Completed	85,509 sqm	Residential: 87,220 sqm	100%* (2023: 100%)
Zizhulin, Tianjin, PRC	Commercial land	Commercial	Planning stage	Planning stage	8,000 sqm	Commercial: 12,000 sqm	80% (2023: 80%)

* The development properties have been fully sold in 2024

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

17 AMOUNTS DUE FROM/(TO) RELATED PARTIES

Amounts due from related parties

	Group		Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Non-current				
Trade amount due from:				
– joint ventures	**2,548**	4,930	**–**	–
Current				
Trade amounts due from:				
– joint ventures	**2,159**	596	**–**	–
– affiliated corporation	**510**	526	**–**	–
less: allowance for impairment loss	**(294)**	(294)	**–**	–
	2,375	828	**–**	–
Non-trade amounts due from:				
– affiliated corporations	**6**	3	**–**	–
– joint ventures	**9,351**	9,100	**–**	–
– non-controlling interests	**4,356**	4,673	**–**	–
less: allowance for impairment loss	**(3,548)**	(3,548)	**–**	–
	808	1,125	**–**	–
– subsidiaries	**–**	–	**104,286**	104,286
less: allowance for impairment loss	**–**	–	**(72,976)**	(72,976)
	–	–	**31,310**	31,310
	10,165	10,228	**31,310**	31,310
Loans to non-controlling interests	**3,317**	3,320	**–**	–
	15,857	14,376	**31,310**	31,310
Total amounts due from related parties	**18,405**	19,306	**31,310**	31,310

An affiliated corporation is defined as one:

(a) in which a director of the Group has substantial financial interests or who is in a position to exercise significant influence; and/or

(b) which directly or indirectly, through one or more intermediaries, are under the control of a common shareholder.

The non-trade amounts due from affiliated corporations, joint ventures, non-controlling interests and subsidiaries are unsecured, interest-free and repayable on demand.

The loans to non-controlling interests comprise:

(i) an amount of $3,315,000 (2023: $3,319,000) which bears interest at 12% (2023: 12%) per annum and is secured by the non-controlling interests' shares in a subsidiary, Guangang. The amount is repayable on demand; and

(ii) an amount of $2,000 (2023: $1,678) which is secured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

17 AMOUNTS DUE FROM/(TO) RELATED PARTIES (CONTINUED)

Amounts due to related parties

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Trade amounts due to:				
– joint ventures	**(1,230)**	(229)	**–**	–
– corporate shareholder	**(40)**	(40)	**–**	–
– affiliated corporation	**(2,560)**	(2,211)	**–**	–
	(3,830)	(2,480)	**–**	–
Non-trade amounts due to:				
– subsidiary	**–**	–	**(71,714)**	(68,593)
– joint ventures	**(1,718)**	(2,264)	**–**	–
	(1,718)	(2,264)	**(71,714)**	(68,593)
Loans from non-controlling interests	**(1,641)**	(1,976)	**–**	–
Total amounts due to related parties	**(7,189)**	(6,720)	**(71,714)**	(68,593)

The non-trade amounts due to subsidiary and joint ventures and loans from non-controlling interests are unsecured, interest-free and repayable on demand.

18 CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks and in hand	**31,960**	96,370	**314**	328
Fixed deposits	**3,816**	16,208	**–**	–
Cash and cash equivalents in the statement of cash flows	**35,776**	112,578	**314**	328

Cash and bank balances totalling $6,073,000 (2023: $9,688,000) are held in a country which operates foreign exchange controls.

Interest rates are repriceable as and when notified by the banks. The weighted average effective interest rates relating to cash and cash equivalents as at the reporting date for the Group was 1.43% (2023: 1.31%) per annum.

The deposits are pledged as security to obtain bank loans as disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

19 ASSETS HELD FOR SALE

The Group has committed to sell one of its investment properties and certain properties classified under property, plant and equipment. The sales are expected to be completed in the next 12 months and accordingly, these properties are presented as assets held for sale.

The details of the properties classified as assets held for sale as at 31 December 2024 and 2023 were:

Description	**Category**
SLF building	Investment properties
6 Tuas South Street 11	Leasehold land and leasehold properties under property, plant and equipment
Pontian land	Freehold land under property, plant and equipment
Fan Yoong Property	Leasehold land and leasehold properties under property, plant and equipment

	Group	
	2024 $'000	**2023 $'000**
SLF building	**–**	3,481
6 Tuas South Street 11	**12,115**	12,115
Pontian land	**9,514**	8,988
Fan Yoong Property	**16,800**	16,800
	38,429	41,384

On 8 February 2024, the Group has completed the disposal of SLF Building for an aggregate consideration of $9,995,000. As a result, a gain of disposal (after deducting the related selling expenses) of approximately $6,514,000 has been recognised during the financial year ending 31 December 2024.

20 SHARE CAPITAL

	2024 No of shares	**2023 No of shares**
Issued and fully paid ordinary shares, with no par value		
At 1 January, including treasury shares	**459,623,849**	459,623,849
Treasury shares	**(18,547,200)**	(18,547,200)
At 31 December, excluding treasury shares	**441,076,649**	441,076,649

The holders of all ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

During the year, the Company has entered into a commitment for the proposed placement of 20,000,000 new ordinary shares at an issue price of $0.10 per share, representing an aggregate consideration of $2,000,000.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

20 SHARE CAPITAL (CONTINUED)

Capital management

The Group defines capital as total shareholders' equity attributable to owners of the Company excluding non-controlling interests. The primary objective of the management of the Company's capital structure is to maintain efficient mix of debt and equity in order to achieve an optimal cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows. The Board of Directors monitors the return of capital which the Group defines as loss attributable to equity holders of the Company divided by total shareholders' equity excluding non-controlling interests. The return on capital in 2024 was a profit of 3.8% (2023: loss of 16.6%). The Board also monitors the level of dividends paid to ordinary shareholders.

The Board regularly reviews the Company's capital structure and makes adjustments to reflect economic conditions, business strategies and future commitments.

No significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

Dividends

No dividends were declared and paid by the Group for the financial year ended 2024 and 2023.

21 RESERVES

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Treasury shares	**(4,906)**	(4,906)	**(4,906)**	(4,906)
Merger reserve	**(77,720)**	(77,720)	**(45,850)**	(45,850)
Capital reserve	**(9,156)**	(9,345)	**–**	–
Statutory reserve	**5,489**	6,404	**–**	–
Foreign currency translation reserve	**(13,162)**	(12,744)	**–**	–
Fair value reserve	**–**	(103)	**–**	–
	(99,455)	(98,414)	**(50,756)**	(50,756)

Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

21 RESERVES (CONTINUED)

Merger reserve

Group

The merger reserve represents the difference between the cost of the acquisition for the restructuring and the value of share capital of the entities acquired.

Company

The merger reserve represents the difference between the cost of acquisition of the Tiong Seng Contractors combined group, recorded in accordance with paragraph 13 of SFRS(I) 27 *Separate Financial Statements*, and the paid up capital of the Company issued for the acquisition.

Capital reserve

The Group's capital reserve arises mainly from acquisition of additional interest in subsidiaries.

Statutory reserve

The statutory reserve relates to the reserves set aside by certain subsidiaries in compliance with the relevant regulations in the PRC.

Foreign currency translation reserve

The foreign currency translation reserve comprises:

(a) foreign exchange differences arising from the translation of the financial statements of foreign corporations; and

(b) exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

Fair value reserve

The fair value reserve comprises the cumulative net change in fair value of equity investments designated at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

22 TRADE AND OTHER PAYABLES

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Non-current				
Retention sums payable	**30,031**	21,973	**–**	–
Current				
Trade payables	**53,168**	75,226	**–**	–
Accrued trade payables	**55,032**	32,247	**–**	–
Accrued operating expenses and other payables	**14,458**	16,705	**894**	366
GST payables	**903**	4,044	**–**	–
Retention sums payable	**4,853**	5,747	**–**	–
Provisions	**14,634**	35,503	**–**	–
	143,048	169,472	**894**	366
Total	**173,079**	191,445	**894**	366

Provisions

	Provision for penalties $'000	Provision for onerous contracts $'000	Total $'000
Group			
At 1 January 2023	4,562	75,260	79,822
Provision made during the year	3,938	7,745	11,683
Reversal of provision during the year	–	(1,586)	(1,586)
Utilisation during the year	–	(54,416)	(54,416)
At 31 December 2023	8,500	27,003	35,503
At 1 January 2024	**8,500**	**27,003**	**35,503**
Provision made during the year	**294**	**13,258**	**13,552**
Reversal of provision during the year	**–**	**(8,263)**	**(8,263)**
Utilisation during the year	**(2,178)**	**(23,980)**	**(26,158)**
At 31 December 2024	**6,616**	**8,018**	**14,634**

The provisions for penalties and onerous contracts made during the year have been included in "Cost of sales of development properties" and "Cost of construction contracts and engineering solutions" respectively.

Provision for penalties were made for late completion of development and administrative fine in connection to one of the PRC development projects.

Provisions for onerous contracts relate to expected losses arising from non-cancellable construction contracts where the expected total contract costs exceed the total contract sums and are expected to be materialised as these contracts progress towards completion. The Group conducts critical review of all its contracts regularly. The Group monitors and reviews the progress of all the contracts, taking into consideration inputs from internal project managers and external customers in estimating these total contract costs to complete as well as in the evaluation of any potential risks and factors which may affect contract price, cost and timely completion of these contracts. The review also encompasses the cost analysis process whereby both actual costs incurred and future costs to complete are critically examined.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

23 LOANS AND BORROWINGS

	Group 2024 $'000	Group 2023 $'000
Non-current		
Secured bank loans	**2,201**	5,459
Lease liabilities	**6,134**	6,672
	8,335	12,131
Current		
Secured bank loans	**72,421**	93,783
Lease liabilities	**2,021**	1,592
Secured bank loans associated with assets held for sale	**8,779**	13,286
Lease liabilities associated with assets held for sale	**1,205**	1,268
	84,426	109,929
Total loans and borrowings	**92,761**	122,060

Maturities of liabilities (excluding lease liabilities)

	Group 2024 $'000	Group 2023 $'000
Within one year	**81,200**	107,069
Between one and five years	**1,324**	4,228
More than five years	**877**	1,231
	83,401	112,528

Security

The secured bank loans are secured on the following assets:

	Group 2024 $'000	Group 2023 $'000
Carrying amounts of assets:		
Leasehold land	**3,748**	3,855
Freehold land	**3,588**	3,438
Leasehold properties	**17,735**	18,640
Plant and machinery	**446**	783
Assets held for sale	**38,429**	41,384
Total	**63,946**	68,100

The secured bank loans are also secured by assignment of rights, interests and benefits in connection with construction contracts and engineering solutions.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

23 LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule

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

	Currency	Nominal interest rate per annum %	Year of maturity	Carrying amount $'000
Group				
At 31 December 2024				
Secured bank loans	**SGD**	**1.71 – 5.30**	**2025 – 2032**	**74,622**
Lease liabilities	**SGD**	**2.15 – 5.40**	**2025 – 2055**	**8,155**
Secured bank loans associated with assets held for sale	**SGD**	**2.55 – 5.30**	**2025**	**8,779**
Lease liabilities associated with assets held for sale	**SGD**	**5.40**	**2025**	**1,205**
Total loans and borrowings				**92,761**
At 31 December 2023				
Secured bank loans	SGD	1.71 – 5.90	2024 – 2032	99,242
Lease liabilities	SGD	2.15 – 5.40	2024 – 2055	8,264
Secured bank loans associated with assets held for sale	SGD	2.55 – 5.90	2024	13,286
Lease liabilities associated with assets held for sale	SGD	5.40	2024	1,268
Total loans and borrowings				122,060

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

23 LOANS AND BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities and equity to cash flows arising from financing activities

	Liabilities		Equity					
Group	Secured bank loans $'000	Lease liabilities $'000	Share capital $'000	Treasury shares $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2023	107,544	4,269	181,947	(4,906)	(88,914)	4,026	4,492	208,458
Changes from financing cash flows								
Interest paid	(5,638)	(187)	–	–	–	–	–	(5,825)
Payments of lease liabilities	–	(833)	–	–	–	–	–	(833)
Proceeds from loans and borrowings	91,908	–	–	–	–	–	–	91,908
Repayment of loans and borrowings	(86,923)	(751)	–	–	–	–	–	(87,674)
Transfer statutory reverse	–	–	–	–	2,359	(2,359)	–	–
Total changes from financing cash flows	(653)	(1,771)	–	–	2,359	(2,359)	–	(2,424)
The effect of changes in foreign exchange rates	–	–	–	–	(6,953)	–	(941)	(7,894)
Other changes								
Liability-related								
New leases	–	6,847	–	–	–	–	–	6,847
Interest expense	5,638	187	–	–	–	–	–	5,825
Total liability-related other changes	5,638	7,034	–	–	–	–	–	12,672
Total equity-related other changes	–	–	–	–	–	(12,122)	(1,477)	(13,599)
Balance at 31 December 2023	112,529	9,532	181,947	(4,906)	(93,508)	(10,455)	2,074	197,213

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

23 LOANS AND BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities and equity to cash flows arising from financing activities (Continued)

	Liabilities		Equity					
Group	Secured bank loans $'000	Lease liabilities $'000	Share capital $'000	Treasury shares $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2024	112,529	9,532	181,947	(4,906)	(93,508)	(10,455)	2,074	197,213
Changes from financing cash flows								
Interest paid	(4,927)	(433)	–	–	–	–	–	(5,360)
Payments of lease liabilities	–	(2,197)	–	–	–	–	–	(2,197)
Proceeds from loans and borrowings	80,782	–	–	–	–	–	–	80,782
Repayment of loans and borrowings	(109,807)	(106)	–	–	–	–	–	(109,913)
Transfer statutory reverse	–	–	–	–	651	(651)	–	–
Total changes from financing cash flows	(33,952)	(2,736)	–	–	651	(651)	–	(36,688)
The effect of changes in foreign exchange rates	–	–	–	–	(1,432)	–	73	(1,359)
Transaction with owners, recognised directly in equity	–	–	–	–	(260)	260	–	–
Other changes								
Liability-related	–	–	–	–	–	–	–	–
New leases	–	2,029	–	–	–	–	–	2,029
Interest expense	4,927	433	–	–	–	–	–	5,360
Others	(103)	102	–	–	–	–	–	(1)
Total liability-related other changes	4,824	2,564	–	–	–	–	–	7,388
Total equity-related other changes	–	–	–	–	–	2,858	(28)	2,830
Balance at 31 December 2024	83,401	9,360	181,947	(4,906)	(94,549)	(7,988)	2,119	169,384

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

24 REVENUE

	Group	
	2024	2023
	$'000	$'000
Revenue from construction contracts and engineering solutions	**526,626**	449,645
Revenue from sales of development properties	**9,417**	24,852
Rental income	**190**	551
	536,233	475,048

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

Construction contracts and engineering solutions

Nature of services	Construction and provision of engineering solution.
When revenue is recognised	Revenue from construction contract is recognised progressively over time using input method based on construction costs incurred to-date as compared to the estimated total construction costs.
Significant payment terms	Progress billings are issued monthly based on the amount of work certified for the month. The progress billings are payable within credit terms granted by the Group to the customers.

Nature of services	Manufacturing and supply of precast and prefabricated components.
When revenue is recognised	Revenue from precast and prefabricated components is recognised when criteria for acceptance have been satisfied.
Significant payment terms	Invoices are issued to the customers in accordance with agreed billing milestones and are payable within credit terms granted by the Group to the customers.

Nature of services	Provision of steel and mass engineered work.
When revenue is recognised	Revenue from provision of steel and mass engineered timber work is recognised progressively over time using input method based on contract costs incurred to-date as compared to the estimated total contract costs.
Significant payment terms	For steel and mass engineered timber work, progress billings are issued monthly based on the amount of work certified for the month. The progress billings are payable within credit terms granted by the Group to the customers.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

24 REVENUE (CONTINUED)

Sales of development properties

Nature of services	Sales of development properties.
When revenue is recognised	Revenue is recognised when control over the property is transferred to the customer which is at the point when the key of the property is handed over to the purchaser. Upon the handover of the key, the completion certificate of the development of the property have been received, financial contracts have been signed and registered with housing authorities in the relevant province in the People's Republic of China and 100% of the sale amount under the contract have been received.
Significant payment terms	Customers are required to make payment upon signing of sale and purchase agreement.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

	2024 $'000	2023 $'000
Construction contracts and engineering solutions	**624,427**	644,082
Sales of development properties	**3,050**	9,696
	627,477	653,778

The Group expects the above amounts to be recognised as revenue over the next one to three years. Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amount presented above.

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- The performance obligation is part of a contract that has an original expected duration of one year or less; or

- The Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

Revenue and costs recognition from construction contracts

The Group recognises revenue from construction contracts progressively over time. Significant judgement is required in determining the stage of completion, the estimated total contract revenue and estimated total construction cost, as well as the recoverability of the contract assets.

Estimation of total contract revenue also includes an estimation of the variation works that are recoverable from the customers. In making the judgement, the Group relies on past experience and/or the work of relevant professionals.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

24 REVENUE (CONTINUED)

Revenue and costs recognition from construction contracts (Continued)

Estimated total construction cost comprises direct costs attributable to the construction of works. In estimating the total budgeted costs for construction contracts, the Group makes reference to information such as the level of work content sub-contracted, fluctuations in the prices of raw materials, size, design and material specifications of the projects, cost overruns and savings, variation works requested by customers, current offers from contractors and suppliers, recent offers agreed with contractors and suppliers, and professional estimation on construction and material costs as well as its past experience.

Given the contractual nature of the business, variation orders, additional works and prolongation costs are expected on a continual basis. As some of these items could be subjective and hence contentious in nature, the Group may from time to time be involved in arbitration or legal processes. As any such processes could be lengthy and outcome inherently uncertain where estimates, assumptions and significant judgement involved, the carrying amount of the contract assets and retention sum receivables at the reporting date may invariably be affected by these outcome.

25 PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

		Group	
		2024	**2023**
		$'000	**$'000**
(a)	**Other income**		
	Fees from project and property management	**–**	197
	Gain on disposal of:		
	– assets held for sale	**6,514**	–
	– property, plant and equipment	**312**	280
	– other investments	**76**	–
	Sale of scrap parts and materials	**808**	568
	Government grants:		
	– BCA grant	**287**	1,384
	– jobs credit scheme	**–**	323
	– others	**130**	48
	Training and testing fee income	**2,551**	233
	Management fees	**36**	1,160
	Subscription fees	**191**	–
	Others	**1,026**	937
		11,931	5,130

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

25 PROFIT/(LOSS) BEFORE TAX (CONTINUED)

	Group 2024 $'000	Group 2023 $'000
(b) Other expenses include		
Audit fees paid to:		
– auditors of the Company and other firms affiliated with KPMG International Limited	**459**	454
– other auditors	**54**	44
Non-audit fees paid to auditors of the Company and other firms affiliated with KPMG International Limited	**85**	100
Direct operating expenses arising from:		
– investment property that did not generate rental income	**18**	106
Impairment loss on:		
– contract assets	**554**	244
– trade and other receivables	**1,391**	–
– trade amount due from related parties	**–**	294
Reversal of impairment loss on:		
– contract assets	**(11)**	(455)
– trade receivables	**(142)**	–
– joint venture	**(1,974)**	–
Fine and penalty	**5**	17
Written down of inventories	**–**	317
Written off:		
– goodwill	**–**	756
– property, plant and equipment	**–**	30
– bad debts	**343**	126

	Group 2024 $'000	Group 2023 $'000
(c) Staff costs		
Wages and salaries for staff	**62,098**	58,453
Contribution to defined contribution plans	**3,620**	3,147
(Decrease)/increase in liability for short-term accumulating compensated absence	**(197)**	(91)
Others	**1,717**	845
Staff costs for the year	**67,238**	62,354

The staff costs charged to profit or loss are arrived at as follows:

	Group 2024 $'000	Group 2023 $'000
Staff costs for the year	**67,238**	62,354
Staff costs included in cost of construction contracts	**(50,786)**	(44,462)
Staff costs charged to profit or loss	**16,452**	17,892

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

26 FINANCE INCOME AND COSTS

Finance income and costs

	Group	
	2024 $'000	2023 $'000
Implicit interest in retention sum payables	**3,294**	1,428
Interest income on:		
– cash and cash equivalents	**828**	1,538
Finance income	**4,122**	2,966
Interest expense on:		
– bank loans	**(4,927)**	(5,638)
– lease liabilities	**(433)**	(187)
Accretion of implicit interest on:		
– advanced consideration received	**(175)**	(550)
Discount implicit in retention sum receivables	**(1,120)**	(481)
Exchange gain/(loss) (net)	**1,330**	(708)
Finance costs	**(5,325)**	(7,564)
Net finance costs recognised in profit or loss	**(1,203)**	(4,598)
The above finance income and finance costs include the following interest income and expenses in respect of assets/(liabilities) not at fair value through profit or loss:		
– Total interest income on financial assets	**828**	1,538
– Total interest expenses on financial liabilities	**(5,360)**	(5,825)

27 TAX EXPENSE/(CREDIT)

	Group	
	2024 $'000	2023 $'000
Tax recognised in profit or loss		
Current tax		
Current year	**153**	403
Changes in estimate related to prior years	**59**	(64)
	212	339
Deferred tax		
Changes in estimate related to prior years	**(669)**	106
Land appreciation tax		
Current year	**3,432**	–
	3,432	–
Total tax expense	**2,975**	445

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

27 TAX EXPENSE/(CREDIT) (CONTINUED)

Tax recognised in other comprehensive income

	Before tax 2024 $'000	Tax expense 2024 $'000	Net of tax 2024 $'000	Before tax 2023 $'000	Tax expense 2023 $'000	Net of tax 2023 $'000
Group						
Translation differences relating to financial statements of foreign subsidiaries	**(102)**	**–**	**(102)**	(6,495)	–	(6,495)
Exchange differences on monetary items forming part of net investment in a foreign operation	**(1,204)**	**–**	**(1,204)**	(1,154)	–	(1,154)
Realisation of exchange differences on monetary items transferred to income statement	**(156)**	**–**	**(156)**	(245)	–	(245)
Net change in fair value of equity investment at fair value through other comprehensive income	**103**	**–**	**103**	–	–	–
	(1,359)	**–**	**(1,359)**	(7,894)	–	(7,894)

	Group 2024 $'000	Group 2023 $'000
Reconciliation of effective tax rate		
Profit/(loss) before tax	**5,805**	(13,154)
Less: Share of profit of joint ventures, net of tax	**(2,749)**	(857)
Profit/(loss) before tax excluding share of results of joint ventures	**3,056**	(14,011)
Tax expenses using domestic rates applicable to different jurisdictions	**594**	(3,039)
Expenses not deductible for tax purposes	**1,432**	2,450
Income not subject to tax	**(1,000)**	(1,164)
Deferred tax benefits not recognised	**–**	1,929
Utilisation of previously unrecognised deferred tax benefits	**(854)**	–
Effect of land appreciation tax	**3,432**	–
Changes in estimates related to prior years:		
– Current tax	**59**	(64)
– Deferred tax	**(669)**	106
Others	**(19)**	227
	2,975	445

Land appreciation tax

Land appreciation tax in China relates to the tax on gains arising from the transfer of land use right and the buildings that are constructed on the land. Land appreciation tax is levied at 30% to 60% on gain from sale of landed properties with reference to the percentage of appreciated value over the deductible expenditure.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

27 TAX EXPENSE/(CREDIT) (CONTINUED)

Tax recognised in other comprehensive income (Continued)

Income and revenue taxes

The Group is subject to income, revenue and withholding taxes in a few jurisdictions. Significant judgement is required in determining the capital allowances, the types and rates of taxes payable, deductibility of certain expenses, and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the revenue, provision for income tax and deferred income tax provisions in the period in which such determination is made.

Global minimum top-up tax

The Amendments to SFRS(I)1-12: International Tax Reform - Pillar Two Model Rules provide a temporary mandatory exemption from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), and require new disclosures about the Pillar Two tax exposure. The mandatory exception is effective immediately and applies retrospectively. However, the amendment have no impact on the Group as the Group's consolidated revenue is less than EUR750 million/year and it is not in scope of the Pillar Two model rules.

28 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to the ordinary shareholders of $2,858,000 (2023: loss attributable to the ordinary shareholders of $12,122,000) and weighted average number of ordinary shares outstanding of 441,076,649 (2023: 441,076,649).

(b) Diluted earnings per share

The calculation of diluted earnings per share was based on the following profit attributable to the ordinary shareholders and weighted average number of ordinary shares adjusted for the effects of all dilutive potential ordinary shares.

Profit/(loss) attributable to ordinary shareholders

	Group	
	2024	**2023**
	$'000	**$'000**
Profit/(loss) attributable to ordinary shareholders	**2,858**	(12,122)

Weighted average number of ordinary shares

	Number of shares	
	2024	**2023**
	'000	**'000**
Weighted average number of ordinary shares (basic)	**441,077**	441,077
Effect of dilutive potential ordinary shares	**20,000**	–
Weighted average number of ordinary shares (diluted)	**461,077**	441,077

29 OPERATING SEGMENTS

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they are located in different geographical areas and require different marketing strategies. For each of the strategic business unit, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

29 OPERATING SEGMENTS (CONTINUED)

The following summary describes the operations in each of the Group's reportable segments:

- Construction: Relates to acting as main contractors in construction and civil engineering projects and provision of construction and civil engineering services mainly to property developers and government in both private and public sectors.

- Engineering solutions: Relates to manufactures and supplies precast and prefabricated components as well as provision of steel and mass engineered timber works to main contractors in construction and civil engineering projects.

- Property development: Relates to development and sales of properties.

Other operations include rental, general corporate activities and digital solutions.

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

Information about reportable segments

	Construction $'000	Engineering solutions $'000	Property development $'000	Segments total $'000	Others* $'000	Elimination $'000	Total $'000
31 December 2024							
External revenues	480,668	45,958	9,417	536,043	190	–	536,233
Inter-segment revenue	–	50,256	–	50,256	–	(50,256)	–
Interest income	910	2	9	921	229	(322)	828
Interest expenses	(4,157)	(1,077)	(207)	(5,441)	(241)	322	(5,360)
Gain/(loss) on disposal of:							
– property, plant and equipment	337	(25)	–	312	–	–	312
– assets held for sales	6,514	–	–	6,514	–	–	6,514
Impairment loss on:							
– contract assets	–	(554)	–	(554)	–	–	(554)
– trade and other receivables	–	(392)	–	(392)	(999)	–	(1,391)
Reversal of impairment loss on:							
– contract assets	–	11	–	11	–	–	11
– trade and other receivables	142	–	–	142	–	–	142
– joint venture	–	–	1,974	1,974	–	–	1,974
– property, plant and equipment	–	2,462	–	2,462	–	–	2,462
Provision	(13,258)	–	(294)	(13,552)	–	–	(13,552)
Reversal of provision	8,263	–	–	8,263	–	–	8,263
Depreciation and amortisation	(5,768)	(3,879)	(134)	(9,781)	(183)	–	(9,964)
Reportable segment profit/(loss) before tax	985	5,613	1,669	8,267	(5,211)	–	3,056
Share of profit of joint ventures, net of tax							2,749
Profit before tax							5,805
Tax expenses							(2,975)
Profit for the year							2,830
Reportable segment assets	181,179	65,707	134,569	381,455	9,400	–	390,855
Investment in joint ventures	11,667	556	4,121	16,344	–	–	16,344
Total assets							407,199
Reportable segment liabilities	262,439	48,175	18,797	329,411	1,165	–	330,576
Capital expenditure	1,359	3,323	515	5,197	61	–	5,258

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

29 OPERATING SEGMENTS (CONTINUED)

Information about reportable segments (Continued)

	Construction $'000	Engineering solutions $'000	Property development $'000	Segments total $'000	Others* $'000	Elimination $'000	Total $'000
31 December 2023							
External revenues	413,147	36,498	24,852	474,497	551	–	475,048
Inter-segment revenue	–	52,171	–	52,171	–	(52,171)	–
Interest income	1,281	1	374	1,656	298	(416)	1,538
Interest expenses	(4,713)	(1,170)	(347)	(6,230)	(11)	416	(5,825)
Gain on disposal of property, plant and equipment	188	88	4	280	–	–	280
Impairment loss on trade amount due from related parties	(294)	–	–	(294)	–	–	(294)
Impairment loss on contract assets	–	(244)	–	(244)	–	–	(244)
Reversal of impairment loss on contract assets	–	455	–	455	–	–	455
Provision	(7,143)	(602)	(3,938)	(11,683)	–	–	(11,683)
Reversal of provision	1,485	–	–	1,485	–	–	1,485
Depreciation and amortisation	(7,081)	(4,362)	(43)	(11,486)	(50)	–	(11,536)
Reportable segment profit/(loss) before tax	879	(3,760)	(7,076)	(9,957)	(4,054)	–	(14,011)
Share of profit of joint ventures, net of tax							857
Loss before tax							(13,154)
Tax expense							(445)
Loss for the year							(13,599)
Reportable segment assets	272,828	63,674	148,849	485,351	14,089	–	499,440
Investment in joint ventures	10,296	606	3,707	14,609	–	–	14,609
Total assets							514,049
Reportable segment liabilities	351,623	62,139	24,560	438,322	575	–	438,897
Capital expenditure	7,455	4,098	890	12,443	756	–	13,199

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

29 OPERATING SEGMENTS (CONTINUED)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The construction, engineering solutions and property development segments are mainly domiciled in Singapore and the PRC respectively.

	Revenue from external customers		Non-current assets*	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Group				
Singapore	**526,757**	450,071	**61,104**	61,738
PRC	**9,417**	24,852	**13,689**	932
PNG	**–**	4	**3**	5
Europe	**–**	–	**90**	94
Malaysia	**59**	121	**8,763**	6,312
	536,233	475,048	**83,649**	69,081

* The non-current assets consist of property, plant and equipment, intangible assets, investment properties, investment in joint ventures and right-of-use assets.

Major customers

During the financial year ended 31 December 2024, revenue from major customers of the Group's construction segment amounted to approximately $411,088,000 (2023: $288,361,000). The details of these customers which individually contributed 10 percent or more of the Group's revenue in the year were as follows:

	2024		2023	
	$'000	%	$'000	%
Customer A	**162,196**	**30**	106,366	22
Customer B	**105,136**	**20**	72,811	15
Customer C	**78,276**	**15**	61,752	13
Customer D	**65,480**	**12**	47,432	10

30 LEASES

Leases as lessee

The Group leases leasehold land, office and storage space. The leases run for a period of 1 to 3 years, with an option to renew the lease after that date. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The Group leases worker dormitory, machinery, storage space, motor vehicles and office equipment with contract terms of up to five years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

30 LEASES (CONTINUED)

Leases as lessee (Continued)

Information about leases for which the Group is a lessee is presented below.

(i) Amounts recognised in profit or loss

	2024 $'000	2023 $'000
Interest on lease liabilities	**433**	187
Expenses relating to short-term leases	**1,410**	207
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**4**	31

(ii) Amounts recognised in statement of cash flows

	2024 $'000	2023 $'000
Total cash outflow for leases		
– Interest paid	**433**	187
– Payment of lease liabilities	**2,197**	833
	2,630	1,020

(iii) Commitment relating to short-term leases and leases of low-value assets

The Group applied practical expedients, therefore the Group did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application and leases of low value assets. Non-cancellable operating leases rentals for these leases are as follows:

	2024 $'000	2023 $'000
Less than one year	**6**	29
Between one and five years	**–**	6
	6	35

31 COMMITMENTS

Commitments of the Group not reflected in the financial statements at the respective reporting dates are as follows:

	Group	
	2024 $'000	2023 $'000
Developmental costs contracted but not provided for:		
– subsidiaries	**13,771**	1,210

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

32 FINANCIAL GUARANTEE CONTRACTS

(a) Guaranteed performance bonds

Certain subsidiaries have obtained guarantee from the banks and other financial institute to provide performance bonds to the customers amounting to $134,794,000 (2023: $78,246,000).

(b) Financial guarantees by the Company in respect of banking facilities provided to subsidiaries

The Company accounts for its financial guarantees as insurance contracts. There are no terms and conditions attached to the financial guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows. At reporting date, the Company does not consider that it is probable that a claim will be made against the Company under the financial guarantee contracts. Accordingly, the Company does not expect any net cash outflows resulting from the financial guarantee contracts.

The Company issued financial guarantees to certain financial institutions in respect of banking facilities (inclusive of guaranteed performance bonds) for their wholly-owned subsidiaries amounting to $452,961,700 (2023: $523,790,000). As at 31 December 2024, $115,497,000 (2023: $188,064,000) of the banking facilities was utilised. At the reporting date, the Company does not consider it probable that the claims will be made against the Company under the guarantee.

33 RELATED PARTIES

(a) Key management personnel compensation

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The amounts stated below for key management compensation are for all the executive directors and other key management personnel. The amounts do not include compensation, if any, of certain key management personnel and directors of the Group who received compensation from related corporations outside the Group in their capacity as directors and, or executives of those related corporations.

Compensation payable to key management personnel, included in staff costs, comprise:

	Group	
	2024	**2023**
	$'000	**$'000**
Short-term employee benefits	**4,100**	4,355
Employer's contribution to Central Provident Fund	**168**	136
	4,268	4,491
Directors' fees payable by the Company	**303**	330

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

33 RELATED PARTIES (CONTINUED)

(b) Other related party transactions

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Affiliated corporations		
Lease of storage space	**(271)**	(859)
Hiring charges	**(6,115)**	(4,840)
Consultancy fees	**(1,000)**	(1,000)
Joint venture		
Construction revenue	**15,170**	5,876

34 FINANCIAL INSTRUMENTS

Financial risk management

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- insurance risk

In addition, the Group has identified climate risk as an emerging risk arising from financial instruments that has a growing impact on the Group's activities. This note represents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk considering climate, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets in the statement of financial position represents the Group and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company does not hold any collateral in respect of its financial assets.

Trade receivables and contract assets

Risk management policy

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk associated with the industry and country in which customers operate, as these factors may have an influence on credit risk. Over 99% (2023: 99%) of the Group's revenue is attributable to transactions in Singapore and the PRC. Consequently, the risk of non-payment from the Group's trade receivables is affected by any unfavourable economic changes to the Singapore construction and engineering solutions industry and the PRC property development market.

The Group has established a credit policy and the exposures to credit risk are monitored on an ongoing basis. The contracting parties with the Group for the construction, precast, prefabrication, steel and mass engineered timber projects are either companies with good reputation in the market, listed on the Singapore Stock Exchange or government agencies. As for sales of properties, sales proceeds are fully settled before delivery of properties.

Monies due from customers are followed up, reviewed on a regular basis to understand the reasons of non-payment or delay in payment, if any, so that appropriate actions can be implemented promptly. The resultant effects of these measures have kept the Group's exposure to bad debts at an insignificant level.

The Group does not require collateral in respect of trade receivables and contract assets. The Group does not have trade and other receivables and contract assets for which no loss allowance is recognised because of collateral.

Exposure to credit risk

The exposure to credit risk for trade receivables and contract assets at the reporting date by geographic region was as follows:

	Group			
	31 December 2024		31 December 2023	
	$'000	%	$'000	%
Singapore	**102,507**	**98.3**	116,956	98.5
Europe	**173**	**0.2**	178	0.2
Malaysia	**1,536**	**1.5**	1,578	1.3
Total	**104,216**	**100.0**	118,712	100.0

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Risk management policy (Continued)

Exposure to credit risk (Continued)

The exposure to credit risk for trade receivables and contract assets at the reporting date by industry sectors was:

	Group			
	31 December 2024		31 December 2023	
	$'000	%	$'000	%
Construction	**85,630**	**82.2**	98,367	82.9
Engineering solutions	**18,586**	**17.8**	20,345	17.1
Total	**104,216**	**100.0**	118,712	100.0

As at 31 December 2024, approximately 76% (2023: 82%) of the Group's trade receivables were due from 5 (2023: 5) major customers.

Expected credit loss assessment for customers as at 31 December 2024

The Group uses an allowance matrix to measure the ECLs of trade receivables and contract assets from customers, which comprise a large number of small balances.

The allowance matrix is based on loss rates determined based on actual credit loss experience over the past three years, current economic conditions and the Group's view of economic conditions over the expected lives of the recoverables. These scalar factors are calculated using statistical models that determine numeric co-relation of loss rates with relevant economic variables.

Scalar factors are based on actual and forecasted gross domestic product and is in the range of 4.1% to 7.6% (2023: -4.1% to 7.6%) for overall market condition.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Risk management policy (Continued)

Expected credit loss assessment for customers as at 31 December 2024 (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for individual customers.

	Group			
	Weighted average loss rate %	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
2024				
Current (not past due)	**1.09**	**82,461**	**(901)**	**Yes**
Past due 1 – 30 days	**0.00**	**18,835**	**–**	**No**
Past due 31 – 60 days	**0.00**	**195**	**–**	**No**
More than 60 days	**19.39**	**4,498**	**(872)**	**Yes**
		105,989	**(1,773)**	
2023				
Current (not past due)	4.76	102,057	(4,856)	Yes
Past due 1 – 30 days	0.00	18,345	–	No
Past due 31 – 60 days	0.00	321	–	No
More than 60 days	24.95	3,791	(946)	Yes
		124,514	(5,802)	

Movement in allowance for impairment in respect of trade receivables and contract assets

The movement in allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	Group	
	2024 $'000	2023 $'000
At 1 January	**5,802**	5,969
Impairment loss recognised	**803**	244
Reversal of impairment loss	**(153)**	(455)
Impairment loss utilised	**(4,656)**	–
Effect of movement in exchange rate	**(23)**	44
At 31 December	**1,773**	5,802

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit risk (Continued)

Amount due from related parties

The Group and Company held receivables from its related parties of $18,405,000 (2023: $19,306,000) and $31,310,000 (2023: $31,310,000) respectively (refer to Note 17). Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, and applying experienced credit judgement), the Group made an allowance for impairment loss of $294,000 (2023: $294,000) on the trade amounts due from affiliated corporation and $3,548,000 (2023: $3,548,000) on the non-trade amounts due from non-controlling interests taking into consideration the continued operating losses of its underlying investment made with the receivables amounts.

Movement in allowance for impairment in respect of amounts due from related parties

The movement in allowance for impairment in respect of amounts due from related parties during the year was as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
At 1 January	**3,842**	3,548
Impairment loss recognised	**–**	294
At 31 December	**3,842**	3,842

Other receivables

Impairment on these balances have been measured on the 12-month expected loss basis which reflects the low credit risk of exposures. The movement in allowance for impairment of other receivables were as follow:

	Group	
	2024	**2023**
	$'000	**$'000**
At 1 January	**–**	–
Impairment loss recognised	**1,142**	–
At 31 December	**1,142**	–

Loans to joint venture

Impairment on these balance have been measured on the 12-month expected loss basis which reflects the low credit risk of exposures. The amount of the allowance on these balances is insignificant.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $35,776,000 (2023: $112,578,000) and $314,000 (2023: $328,000) respectively at 31 December 2024 respectively. The cash and cash equivalents are held with banks, which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

(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 Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management of liquidity risk

Individual subsidiaries within the Group are responsible for their own cash management, including raising loans to cover the expected cash demands, subject to approval by the Company's board of directors. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants by reviewing each operating entity's cash flow forecast, to ensure that the Group maintains sufficient reserves of cash and adequate committed lines of funding from banks to meet its liquidity requirements in the short and longer term. The Board confirmed that there is no breach of financial covenants for all the major outstanding loans balances as at 31 December 2024 and on this basis, banks will continue providing support to the Group.

At 31 December 2024, the Group maintains the following lines of credit:

- $5,000,000 (2023: $5,500,000) of secured overdraft facilities, of which $Nil (2023: $Nil) has been drawn down. Interest would be payable at rates ranging from prime rate to prime rate plus 125 basis points (bp); and

- $159,571,000 (2023: $271,071,000) that can be drawn down to meet short-term financing needs. An amount of $114,062,000 (2023: $132,228,000) has been drawn down at the reporting date.

The above lines of credit exclude term loan facilities that have been drawn down as they are no longer available for further utilisation.

Subsequent to year end, the Group secured another loan facilities up to $90 million, these facilities are secured and uncommitted, intended to finance the working capital of existing and new projects. Other than actively engaging banks to securing sufficient committed lines of funding, management has also taken the following measures to improve the Group's cash flows position:

- Completing the existing projects in a timely manner and to free up the Group's capacity to take on new and profitable projects.

- Actively tendering for new contracts with good pricing.

- Continuously working with the customers to claim for prolongation costs incurred during the COVID-19 period.

- Continuously seek improvements in the construction and production efficiencies through technological enhancements and innovative solutions and digitalisation in order to further reduce labour and materials cost pressure.

- Identifying non-core properties that can be realised to capture the rising property prices and to enhance the Group's cash flows position.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (Continued)

Management of liquidity risk (Continued)

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Cash flows Between 1 and 5 years $'000	More than 5 years $'000
Group					
At 31 December 2024					
*Trade and other payables**					
Trade payables	**53,168**	**53,168**	**53,168**	**–**	**–**
Accrued trade payables	**55,032**	**55,032**	**55,032**	**–**	**–**
Accrued operating expenses and other payables	**14,458**	**14,458**	**14,458**	**–**	**–**
Retention sums payable	**34,884**	**37,225**	**4,853**	**32,372**	**–**
	157,542	**159,883**	**127,511**	**32,372**	**–**
Loans and borrowings					
Secured bank loans	**74,622**	**75,440**	**72,902**	**1,599**	**939**
Lease liabilities	**8,155**	**9,497**	**2,349**	**5,508**	**1,640**
Liabilities directly associated with assets held for sale	**9,984**	**10,471**	**10,471**	**–**	**–**
	92,761	**95,408**	**85,722**	**7,107**	**2,579**
Amounts due to related parties	**7,189**	**7,189**	**7,189**	**–**	**–**
Recognised financial liabilities	**257,492**	**262,480**	**220,422**	**39,479**	**2,579**
At 31 December 2023					
*Trade and other payables**					
Trade payables	75,226	75,226	75,226	–	–
Accrued trade payables	32,247	32,247	32,247	–	–
Accrued operating expenses and other payables	16,705	16,705	16,705	–	–
Retention sums payable	27,720	28,610	5,747	22,863	–
	151,898	152,788	129,925	22,863	–
Loans and borrowings					
Secured bank loans	99,242	100,619	94,657	4,622	1,340
Lease liabilities	8,264	9,786	1,982	5,112	2,692
Liabilities directly associated with assets held for sale	14,554	14,968	14,968	–	–
	122,060	125,373	111,607	9,734	4,032
Amounts due to related parties	6,720	6,720	6,720	–	–
Recognised financial liabilities	280,678	284,881	248,252	32,597	4,032

* Excluded GST payables and provisions

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (Continued)

Management of liquidity risk (Continued)

Exposure to liquidity risk (Continued)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Cash flows Between 1 and 5 years $'000	More than 5 years $'000
Company					
At 31 December 2024					
Trade and other payables					
Accrued operating expenses and other payables	**894**	**894**	**894**	**–**	**–**
Amounts due to related parties	**71,714**	**71,714**	**71,714**	**–**	**–**
Recognised financial liabilities	**72,608**	**72,608**	**72,608**	**–**	**–**
At 31 December 2023					
Trade and other payables					
Accrued operating expenses and other payables	366	366	366	–	–
Amounts due to related parties	68,593	68,593	68,593	–	–
Recognised financial liabilities	68,959	68,959	68,959	–	–

Guarantees

The Company provides financial guarantees only for their wholly-owned subsidiaries.

The maximum exposure of the financial guarantee at the end of the reporting period is disclosed in Note 32. At the reporting date, the Company does not consider that it probable that the claims will be made against the Company under the financial guarantee.

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Within 1 year $'000
Company	
31 December 2024	
Financial guarantees	**115,497**
31 December 2023	
Financial guarantees	188,064

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Market risk

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

Interest rate risk

The Group's exposure to interest rate risks arises primarily from their debt obligations. The interest charge for debt obligations are made up of a mixture of fixed and floating rates. The floating rate loans are contractually repriced at intervals of one to twelve months, or when notified by banks. The Group does not use derivative financial instruments to hedge interest rate risk.

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

	Group	
	2024	**2023**
	$'000	**$'000**
Fixed rate instruments		
Lease liabilities	**9,360**	9,532
Variable rate instruments		
Secured bank loans	**83,401**	112,528

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 bp in interest rates at the reporting dates would have decreased/increased loss before tax by the amounts shown below. There is no effect to the equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2023.

	Group	
	2024	**2023**
	$'000	**$'000**
100 bp increase		
Increase in loss before tax	**834**	1,125

A 100 bp decrease in interest rates at the reporting date would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

The sensitivity analysis is illustrative only and is based on simplified scenarios. The table shows interest rate risk exposures arising in interest-bearing liabilities. These particular exposures form only part of the Group's overall interest rate exposures.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Market risk (Continued)

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between currencies in which sales, purchases and borrowings, including intercompany sales, purchases and inter-company balances, that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Renminbi ("RMB"), Singapore dollar ("SGD"), Euro ("EURO") and United States dollar ("USD").

Exposure to currency risk

The summary quantitative data about the exposure to currency risk as reported to the management of the Group is as follows:

	RMB $'000	SGD $'000	EURO $'000	USD $'000
Group				
At 31 December 2024				
Amounts due from related parties	**3,129**	**4,357**	**3,343**	**13,827**
Cash and cash equivalents	**13**	**–**	**–**	**872**
Trade and other payables	**–**	**–**	**(1,026)**	**–**
Amounts due to related parties	**–**	**–**	**–**	**(13,827)**
	3,142	**4,357**	**2,317**	**872**
At 31 December 2023				
Amounts due from related parties	3,265	5,862	3,486	13,435
Cash and cash equivalents	3,889	–	–	1,681
Trade and other payables	–	–	(1,069)	–
Amounts due to related parties	–	–	–	(13,435)
	7,154	5,862	2,417	1,681

Sensitivity analysis

A 10% strengthening of the following major currencies against the functional currency of each of the Group's entities at the reporting date held by the Group would increase/decrease loss before tax by the amounts shown below. Similarly, a 10% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Loss before tax 2024 $'000	Loss before tax 2023 $'000
Group		
RMB	**314**	715
SGD	**436**	586
EURO	**232**	242
USD	**87**	168

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Insurance risk

The Company issued financial guarantees to certain banks in respect of banking facilities (inclusive of guaranteed performance bonds) granted to subsidiaries of the Group. Please refer to Note 32 and Note 34(c) for details.

(f) Climate-related risks

The Group recognises the inevitable threat that climate change poses and has proactively implemented several climate-related assessment activities. These include measuring and benchmarking Environmental, Social, and Governance (ESG) performance, incorporating climate considerations into business strategies, initiating climate-related disclosures, reporting Scope 1 and 2 emissions in the sustainability report, engaging stakeholders, and holding workshops to better understand climate-related risks and regulations. In addition to outlining strategies, the Group acknowledges the need to act decisively and is taking steps while transparently reporting progress.

The Group also recognises the importance of integrating climate-related risks into its overall risk management framework to ensure robust identification, assessment, and management of such risks. It will embed these considerations into its business continuity and enterprise risk management (ERM) processes.

The Group has adopted the Task Force on Climate-related Financial Disclosures (TCFD), developed by the Task Force set up by the Financial Stability Board. The TCFD aligns with SGX's Reporting Guide Practice Note 7.6, which addresses sustainability reporting disclosures. Based on TCFD, the Group has categorized climate-related risks into physical and transition risks.

Physical climate-related risks include flooding, heavy rainfall, and extreme weather events. These physical risks may lead to safety hazards, operational disruptions, delays in work schedules, supply chain interruptions, compliance issues, and quality-related concerns.

Transition climate-related risks include shifting consumer preferences, market trends, and tightening regulations. These risks may require changes in operations to meet new demand, result in new cost centres, increase raw material and utility costs, and impose stricter compliance with new standards.

Efforts to mitigate and adapt to climate change will produce opportunities to the Group which include enhanced reputation and recognition and cost reduction and efficient resource management.

The Group is proactively responding to these risks and opportunities by adopting several measures, which are disclosed in the sustainability report. The Group has factored in both physical and transition climate-related risks when estimating the total contract costs and completion dates for construction projects.

The Group will continue to monitor these climate-related risks and opportunities on an annual basis, mitigating risk exposure while leveraging potential opportunities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The fair value disclosure of lease liabilities is also not required.

	Carrying amount			Fair value			
	FVOCI – equity instruments	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2024							
Financial assets measured at fair value							
Quoted equity investments – at FVOCI	22	–	22	22	–	–	22
Unquoted equity investments – at FVOCI	145	–	145	–	–	145	145
	167	–	167				
Financial assets not measured at fair value							
Trade and other receivables*	–	62,446	62,446				
Amounts due from related parties	–	18,405	18,405				
Cash and cash equivalents	–	35,776	35,776				
	–	116,627	116,627				
Financial liabilities not measured at fair value							
Amounts due to related parties	–	(7,189)	(7,189)				
Trade and other payables**	–	(157,542)	(157,542)				
Loans and borrowings***	–	(83,401)	(83,401)	–	(79,264)	–	(79,264)
	–	(248,132)	(248,132)				

* Excluded tax prepayments, value-added tax receivables, deposits and prepayments, advances to suppliers and government grant receivables

** Excluded employee benefits, GST payables and provisions

*** Excluded lease liabilities

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

	Carrying amount			Fair value			
	FVOCI – equity instruments $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group							
31 December 2023							
Financial assets measured at fair value							
Quoted equity investments – at FVOCI	22	–	22	22	–	–	22
Unquoted equity investments – at FVOCI	245	–	245	–	–	245	245
	267	–	267				
Financial assets not measured at fair value							
Trade and other receivables*	–	70,870	70,870				
Amounts due from related parties	–	19,306	19,306				
Cash and cash equivalents	–	112,578	112,578				
	–	202,754	202,754				
Financial liabilities not measured at fair value							
Amounts due to related parties	–	(6,720)	(6,720)				
Trade and other payables**	–	(151,898)	(151,898)				
Loans and borrowings***	–	(112,528)	(112,528)	–	(106,743)	–	(106,743)
	–	(271,146)	(271,146)				

* Excluded tax prepayments, value-added tax receivables, deposits and prepayments, advances to suppliers and government grant receivables

** Excluded employee benefits, GST payables and provisions

*** Excluded lease liabilities

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

	Carrying amount	
	Amortised cost $'000	Total $'000
Company		
31 December 2024		
Financial assets not measured at fair value		
Trade and other receivables*	**1,906**	**1,906**
Amount due from related parties	**31,310**	**31,310**
Cash and cash equivalents	**314**	**314**
	33,530	**33,530**
Financial liabilities not measured at fair value		
Trade and other payables	**(894)**	**(894)**
Amounts due to related parties	**(71,714)**	**(71,714)**
	(72,608)	**(72,608)**
31 December 2023		
Financial assets not measured at fair value		
Trade and other receivables*	2,017	2,017
Amount due from related parties	31,310	31,310
Cash and cash equivalents	328	328
	33,655	33,655
Financial liabilities not measured at fair value		
Trade and other payables	(366)	(366)
Amounts due to related parties	(68,593)	(68,593)
	(68,959)	(68,959)

* Excluded deposits and prepayments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

34 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Financial instruments measured at fair value – Group			
Unquoted equity investments – at FVOCI	The fair value of the equity investments is the net asset value of the investee entity adjusted for the fair value of the underlying properties, where applicable	Net asset value*	The estimated fair value varies directly with the net asset value of the entity.
Loan and borrowings	Discounted cash flows	Not applicable	Not applicable

* Where the underlying investment is in equity shares of an entity, management relies on yearly unaudited financial statements for the determination of fair value. The underlying assets and liabilities are mainly short-term in nature, hence management has determined that the carrying value approximates fair value.

(ii) Transfers between Level 1 and 2

There were no transfers between Level 1 and 2 in 2024 and 2023.

(iii) Level 3 fair value

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Group Unquoted equity investments – at FVOCI $'000
At 1 January 2023	490
Net change in fair value	(245)
At 31 December 2023	245
At 1 January 2024	**245**
Net change in fair value	**(100)**
At 31 December 2024	**145**

Sensitivity analysis

There is no sensitivity analysis prepared as the Group's exposure to the effect on fair value changes for 2024 and 2023 are insignificant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

35 NON-CONTROLLING INTERESTS

The following subsidiaries have material NCI.

Name	Operating segment	Principal places of business/ Country of incorporation	Ownership interest 2024 %	2023 %
Steeltech Industries Pte. Ltd. ("Steeltech")	Engineering solutions	Singapore	**29**	29
AMP Systems Pte. Ltd. ("AMP")	Provision of electrical and mechanical engineering works	Singapore	**49**	49
Tianjin Tianmen Jinwan Property Development Co., Ltd. ("Jinwan")	Property development	PRC	**50**	50
Tianjin Zizhulin Investment Co., Ltd ("Chuang Zhan")	Property development	PRC	**34**	34
Tianjin Zizhulin Guangang Property Development Co., Ltd. ("Guangang")	Property development	PRC	**17**	17
Tianjin Zizhulin Development Co., Ltd.	Property development	PRC	**20**	20

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

35 NON-CONTROLLING INTERESTS (CONTINUED)

The following summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	Steeltech $'000	AMP $'000	Jinwan $'000	Chuang Zhan $'000	Guangang $'000	Tianjin Zizhulin Development Co., Ltd. $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
31 December 2024									
Revenue	27,662	9,530	–	–	6,547	–			
Profit/(loss)	2,071	(214)	(4)	(35)	(3,898)	(787)			
OCI	–	–	(5)	(52)	(44)	(55)			
Total comprehensive income	2,071	(214)	(9)	(87)	(3,942)	(842)			
Attributable to NCI:									
– Profit/(loss)	601	(105)	(2)	(12)	(633)	(157)	–	310	(28)
– OCI	–	–	(3)	(18)	(7)	(11)	35	77	73
– Total comprehensive income	601	(105)	(5)	(30)	(670)	(168)	35	387	45
Non-current assets	6,695	459	–	37,665	13,176	30,801			
Current assets	8,710	6,483	4,114	9,949	101,073	20,323			
Non-current liabilities	(2,201)	–	–	–	–	–			
Current liabilities	(3,072)	(3,866)	(1,044)	(15,767)	(95,998)	(18,884)			
Net assets	10,132	3,076	3,070	31,847	18,251	32,240			
Net assets attributable to NCI	2,938	1,507	1,535	10,828	3,103	6,448	756	(24,996)	2,119
Cash flows from operating activities	1,127	(2,022)	(29)	(14)	1,203	(283)			
Cash flows from investing activities	(2)	6	334	(167)	26	298			
Cash flows from financing activities	(1,075)	(93)	(298)	(4)	(1,947)	(93)			
Net increase/(decrease) in cash and cash equivalents	50	(2,109)	7	(185)	(718)	(78)			

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

35 NON-CONTROLLING INTERESTS (CONTINUED)

	Steeltech $'000	AMP $'000	Jinwan $'000	Chuang Zhan $'000	Cangzhou Huashi $'000	Guangang $'000	Tianjin Zizhulin Development Co., Ltd. $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
31 December 2023										
Revenue	24,748	6,679	–	–	–	24,852	–			
Profit/(loss)	213	(1,003)	(250)	(53)	(345)	(5,096)	(1,041)			
OCI	–	–	(137)	(1,639)	(10)	(1,234)	(1,410)			
Total comprehensive income	213	(1,003)	(387)	(1,692)	(355)	(6,330)	(2,451)			
Attributable to NCI:										
– Profit/(loss)	62	(492)	(125)	(18)	(204)	(866)	(208)	(31)	405	(1,477)
– OCI	–	–	(68)	(557)	(6)	(210)	(282)	(122)	304	(941)
– Total comprehensive income	62	(492)	(193)	(575)	(210)	(1,076)	(490)	(153)	709	(2,418)
Non-current assets	8,879	496	–	37,761	–	4,886	32,161			
Current assets	9,971	6,464	4,448	9,980	–	119,947	27,488			
Non-current liabilities	(3,862)	–	–	–	–	–	–			
Current liabilities	(7,330)	(3,671)	(1,369)	(15,807)	–	(98,817)	(24,873)			
Net assets	7,658	3,289	3,079	31,934	–	26,016	34,776			
Net assets attributable to NCI	2,221	1,612	1,539	10,858	–	4,423	6,955	(591)	(24,943)	2,074
Cash flows from operating activities	2,336	1,731	(357)	60	(207)	1,214	(295)			
Cash flows from investing activities	(5)	(96)	190	(90)	311	11,242	(148)			
Cash flows from financing activities	(1,258)	(357)	133	–	–	(12,902)	189			
Net increase/(decrease) in cash and cash equivalents	1,073	1,278	(34)	(30)	104	(446)	(254)			

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

36 SUBSEQUENT EVENT

On 20 January 2025, the Company completed a placement of 20,000,000 new ordinary shares in its capital at an issue price of $0.10 per share, for an aggregate consideration of $2 million. Following the completion, the total number of shares in the Company's capital increased from 441,076,649 shares (excluding treasury shares) to 461,076,649 shares (excluding treasury shares).

On 6 February 2025, the Group secured loan facilities of up to $90 million, these facilities are secured and uncommitted, intended to finance the working capital of existing and new projects.

STATISTICS OF SHAREHOLDINGS

As at 18 March 2025

Issued and fully paid capital	:	$183,945,796
Class of shares	:	Ordinary shares
Number of issued shares (excluding treasury shares and subsidiary holdings)	:	461,076,649
Number of treasury shares held	:	18,547,200
Number of subsidiary holdings held	:	Nil
Voting rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	21	1.60	374	0.00
100 – 1,000	83	6.33	52,581	0.01
1,001 – 10,000	399	30.41	2,390,901	0.52
10,001 – 1,000,000	785	59.83	67,310,755	14.60
1,000,001 AND ABOVE	24	1.83	391,322,038	84.87
TOTAL	**1,312**	**100.00**	**461,076,649**	**100.00**

The Company holds 18,547,200 treasury shares as at 18 March 2025, which representing approximately 4.02% of the total number of issued ordinary shares excluding treasury shares and subsidiary holdings.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TIONG SENG SHAREHOLDINGS PTE. LTD.	271,197,960	58.82
2	PECK TIONG CHOON (PRIVATE) LIMITED	32,279,520	7.00
3	CONTINENTAL STEEL PTE LTD	20,000,000	4.34
4	WAN SENG ENTERPRISES (PRIVATE) LIMITED	12,732,390	2.76
5	OCBC SECURITIES PRIVATE LIMITED	9,913,600	2.15
6	DBS NOMINEES (PRIVATE) LIMITED	6,774,985	1.47
7	SHINGDA CONSTRUCTION PTE. LTD.	6,144,250	1.33
8	ESTATE OF PEK AH TUAN, DECEASED	3,604,920	0.78
9	PHILLIP SECURITIES PTE LTD	2,931,863	0.64
10	PAY KIAN MENG GILBERT	2,702,000	0.59
11	LEE KENG LAN	2,654,000	0.58
12	LEE KHAR HOON	2,650,000	0.57
13	ANG JUI KHOON	2,546,400	0.55
14	RAFFLES NOMINEES (PTE.) LIMITED	1,783,700	0.39
15	LEE HONG CHUAN	1,650,000	0.36
16	ANDREW KHNG	1,585,080	0.34
17	ESTATE OF LIM KIM ENG, DECEASED	1,582,350	0.34
18	ONG GEOK TOE	1,504,900	0.33
19	HENG SIEW ENG	1,374,500	0.30
20	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,257,000	0.27
	TOTAL	**386,869,418**	**83.91**

STATISTICS OF SHAREHOLDINGS

As at 18 March 2025

SUBSTANTIAL SHAREHOLDERS
As at 18 March 2025

Name of Substantial Shareholders	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
Tiong Seng Shareholdings Pte Ltd	271,197,960	58.82	–	–
Peck Tiong Choon (Private) Limited(1)	32,279,520	7.00	271,197,960	58.82
Pek Ah Tuan(2)	3,604,920	0.78	32,279,520	7.00
Lee Yew Sim(3)	762,630	0.17	285,512,700	61.92

Notes:

(1) Peck Tiong Choon (Private) Limited ("PTC") holds approximately 47.8% of the shares in TSS and is therefore deemed interested in the shares held by TSS pursuant to Section 7 of the Companies Act and Section 4 of the Securities and Futures Act ("SFA").

(2) The estate of Pek Ah Tuan, together with the associates of the late Pek Ah Tuan, collectively hold approximately 40.1% of the shares in PTC and is therefore deemed interested in the shares held by PTC pursuant to Section 7 of the Companies Act and Section 4 of the SFA.

(3) Lee Yew Sim is deemed interested in the Shares held by him on trust for the estate of his mother, Lim Kim Eng (1,582,350 Shares), and the 12,732,390 Shares held by Wan Seng Enterprises (Private) Limited ("Wan Seng") as Wan Seng's shareholders are accustomed or under an obligation whether formal or informal to act in accordance with his directions, instructions and wishes in relation to their shares in Wan Seng. In addition, Lee Yew Sim is deemed interested in the shares held by TSS as his associates are collectively entitled to exercise control of approximately 22.7% of the Shares in TSS.

SHAREHOLDINGS HELD BY PUBLIC

Based on the information available to the Company as at 18 March 2025, approximately 29.64% of the issued ordinary share of the Company is held by the public, and therefore the Company has complied with Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited.

TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 200807295Z)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **TIONG SENG HOLDINGS LIMITED** (the "**Company**") will be held at 30A Kallang Place, #04-01, Singapore 339213 on 30 April 2025, Wednesday at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2024 together with the Auditors' Report thereon.
(Resolution 1)

2. To re-elect Mr. Pek Zhi Kai retiring by rotation pursuant to Regulation 89 of the Company's Constitution.
(Resolution 2)

   Mr. Pek Zhi Kai will, upon re-election as a Director of the Company, remain as Executive Director.

3. To re-elect Dr. Teo Ho Pin retiring by rotation pursuant to Regulation 89 of the Company's Constitution.
(Resolution 3)

   *Dr. Teo Ho Pin will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director, a Chairman of the Board and a member of Audit Committee. Dr. Teo Ho Pin is considered independent by the board of directors of the Company for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). There are no relationships including family relationships between Dr. Teo Ho Pin and the other Directors, the Company, its related corporations, its substantial shareholders or its officers.*

4. To re-elect Mr. Ng Kim Beng retiring pursuant to Regulation 88 of the Company's Constitution.
(Resolution 4)

   Mr. Ng Kim Beng will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director and Chairman of Nominating Committee, member of Audit Committee and Remuneration Committee respectively. Mr. Ng Kim Beng is considered independent by the board of directors of the Company for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. There are no relationships including family relationships between Mr. Ng Kim Beng and the other Directors, the Company, its related corporations, its substantial shareholders or its officers.

5. To re-elect Mr. Lee Yew Sim retiring pursuant to Regulation 88 of the Company's Constitution.
(Resolution 5)

   Mr. Lee Yew Sim will, upon re-election as a Director of the Company, remain as Non-Independent Non-Executive Director and member of Audit Committee and Remuneration Committee respectively and will be considered non-independent.

6. To approve the payment of Directors' fees amounting to S$300,000/- for the year ending 31 December 2025, to be paid in arrears (2024: S$310,000/-).
(Resolution 6)

7. To re-appoint KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 7)

8. To transact any other ordinary business which may be transacted at an Annual General Meeting.

NOTICE OF 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:

9. **AUTHORITY TO ISSUE SHARES**

That pursuant to Section 161 of the Companies Act 1967 of Singapore, the Constitution of the Company and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be authorised and empowered to issue:

(i) shares in the capital of the Company (the "**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) convertible securities; and/or

(iii) additional convertible securities arising from adjustments made to the exercise price or conversion price and, where appropriate, the number of company warrants or other convertible securities previously issued in the event of a rights issue, bonus issue or subdivision or consolidation of shares pursuant to Rule 829 of the Listing Manual of the SGX-ST, notwithstanding that the general mandate may have ceased to be in force at the time the securities are issued, provided that the adjustment does not give the holder a benefit that a shareholder does not receive; and/or

(iv) shares arising from the conversion of convertible securities, notwithstanding that the general mandate may have ceased to be in force at the time the shares are to be issued,

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,

provided that:

(1) the aggregate number of shares and convertible securities that may be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and convertible securities that may be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20% 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 (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and convertible securities that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) 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 exercise of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

    (III) any subsequent bonus issue, consolidation or subdivision of shares;

NOTICE OF ANNUAL GENERAL MEETING

provided that any adjustments made under sub-paragraphs (2)(I) and (2)(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 this resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)] **(Resolution 8)**

10. **PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore (the "**Companies Act**") and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined) during the Relevant Period (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to but not exceeding the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchases transacted on the SGX-ST's through the SGX-ST's ready market trading system or, as the case may be, on any other stock exchange on which the Shares may, for the time being, be listed and quoted ("**Other Exchange**"), through one or more duly licensed stockbrokers appointed by the Company for such purpose ("**On-Market Share Buy-Back**"); and/or

(ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual of the SGX-ST (the "**Listing Manual**") ("**Off-Market Share Buy-Back**"),

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, Other Exchange, as may for the time being be applicable (the "**Share Buy-Back Mandate**");

(b) the authority conferred on the Directors of the Company pursuant to the Share Buy-Back 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 date on which the next Annual General Meeting of the Company is held or required by law to be held, whichever is earlier (whereupon it will lapse, unless renewed at such meeting);

(ii) the date on which purchases and acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by shareholders of the Company in a general meeting (if so varied or revoked prior to the next Annual General Meeting);

NOTICE OF ANNUAL GENERAL MEETING

(c) in this resolution:

"**Average Closing Market Price**" means the average of the closing market prices of the Shares over the last five (5) market days on which transactions in the Shares were recorded on the SGX-ST, immediately preceding the date of making the On-Market Share Buy-Back by the Company or, as the case maybe, the day of making the offer pursuant to the Off-Market Share Buy-Back, and deemed to be adjusted in accordance with the Listing Manual for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made;

"**Closing Market Price**" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources;

"**Market Day**" means a day on which the SGX-ST is open for trading of securities;

"**Maximum Limit**" means the number of Shares representing ten per cent (10%) of the total issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) ascertained as at the date of the passing of this resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period (as defined hereinafter), in which event the total number of issued ordinary share capital of the Company shall be taken to be the total number of the issued ordinary share capital of the Company as altered (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time);

"**Maximum Price**" in relation to a Share to be purchased, means the purchase price (excluding related brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Buy-Back, 105% of the Average Closing Market Price of the Shares; and

(ii) in the case of an Off-Market Share Buy-Back pursuant to an equal access scheme, 120% of the Average Closing Market Price of the Shares, and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for an Off-Market Share Buy-Back, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Share Buy-Back calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Buy-Back;

"**Relevant Period**" means the period commencing from the date of the Annual General Meeting at which the proposed renewal of the Share Buy-Back Mandate is approved, and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held, whichever is earlier (whereupon it will lapse, unless renewed at such meeting);

(ii) the date on which purchases and acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the shareholders of the Company in a general meeting (if so varied or revoked prior to the next Annual General Meeting);

NOTICE OF ANNUAL GENERAL MEETING

(d) the Directors of the Company be and are hereby authorised to deal with the Shares purchased or acquired by the Company, pursuant to the Share Buy-Back Mandate, in any manner as they think fit, which is permitted under the Companies Act; and

(e) the Directors of the Company and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.
[See Explanatory Note (ii)] **(Resolution 9)**

11. **PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), for the Company, its subsidiaries and associated companies that are considered to be entities at risk under Chapter 9 of the Listing Manual, or any of them to enter into any of the transactions falling within the types of interested person transactions described in the appendix to this Notice of Annual General Meeting (the "**Appendix**") with any party who is of the class of Mandated Interested Persons described in the Appendix, provided that such transactions are carried out in the normal course of business, at arm's length and on normal commercial terms and in accordance with review procedures for such interested person transactions and are not prejudicial to the interests of the Company and its minority shareholders (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier; and

(c) the Directors of the Company and/or any of them be and are and/or is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient or in the interests of the Company to give effect to the IPT Mandate and transaction contemplated and/or authorised by this resolution.
[See Explanatory Note (iii)] **(Resolution 10)**

12. **PROPOSED RENEWAL OF THE DISPOSAL MANDATE**

That:

(a) for the purposes of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Company and/or its respective subsidiaries for the disposal of (i) a leasehold property located at 21 Fan Yoong Road, Singapore 629796 (the "**Fan Yoong Property**"), (ii) a leasehold property located at 6 Tuas South Street 11, Tiong Seng @ Tuas South, Singapore 637094 (the "**Tuas Property**") and (iii) two (2) contiguous plots of vacant freehold medium industrial land of Lot Nos. Lot 15759 and Lot 15760, both located at Mukim of Rimba Terjun, District of Pontian, State of Johor, Malaysia to the extent mandated and according to the terms under the Disposal Mandate as described in the Appendix to this Notice of Annual General Meeting (the "**Pontian Land Parcels**") (the "**Disposal Mandate**");

(b) the Disposal Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier (whereupon at the end of the period it will lapse, unless renewed); and

NOTICE OF ANNUAL GENERAL MEETING

(c) the Directors of the Company and any one of them be and are hereby authorised and empowered to approve, complete and do all such acts and things (including, without limitation, to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as he or they may consider expedient, desirable or necessary or in the interests of the Company to give effect to the proposed disposals of the Fan Yoong Property, the Tuas Property and the Pontian Land Parcels pursuant to the Disposal Mandate and this resolution, and the transactions contemplated by the Disposal Mandate and/or authorised by this resolution, or for all the foregoing purposes.
[See Explanatory Note (iv)] **(Resolution 11)**

By Order of the Board

Low Mei Mei, Maureen
Ha Mui Ling
Company Secretaries

Singapore, 15 April 2025

Explanatory Notes on Resolutions to be passed:

(i) Ordinary Resolution 8, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, convertible securities and to issue shares pursuant to such convertible securities, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a *pro rata* basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of 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 any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

(ii) Ordinary Resolution 9, if passed, will empower the Directors, from the date of the above Meeting until the next Annual General Meeting is held or is required by law to be held, or until it is varied or revoked by the Company in general meeting, whichever is earlier, to purchase or otherwise acquire issued ordinary Shares of the Company by way of Market Acquisition or Off-Market Acquisition of up to the Maximum Limit at the Maximum Price in accordance with the terms and conditions set out in the Appendix to this Notice of Annual General Meeting, the Companies Act and the Listing Manual of the SGX-ST. Please refer to the Appendix to this Notice of Annual General Meeting for more details.

(iii) Ordinary Resolution 10, if passed, will authorise the interested person transactions as described in the Appendix to this Notice of Annual General Meeting and recurring in the year, and will empower the Directors to do all acts necessary to give effect to the IPT Mandate. This authority will, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. Please refer to the Appendix to this Notice of Annual General Meeting for more details.

(iv) Ordinary Resolution 11, if passed, will renew the mandate granted by the members of the Company on 30 April 2024 to enable the Company and/or its respective subsidiaries to dispose of the Fan Yoong Property, the Tuas Property, and the Pontian Land Parcels to the extent mandated and according to the terms under such mandate. The renewed authority will, unless revoked or varied by the Company at a general meeting, continue in force until the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier (whereupon at the end of the period it will lapse, unless renewed). Please refer to the Appendix to this Notice of Annual General Meeting for more details.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The members of the Company are invited to **attend physically** at the Annual General Meeting (the "**Meeting**" or "**AGM**"). **There will be no option for shareholders to participate virtually**. Printed copies of this Notice, the Annual Report and the Proxy Form will be sent to members and the electronic copies of this Notice, the Annual Report and the Proxy Form are also available to members on the SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.tiongseng.com.sg/.

2. Pre-registration is not required. Members, please bring along your NRIC/passport to enable the Company to verify your identity. Members and other attendees who are feeling unwell on the date of AGM are strongly encouraged not to attend the physical meeting.

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

   (a) attending the AGM in person;

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

   (c) voting at the AGM

      (i) by themselves personally; or

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

   CPF investors and SRS investors who wish to appoint the Chairman of the Meeting (and not third party prox(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes. Please see item 8 below for details.

4. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy it to vote on its behalf.

   Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

5. 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 appoints more than two (2) 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" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

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

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

   If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the Chairman of the Meeting will vote or abstain from voting at his discretion.

8. CPFIS/SRS investors who hold SGX shares through CPF Agent Banks/SRS Operators:

   (a) may vote at the Meeting if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, in which case they should approach their CPF Agent Banks/SRS Operation to submit their votes at least 7 working days prior to the date of AGM i.e. by **5.00 p.m. on 17 April 2025**.

9. The instrument appointing a proxy(ies) must be signed by the member or his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy(ies) is signed on behalf of the member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

NOTICE OF ANNUAL GENERAL MEETING

10. The Proxy Form must be submitted through any one of the following means:

    (a) if sent personally or by post a physical copy to the registered office of the Company at 30A Kallang Place, #04-01, Singapore 339213; or

    (b) by sending a scanned PDF copy by email to agm@tiongseng.com.sg,

    in either case, not less than 48 hours before the time appointed for holding the Meeting i.e. by 2.00 p.m. on 28 April 2025, and failing which, the Proxy Form will not be treated as valid.

11. A depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

12. The Company shall be entitled to, and will, treat any valid Proxy Form which was delivered by a member to the Company **before 2.00 p.m. on 28 April 2025** as a valid instrument as the member's proxy to attend, speak and vote at the Meeting if (a) the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each resolution; and (b) the member has not withdrawn the appointment by 2.00 p.m. on 28 April 2025.

13. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the Meeting if he/she so wishes. The appointment of the proxy(ies) for the Meeting will be deemed to be revoked if the member attends the Meeting in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the Meeting.

14. Members may raise questions at the AGM or submit questions related to the resolutions to be tabled for approval at the AGM. For members who would like to submit questions in advance of the AGM, all questions, together with the members' full names, identification numbers, contact numbers and email addresses and manner in which they hold shares in the Company ("Shares"), must be submitted to the Company no later than 2.00 p.m. on 22 April 2025 in the following manner:–

    (a) by posting a physical copy to the registered office of the Company at 30A Kallang Place, #04-01, Singapore 339213; or

    (b) by sending an email to the Company at agm@tiongseng.com.sg

15. (a) Please note that the Company will publish its response to the substantial and relevant questions submitted by members prior to the abovementioned deadline by 25 April 2025, which is at least 48 hours prior to the closing date and time for the lodgement of the proxy forms ("**Responses to Q&A**").

    (b) The Company will endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) subsequent substantial and relevant questions which are received after its Responses to Q&A at the Meeting itself. Where substantially similar questions are received, we will consolidate such questions and consequently not all questions may be individually addressed.

    (c) The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNET, and the minutes will include the responses to the questions which are addressed during the AGM, if any.

Personal data privacy:

By attending the AGM, submitting questions in advance of the AGM and/or submitting an instrument appointing the proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Depositor or a member of the Company (i) consents to the collection, use and disclosure of his personal date, as contained in any communication from or on behalf of the Depositor or member in relation to the AGM (including but not limited to questions sent in advance of the AGM and proxy forms), by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes, questions submitted and the answers thereof for disclosure and publication before, at or after (as the case may be) the AGM and/or on SGXNET and the Company's website (including publication of the names of the Shareholders/proxies/representatives asking questions) and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, including the Code of Corporate Governance 2018, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that all information submitted is true and accurate, and where the Depositor or the member discloses the personal date of the Depositor's or the member's proxy(ies) and/or representative(s) and/or any other party to the Company (or its agents or service providers), the Depositor or the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Depositor or the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Depositor's or the member's breach of warranty.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of Depositor or a member (such as his name) may be recorded by the Company for such purpose.

TIONG SENG HOLDINGS LIMITED
(Incorporated In the Republic of Singapore)
(Co. Reg. No: 200807295Z)

PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT:
1. The Annual General Meeting ("AGM") will be held by physically with no option to attend virtually.
2. For investors who hold shares under the Central Provident Fund Investment Scheme ("CPF investors") and/or the Supplementary Retirement Scheme ("SRS investors"), this report is forwarded to them at the request of their CPF and/or SRS Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF investors and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Company's Notice of Annual General Meeting.

*I/We, ______________________________

NRIC/Passport/Company Registration Number ______________________________

Of ______________________________

being a member/members of **Tiong Seng Holdings Limited** (the "Company"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing *him/her or either or both of the persons referred to above, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "**AGM**" or "**Meeting**") of the Company to be held at 30A Kallang Place, #04-01, Singapore 339213 **on Wednesday, 30 April 2025 at 2.00 p.m.** and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

No.	**Resolutions relating to:**	**For**	**Against**	**Abstain**
1	Directors' Statement and audited financial statements for the year ended 31 December 2024			
2	Re-election of Mr. Pek Zhi Kai as Director			
3	Re-election of Dr. Teo Ho Pin as Director			
4	Re-election of Mr. Ng Kim Beng as Director			
5	Re-election of Mr. Lee Yew Sim as Director			
6	Approval of Directors' fees amounting to S$300,000/- for the year ending 31 December 2025			
7	Re-appointment of KPMG LLP as Auditors			
8	Authority to Issue Shares			
9	Renewal of the Share Buy-Back Mandate			
10	Renewal of the Interested Person Transactions Mandate			
11	Renewal of the Disposal Mandate for the proposed disposal of the Fan Yoong Property, the Tuas Property and the Pontian Land Parcels			

* *If you wish to exercise all your votes, please indicate your vote "For" or "Against" or "Abstain" with a [√] within the boxes provided. Alternatively, if you wish to exercise some and not all of your votes "For" and Against" the resolution and/or to abstain from voting in respect of the resolutions, please indicate the number of votes "For", the number of votes "Against" and/or the number 'Abstain" in the boxes provided for the resolutions.*

* *Delete where inapplicable*

Dated this ______ day of ________________ 2025

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)/
and, Common Seal of Corporate Shareholder

Notes:

1. Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

2. Please insert the total number of Shares you hold. 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 our 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 entered against your name in the Depository Register and registered in your name in the register of members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares in the capital of the Company held by you.

3. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead.

4. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any subsequent named proxy as an alternate to the earlier named.

5. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend 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 appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "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 the 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.

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

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

8. The instrument appointing a proxy(ies) ("**Proxy Form**") must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged at the registered office of the Company at 30A Kallang Place. #04-01, Singapore 339213; or

   (b) if submitted electronically, be submitted via email to agm@tiongseng.com.sg

   in either case, **by not later 28 April 2025, 2.00 p.m., being at least forty-eight (48) hours before the time appointed for holding the AGM**, failing which the Proxy Form shall not be treated as valid.

9. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing or where it is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the proxy/proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof shall be lodged with the instrument, failing which the instrument may be treated as invalid.

10. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.

11. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the 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 relevant instrument appointing a proxy(ies) to the AGM.

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CORPORATE INFORMATION

REGISTERED OFFICE
30A Kallang Place,
#04-01 to 04-11,
Singapore 339213
Tel: (65) 6356 0822
Fax: (65) 6356 0688
Company Registration Number:
200807295Z
Website: www.tiongseng.com.sg

BOARD OF DIRECTORS

Dr Teo Ho Pin
Non-Executive Chairman and
Independent Director

Mr Pay Sim Tee
CEO and Executive Director

Mr Pek Zhi Kai
Executive Director

Mr Lee Yew Sim
Non-Executive Director

Mr Ng Kim Beng
Independent Director

Mr Ong Seet Joon
Independent Director

COMPANY SECRETARIES
Ms Low Mei Mei, Maureen and
Ms Ha Mui Ling

AUDIT COMMITTEE
Mr Ong Seet Joon
Chairman
Mr Lee Yew Sim
Dr Teo Ho Pin
Mr Ng Kim Beng

NOMINATING COMMITTEE
Mr Ng Kim Beng
Chairman
Mr Pay Sim Tee
Mr Ong Seet Joon

REMUNERATION COMMITTEE
Mr Ong Seet Joon
Chairman
Mr Lee Yew Sim
Mr Ng Kim Beng

SHARE REGISTRAR
Boardroom Corporate & Advisory
Services Pte. Ltd.

1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098623
Tel: (65) 6536 5355
Fax: (65) 6536 1360

PRINCIPAL BANKERS
CIMB Bank
DBS Bank Ltd
Malayan Banking Berhad
Oversea-Chinese Banking
Corporation Limited
The Hong Kong and Shanghai
Banking Corporation
United Overseas Bank Limited

INDEPENDENT AUDITORS
KPMG LLP
Public Accountants and Chartered
Accountants
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961

Partner-in-charge
Mr Low Gin Cheng, Gerald
Appointed in the financial year
ended 31 December 2023

INVESTOR RELATIONS
Gem Comm Pte. Ltd.
Email: connect@gem-comm.com

TIONGSENG GROUP 长成控股

TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 15 April 2008)
(Company Registration No. 200807295Z)

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