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LEY CHOON

Annual Report **2024**

BUILDING UP THE CORE BUSINESS
DEVELOPING ENHANCED VALUE

CONTENTS

VISION

TO BE A LEADING ONE-STOP REGIONAL SERVICE PROVIDER OF UNDERGROUND INFRASTRUCTURE CONSTRUCTION, ROAD AND AIRFIELD CONSTRUCTION AND MAINTENANCE, ASPHALT PREMIX PRODUCTION AND CONSTRUCTION WASTE RECYCLING.

MISSION

WE AIM TO PROVIDE TIMELY AND RELIABLE INTEGRATED SOLUTIONS WHILE BUILDING A STRONG TEAM OF IN-HOUSE EXPERTISE AND DEVELOPING ADVANCED MACHINERY AND TECHNOLOGY TO BEST SERVE THE INDIVIDUAL NEEDS OF OUR CUSTOMERS.

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd., (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report. The contact person for the Sponsor is Mr Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd. Address: 36, Robinson Road, #10-06 City House, Singapore 068877, Email : sponsor@rhtgoc.com.

CORPORATE PROFILE

Ley Choon Group Holdings Limited ("**Ley Choon**" or the "**Group**") is an established one-stop underground utilities infrastructure construction, road and airfield works service provider. Since our inception as Ley Choon Constructions and Engineering Pte Ltd in 1990, we have grown our spectrum of services to encompass:

(1) Underground utilities infrastructure construction and maintenance services, which include water pipes, NEWater pipes, high-pressure gas pipes, high-voltage power cables, fibre optic cables and sewer pipeline rehabilitation;

(2) Road and airfield pavement construction and maintenance services, which include the supplying and laying of graded stones, cement treated base and milling and laying of asphalt premix; and

(3) Construction materials supply services, which include production of asphalt premix and recycled aggregates from construction and demolition wastes.

As a one-stop underground utilities infrastructure construction service provider, our core strengths reside with our technical expertise in underground utilities infrastructure and the in-house supply of construction materials such as asphalt premix and recycled aggregates.

Ley Choon is one of the few asphalt plant operators in Singapore. Our 400 tonnes per hour asphalt plant is one of the largest in terms of production capacity in Singapore. The built-in recycling feature and the offering of various asphalt premix formulations to meet customer requirements provide us with a competitive advantage.

Our customers include Singapore government agencies such as Public Utilities Board ("**PUB**") and Land Transport Authority ("**LTA**"), as well as reputable companies such as Changi Airport Group and SP Group.

As a L6-registered contractor (the highest grade) with the Building and Construction Authority ("**BCA**"), Ley Choon is able to tender for Singapore's public sector contracts of unlimited value in the categories of cable/pipe-laying and road reinstatement, essential construction materials and other basic construction materials. The Group is also an A1-registered contractor in the category of civil engineering (CW02).

Leveraging on our expertise, the Group has been expanding overseas. The Group has ventured overseas to undertake civil engineering projects. The Group has had a presence in Sri Lanka since 2014 through the undertaking of a sewer pipeline rehabilitation project funded by Asian Development Bank.

Headquartered in Singapore with headcount of around 1000, we build our capabilities by investing in people, operational optimization and digitalisation of processes in order to be more efficient, productive and competitive. We have invested in digital tools such as an Enterprise Resource Planning system, business intelligence systems and other surveillance systems to integrate our operations and better manage our resources.

As a testament to our technological advantage and service quality, Ley Choon has been accredited with IMS-ISO 9001, BS-OHSAS 18001, ISO 14001 and Green And Gracious Builder Award.

Ley Choon was listed on the Mainboard of Singapore Exchange Securities Trading Limited ("**SGX-ST**") in August 2012 via a reverse takeover of Ultro Technologies Limited and transferred to Catalist on February 2017.

CHAIRMAN'S STATEMENT

IN FY2024, THE GROUP ACHIEVED A COMMENDABLE 4.2% YEAR-ON-YEAR ("YOY") GROWTH IN REVENUE TO S$129.1 MILLION.

TOH CHOO HUAT
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DEAR SHAREHOLDERS AND READERS,

On behalf of the Board of Directors of Ley Choon Group Holdings Limited (the "Company", and together with all its subsidiaries, collectively "the Group"), I am pleased to present to you the Annual Report for the financial year ended 31 March 2024 ("FY2024").

FY2024 proved to be a gratifying year for the Group, marked by notable improvements in financial and operating performance as well as the successful settlement of restructured borrowings ahead of schedule. The journey of debt restructuring began in September 2016 for an initial duration of five years and subsequently, it was extended for another three years until March 2024. The enhanced financial performance can be attributed to the diligent execution of projects, which prioritized productivity gains while maintaining stringent safety standards and exercising prudent cost management practices.

FINANCIAL PERFORMANCE

In FY2024, the Group achieved a commendable 4.2% year-on-year ("yoy") growth in revenue to S$129.1 million. This was paralleled by a significant 28.9% yoy surge in gross profit to S$21.1 million. Moreover, our gross profit margin expanded by 3.1 percentage points to 16.3%, underscoring our enhanced operational efficiency and prudent cost management, as well as the delivery of higher-value projects. This remarkable performance was primarily driven by heightened construction activities, buoyed by contracts secured in the preceding financial year. In tandem with that, our net profit after tax surged by 18.1% to S$10.9 million.

The shareholders' equity as of 31 March 2024 witnessed a notable increase, rising to S$60.2 million from S$49.2 million recorded a year ago. This growth reflects the Group's robust financial performance and strategic management initiatives. Furthermore, we also demonstrated commendable financial discipline by proactively settling Group's restructured borrowings in full prior to the final bullet payment date. This accomplishment was made possible through astute management of internally generated cash flows. As a result of this prudent approach, the Group has successfully concluded its obligations under the Debt Restructuring Agreement. This milestone represents a significant achievement for the Group, affirming its priority of prudent financial management.

For FY2024, we generated an operating cash flow of S$27.4 million compared to S$14.2 million for the preceding financial year and there was a net increase of cash and cash equivalent of S$2.2 million which are attributable to higher operating profits and diligent management of working capital.

BUSINESS OUTLOOK

The outlook of the construction industry, particularly in the infrastructure space remains positive for the year ahead. The Building and Construction Authority ("BCA") projects the total construction demand, i.e. the value of construction contracts to be awarded, to range between S$32 billion and S$38 billion in nominal terms in 2024. The public sector is expected to drive total construction demand, reaching between S$18 billion and S$21 billion, mainly from public housing and infrastructure projects. Some of the major upcoming public sector projects scheduled to be awarded in 2024 include the Housing and Development Board's ("HDB") new Built-To-Order ("BTO") developments, Phase 2 of the Cross Island MRT Line, infrastructure works for the Changi Airport Terminal 5 ("T5") and Tuas Port developments along with other major road enhancement and drainage improvement works.

CHAIRMAN'S STATEMENT

Considering the steady demand for the construction sector projected by BCA for 2024, it is foreseeable that numerous tenders for underground infrastructure projects will emerge throughout the year. In response, our approach necessitates a discerning selection process and strategic bidding, capitalizing on our extensive track record and specialized expertise. Despite the prevalent uncertainties stemming from inflationary pressures, heightened interest rates, escalating material and manpower expenses, and lingering geopolitical tensions, Ley Choon is well-positioned to navigate through these challenges. Hence, we remain resolute in our optimism and committed to the timely execution of our S$258.5 million order book. We will focus on diligently managing operating costs, ensuring healthy cash flow, and proactively mitigating potential business risks.

PROJECT MANAGEMENT AND SAFETY

The timely, budget-conscious, and high-quality completion of projects stems from our expertise and experience in project management. The early adoption of digitalization across the organisation structure is a key contributing factor to our recent improvement. Leveraging available data and technological resources, our Group ensures diligent oversight of project progress and performance. We employ diverse monitoring mechanisms and utilize digital platforms to maximise operational efficiency while upholding safety standards. Our Environment, Health, and Safety ("EHS") function maintains vigilant oversight, continuously monitoring compliance and providing educational initiatives to pre-empt safety concerns within our operations and project teams.

EMBRACING SUSTAINABILITY FOR GROWTH

Over the years, our commitment to the Group's ethos of "Build, Renew, and Recycle" has remained unwavering. Sustainability forms an integral part of our corporate strategy and is essential for fostering long-term growth. We are progressively incorporating this mindset into every facet of our decision-making. In FY2024, our efforts culminated in a remarkable 91% customer satisfaction score in project management, indicative of our progress across all fronts. Building upon this achievement, the Group is poised to chart a trajectory towards sustained long-term growth.

At Ley Choon, our foremost priority is ensuring the health and safety of both our employees and subcontractors. Anchored by our comprehensive EHS Policy, we rigorously oversee all aspects of project management to uphold these standards. Regular training sessions are conducted to equip our team with the knowledge and tools necessary to mitigate occupational risks and forestall workplace accidents. Additionally, we maintain a vigilant watch over near-miss incidents, swiftly implementing remedial measures as needed. Our robust management reporting systems provide a framework for consistent monitoring and evaluation, ensuring ongoing adherence to our safety protocols.

REWARDING OUR SHAREHOLDERS

With the completion of the debt restructuring in March 2024, we now have greater flexibility in terms of capital management which includes decisions on dividends. As a token of appreciation to our shareholders who have stood by us throughout these challenging years, the Board of Directors has proposed a final tax-exempt dividend of 0.27 Singapore cents per share for FY2024. This represents a dividend yield ratio of approximately 4.6%. Subject to approval by our shareholders at the Annual General Meeting on 30 July 2024, the dividend payment is set to be the first in a decade.

APPRECIATION

On behalf of the Board, I extend heartfelt gratitude to our management team for their exceptional leadership and to our dedicated employees for their unwavering commitment throughout FY2024. We are immensely thankful to our shareholders and stakeholders for their continued support, which has been instrumental in Ley Choon's success over the years. Additionally, I would like to express sincere appreciation to my fellow Board members for their invaluable guidance and counsel to the Group.

As we head into FY2025, let us continue to stand united and take the Group to greater heights!

TOH CHOO HUAT
EXECUTIVE CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

OPERATIONS REVIEW

OPERATIONS REVIEW

REVENUE
from Pipes and Roads segments

S$127.3 million
▲ **4.5%** (FY2023: S$121.8 million)

REVENUE
from the Construction Materials segments

S$1.9 million
▼ **12.7%** (FY2023: S$2.1million)

SEGMENTAL OVERVIEW

PIPES AND ROADS

The revenue from the Pipes and Roads segment increased by 4.5% to S$127.3 million for the year ended March 31, 2024 (“FY2024”), compared to S$121.8 million for the corresponding period ended March 31, 2023 (“FY2023”). This segment accounted for 98.6% of the Group’s total revenue for FY2024. The growth in revenue is primarily attributed to higher construction activities and a favorable project mix in road works and cable laying works. The increase in overall gross profit and gross profit margin, driven mainly by higher revenue, was mainly contributed by road works and cable laying projects. However, despite the overall increase in revenue and gross profit, certain pipe laying and airport projects generated lower revenue in FY2024 compared to FY2023 due to projects nearing completion stages.

The ongoing projects within the Pipes & Roads segment primarily involve road resurfacing, supply and installation of pipelines for underground utilities, pipeline repairs and maintenance, cable laying, and construction/resurfacing of aircraft parking areas, airside fences, and cargo stands. Most of these projects have a contractual duration of approximately 24 to 36 months and include multiple recurring tasks.

The outlook for the public sector construction is expected to be optimistic particularly in underground utilities infrastructure construction works where the Group has a strong track record and expertise. However, the operating environment has been challenging for quite some time due to cost escalations in general. Despite these challenges, the Group will continue to explore various options and initiatives to mitigate the impact and ensure sustainable growth.

CONSTRUCTION MATERIALS

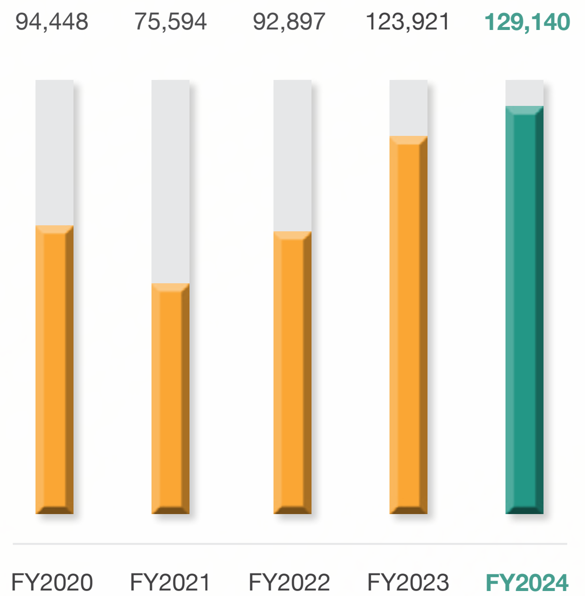
The revenue under this segment is mainly from the sale of asphalt premix to external customers during the year. Revenue contributed by the Constructions Materials segment for FY2024 was marginal, i.e. 1.4% to the overall revenue of the Group. Revenue from this segment decreased by 12.7% to S$1.9 million in FY2024 compared to S$2.1 million in FY2023. The decline in revenue has resulted from voluntary planned slowed down of sale of premix to certain customers in order to reduce the credit risk exposure. The margin from this segment also decreased mainly due to the increase in cost of raw materials which led to the increase of cost of production.

Although market conditions remain challenging, the Group is positive and will continue to strive to keep up with competitive pricing as well as optimum utilization of the plant capacity.

FINANCIAL HIGHLIGHTS

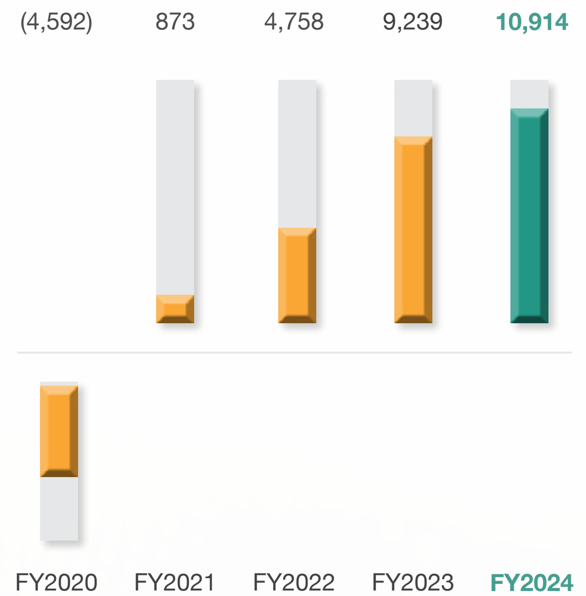
REVENUE
(S$'000)

S$129,140



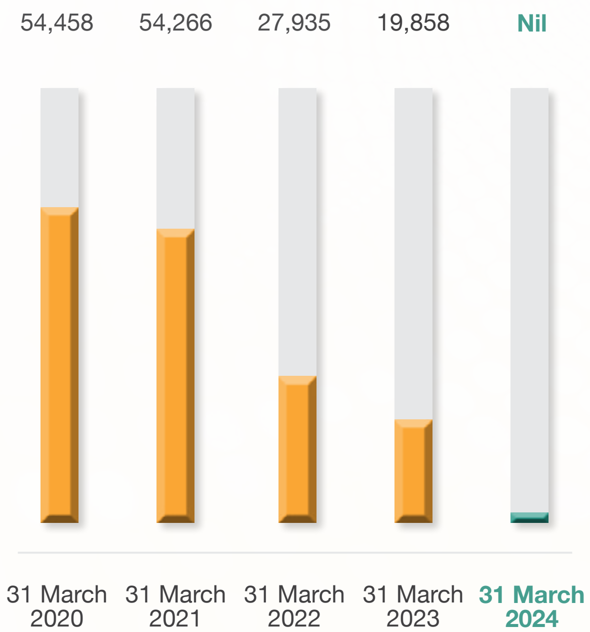
PROFIT/(LOSS) AFTER TAXATION
(S$'000)

S$10,914



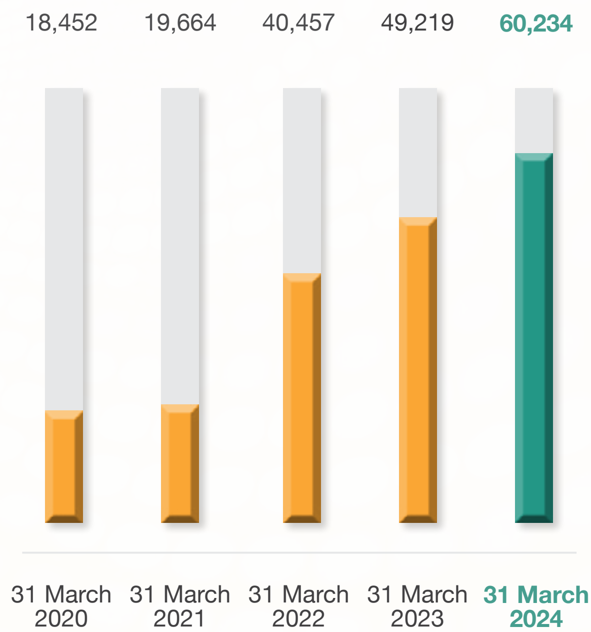
BORROWINGS
(S$'000)

NIL

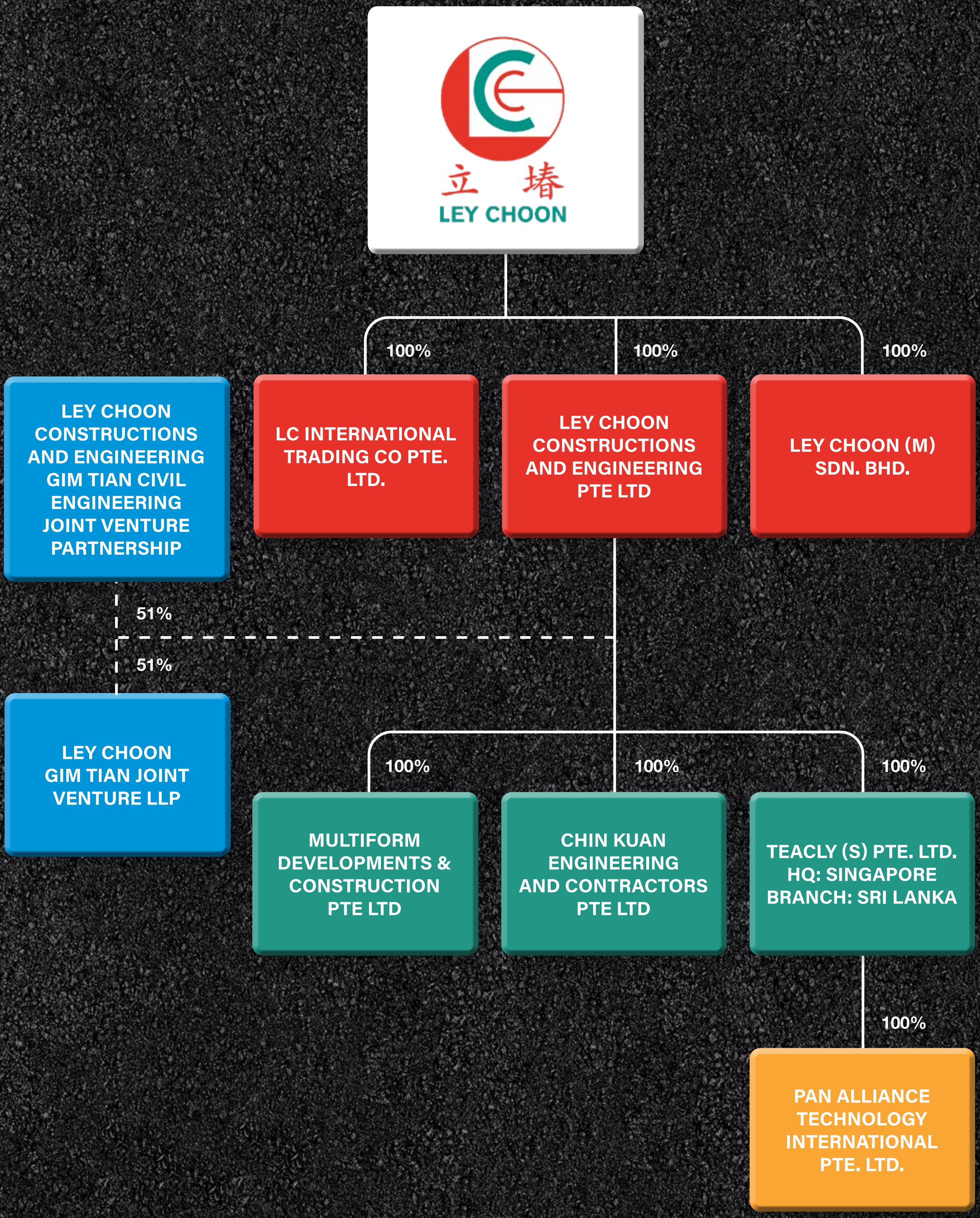


EQUITY
(S$'000)

S$60,234



GROUP STRUCTURE



BOARD OF DIRECTORS

TOH CHOO HUAT
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr Toh Choo Huat is the Executive Chairman and Chief Executive Officer of Ley Choon Group Holdings Limited. As one of the Group's founders, Mr Toh has played a pivotal role in the growth and development of the Group. He is responsible for the overall business development and general management of the Group. He also oversees the overall strategic direction and expansion plans for the growth and development of the Group.

Mr Toh has more than 30 years of experience in the business of underground utilities infrastructure construction and maintenance, sewer pipeline rehabilitation, road and airfield construction and maintenance. Prior to the establishment of Ley Choon, Mr Toh worked as a maintenance technician in Fairchild Semiconductor Pte Ltd. In 1990, Mr Toh and his brothers incorporated Ley Choon Constructions and Engineering Pte Ltd.

Mr Toh holds a Diploma in Electrical & Electronic Engineering from Ngee Ann Technical College (in association with Central Polytechnic London).

PROF. LING CHUNG YEE
LEAD INDEPENDENT DIRECTOR

Professor Ling was appointed as Lead Independent Director on 28 September 2015. He is also the Chairman of the Audit Committee and a Member of the Remuneration Committee and Nominating Committee. Prof. Ling is a Professional Board Director. Concurrently, he is also the Industrial Chair in Finance at VinUniversity, an Academic Program Director at SMU Academy and the CEO & Founder of FollowTrade.

Prof. Ling is a seasoned veteran with more than 20 years in investment banking with JPMorgan, Lehman Brothers, Goldman Sachs and Salomon Smith Barney. His expertise is in digital finance, sustainability investing and Asia real estate, and he had completed some of the highest-profile advisory and capital market transactions in the region. Prof. Ling is also a distinguished board director with more than 16 years of corporate governance experience across Asia. He was honored as the Real Estate Executive of the Year 2016 by Singapore Business Review, and as one of 20 Rising Stars in Real Estate 2008 by Institutional Investor.

Prof. Ling graduated from INSEAD with a Global EMBA and from the National University of Singapore with a BBA (Hons).

BOARD OF DIRECTORS

CHIA SOON HIN WILLIAM
INDEPENDENT DIRECTOR

Mr Chia Soon Hin William was appointed as Independent Director of the Company on 28 September 2015. He is also the Chairman of the Remuneration Committee and a Member of the Audit Committee and Nominating Committee.

Mr Chia, besides serving as Independent Board Director of another listed company, provides training for financial institutions and business advisory to corporations through his company, Xie Capital Pte Ltd and has more than 35 years of retail and commercial banking experience with Overseas Union Bank, Standard Chartered Finance, DBS Bank, Malayan Banking Berhad and United Overseas Bank. Prior to his retirement from United Overseas Bank in October 2014, he was Executive Director with the bank's Group Commercial Banking.

Mr Chia is a Chartered Secretary and Associate of the Governance Institute of Australia, Fellow with the Chartered Institute of Marketing (UK) and Associate with the Chartered Institute of Bankers UK. He was conferred IBF Fellow by the Institute of Banking and Finance Singapore in November 2014. On 17 January 2024, he was recognized as a Senior Accredited Director by the Singapore Institute of Directors.

CHUA HOCK THAK
INDEPENDENT DIRECTOR

Mr Chua Hock Thak was appointed as Independent Director of the Company on 29 March 2018. He is also the Chairman of the Nominating Committee and a Member of the Audit Committee and Remuneration Committee.

Mr Chua has some 40 years of experience in the development of water infrastructure projects. He was with PUB, Singapore's National Water Agency, for 34 years holding various positions and was involved in the development of water infrastructures such as water and NEWater treatment works, water transmission and distribution pipelines, raw water and treated water reservoirs and barrage structures for raw water intakes. Prior to that, he was with JKR Kelantan for 2 years and contractors for 4 years, during which he was involved in the development of rural water supply scheme in Kelantan.

TEO HO BENG
NON-EXECUTIVE DIRECTOR

Mr Teo Ho Beng was appointed as Non-Executive Director of the Company on 28 September 2015. He is also a Member of the Audit Committee, Remuneration Committee and Nominating Committee.

Mr Teo is presently the Chief Executive Officer of Hiap Hoe Group. Mr Teo has more than 39 years of experience in the construction and property industries, and over 25 years of experience in the leisure industry.

Mr Teo is responsible for the formulation of corporate strategies and policies for Hiap Hoe Group, and ensures their implementation by senior management at the operations level. Mr Teo also chairs the senior management meetings to monitor Hiap Hoe Group's performance, and oversees management, budgeting and forecasting procedures to ensure there is prudent financial management.

EXECUTIVE OFFICERS

TOH CHEW LEONG
ADVISOR

Mr Toh Chew Leong is the Advisor of Ley Choon and is one of the founders of the Group. Mr Toh oversees the Group's underground utilities infrastructure construction and overseas in the day to day operations of the Group's business. Mr Toh has an extensive experience of more than 30 years in the Group's pipe and cable laying as well as asphalt premix businesses.

TOH SWEE KIM
ADVISOR

Mr Toh Swee Kim is the Advisor of Ley Choon. He oversees all operations for underground utilities infrastructure construction and maintenance business, including deployment of resources, manpower and operations management of the Group.

Mr Toh has extensive experience of more than 30 years in the Group's pipe and cable laying business. In 1990, Mr Toh joined the Group as an operations manager.

TOH CHEW CHAI
ADVISOR

Mr Toh Chew Chai joined Ley Choon since its establishment. As the Group's Advisor, he oversees all operations for underground utilities infrastructure construction, deployment of resources and operations management of the Group.

Mr Toh has extensive experience of more than 30 years in the Group's pipe and cable laying business. In 1990, Mr Toh joined the Group as an operations manager.

R.SRINIVASAN
CHIEF FINANCIAL OFFICER &
DY. CHIEF EXECUTIVE OFFICER

Mr R.Srinivasan has been appointed as Chief Financial Officer in January 2021, responsible for accounting, financial reporting, treasury, management accounting, corporate compliance, taxation and other related matters of the Group. He is also the Deputy Chief Executive Officer of the Group from 1 April 2024, assisting the Chief Executive Officer in the overall management and ensure the smooth operation of the organization.

Mr R.Srinivasan joined the Group in 2012 as Senior Assistant Financial Controller and he was subsequently promoted to Group Financial Controller in 2016. Prior to joining the Group, he was the Group Finance Manager of Ultro Technologies Ltd, which was taken over by Ley Choon Group in 2012 through Reverse Take Over, since 1997. He has more than 25 years of diverse experience in accounting & finance which includes 15 years of experience in managerial and controller roles in financial reporting, corporate affairs & compliance, management accounting and tax planning in electronics components distribution, manufacturing, coal mining and construction industries.

Mr R.Srinivasan graduated with a Bachelor of Commerce degree and is a Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants. He is also a Fellow of the Association of Chartered Certified Accountants, UK.

ZHANG WEI QIANG
CHIEF OPERATING OFFICER

Mr Zhang Wei Qiang joined Ley Choon Group as a Project Manager in 2019 and has since led various departments, including the Small Diameter Pipe Division, Gas Division, Fleet Department, Asphalt Plant, Milling & Patching Department, and the Group's Environment, Health & Safety arm.

In April 2022, Mr Zhang was appointed the General Manager of Sri Lanka when the national economic crisis and recession was at peak.

Prior to joining Ley Choon Group, Mr Zhang worked as a Project Manager for 9 years in a well-established construction firm in Singapore handling construction projects and coal mining operations in Singapore as well as in Asia region.

Mr Zhang's extensive experience in Operations and Support functions enabled him to successfully re-structure the Supply Chain function as well as establish an Asset Management function which includes direct import of pipes & fittings from China under the Ley Choon brand.

Mr Zhang graduated with a Bachelor Degree of Civil Engineering (Outstanding) from China University of Mining and Technology (CUMT,中国矿业大学) in 2010, and obtained an Applied Project Management Master Degree from Adelaide University in 2016.

EXECUTIVE OFFICERS

REANNE TOH TING XUAN
DIRECTOR (HEAD - TENDER, CONTRACTS & SALES)

Ms Reanne Toh is responsible for the overall execution of contracts, driving sales revenue and formulating business/ tender strategies of the Group where she is adept in building connections in the industry as well as managing clientele/ supplier relationships.

Prior to this role, she oversaw the project management function of the Group which ensures projects are delivered on time, within budget and complies to the best safety and health standards.

Before joining the Group, she worked as an Estimator in Melbourne, Australia and has since grown to love the challenges of adeptly developing and understanding market trends and intuitions on top of having to learn industry trade skills, and thereafter competitively bidding for contracts and successfully lands in project execution.

Ms Reanne Toh obtained her Bachelor in Property & Construction from the University of Melbourne in Australia, and is an Associate Member of the Singapore Institute of Arbitrators (ASIArb). She is also a member of the Singapore Institute of Directors (SID).

DR OU ZHIYONG
HEAD (PROJECT MANAGEMENT OFFICE, BIG PIPE & ROAD WORKS)

Dr Ou Zhiyong has been appointed as the Head of Project Management Office, Large Diameter Pipe Division, and Road Works Division in 2024, responsible for tendering of such projects and overseeing all project executions.

Dr Ou joined the Group in 2020 as Senior Project Manager. Prior to joining Ley Choon Group, Dr Ou worked as a consultant in the engineering field for 5 years and then as a manager for a property developer for 3 years.

Dr Ou holds a Bachelor degree and a PhD degree from the National University of Singapore in Civil Engineering.

TOH KAI HOCK
IT DIRECTOR & HEAD OF FLEET DEPARTMENT

Mr Toh Kai Hock joined the Group as IT Manager in 2011. His areas of responsibilities include all informational technology related matters and fleet management of the organisation.

Mr Toh graduated with a Bachelor of Engineering (Electrical Engineering) First Class Honours from National University of Singapore (NUS).

TOH KAI SHENG ADAM
DIRECTOR, OPERATIONS & HR

Mr Toh Kai Sheng Adam joined the Group in 2009 as management executive, and has since worked under various departments within the Group. He oversees Group HR and Administration, and assists the COO in managing the operations of the Group.

Mr Toh graduated from the Nanyang Technological University of Singapore with a Bachelor of Accountancy with First Class Honours and second specialisation in Banking and Finance, and is a Chartered Management Accountant with the Chartered Institute of Management Accountants.

SUSTAINABILITY REPORT

BOARD STATEMENT

INNOVATE FOR SUSTAINABILITY

At Ley Choon Group Holdings Limited ("**Ley Choon**", collectively referred to with its subsidiaries as the "**Group**"), we are unwavering in our dedication to maintaining the highest standards of Environmental, Social, and Governance ("**ESG**") practices. Our journey towards sustainability has instilled in a profound sense of responsibility toward our environment and communities.

We are committed to driving corporate sustainability and have embraced sustainability reporting as a tool for self-reflection and recalibration of our business practices. Our strategy has evolved beyond a purely financial focus, recognising the critical role of non-financial factors in managing a new range of ESG parameters. We firmly believe that our sustained growth and success are closely linked to the sustainable development of the communities where we operate, be they social, business, or national.

As we pursue new growth opportunities, we remain aware of the increasing importance of strengthening the sustainability and resilience of our current operations. We are dedicated to exploring and evaluating business opportunities, including strategic investments, partnerships, and mergers and acquisitions, that can generate value for our shareholders while upholding our commitment to ESG sustainability.

BUSINESS OPPORTUNITIES AND RESILIENCE

As the population grows, the country is entering an upgrading cycle for its underground infrastructure. Our vertical integration with our own asphalt premix plant provides us with greater flexibility in cost management for roadwork projects. Additionally, our digitalisation efforts give us an edge in efficiently deploying assets and manpower, allowing us to handle more projects with a relatively lean team and consistently meeting deadlines. We are confident that we are well-positioned to capitalise on these opportunities.

In line with our commitment to risk management, we engaged independent parties last year to conduct a comprehensive risk assessment and analysis. We are committed on strategies to mitigate the identified risks. We are confident that these measures will enhance our resilience and enable us to effectively manage potential challenges.

FINANCIAL DISCIPLINE

We also demonstrated commendable financial discipline by proactively settling our restructured borrowings in full before the final bullet payment date. This accomplishment was achieved through astute management of internally generated cash flows. As a result of this prudent approach, the Group has successfully fulfilled its obligations under the Debt Restructuring Agreement (DRA). With the full autonomy over our capital management strategy including our working capital needs and capital budgeting, we can now focus on executing our growth plans and generating higher shareholder value.

EHS EXCELLENCE

During Financial Year 2024 ("**FY2024**"), the Ley Choon Group committed to upholding Environmental, Health and Safety ("**EHS**") excellence. Our comprehensive EHS Monitoring Plan has empowered employees to take ownership of EHS standards in daily operations, and we continue to strive towards the highest standards of EHS management.

As part of our ongoing efforts to enhance our EHS management system and processes, we are committed to reviewing and revising our existing Safety Management System with a keen eye for detail. To ensure the safety of our employees and uphold our productivity values, we have introduced a Competency Skill Test for our site supervisors, alongside quarterly internal and external audits.

Our Safety Enhancement Programme ("**SEP**") has also played a vital role in raising safety awareness. We leverage technology-based analytic tools to analyse the root causes of past incidents and accidents, allowing us to determine preventive solutions and specific training needs for our employees.

We have successfully achieved zero environmental violation incidents for four consecutive years. We remain committed to upholding the highest standards of EHS excellence and will continue to invest in the development of our employees and EHS management system to drive sustainable growth for our organisation.

HUMAN CAPITAL AND INNOVATION

Our workplace comprises both local and migrant employees, and we are dedicated to building a positive working environment, creating a sense of work family for our staff. Throughout FY2024, we organised various activities such as a Company annual dinner, trip to Korea, employee game days, and departmental bonding events.

Ley Choon is committed to driving innovation as a key objective of our human capital development strategy. This commitment is reflected in our ongoing investment in employee training programs to nurture and develop the skills of our workforce.

We remain optimistic that our continued focus on driving innovation and change management will foster greater financial and ESG returns for the Group. By nurturing and developing our human capital and contributing to the greater good, we are confident that we will continue to create value for our stakeholders while upholding our commitment to sustainability.

On behalf of the Board of Directors

TOH CHOO HUAT
Executive Chairman and Chief Executive Officer

SUSTAINABILITY REPORT

KEY PERFORMANCE HIGHLIGHTS

E

ECONOMIC

- Ley Choon Group's FY2024 revenue rose to S$129 million, a 4% increase from FY2023.
- Ley Choon completed Debt Restructuring Agreement ahead of schedule, positioning itself for a new growth phase with full autonomy over capital management.

E

ENVIRONMENT

- Achieved an 8.9% reduction in our carbon footprint compared to the previous year.
- Maintained zero environmental-related cases reported in FY2024.
- Maintained zero significant issues related to biodiversity in FY2024.
- We achieved cost savings of S$3,240,000 by opting for recycled materials for underground works over conventional sources in FY2024.

S

SOCIAL

- Certified under the Singapore Progressive Wage Mark.
- Signed the President's Challenge Enabling Employment Pledge.
- Established a Grievances Policy to ensure a fair and transparent process for addressing concerns and grievances among employees.

G

GOVERNANCE

- Full adherence to Code of Corporate Governance and maintained zero whistleblowing incidents.
- Achieved zero environmental violation incidents for 4 consecutive years.
- Achieved zero complaints concerning breaches of customer privacy or losses of customer data in FY2024.

SUSTAINABILITY REPORT

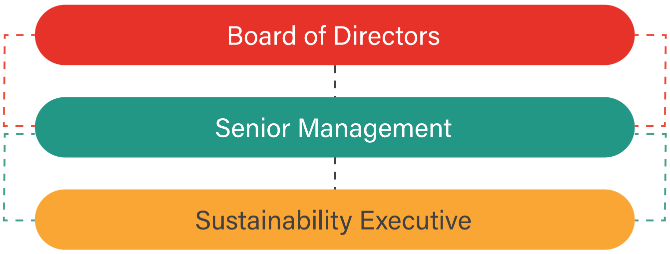
ABOUT THIS REPORT

Reporting Period	The scope of the report covers data and information on material sustainability aspects of Ley Choon from 1 April 2023 to 31 March 2024 unless otherwise specified and discusses the Group's achievements and performance towards ESG issues.
Reporting Standards	This report is prepared with reference to the Global Reporting Initiative ("**GRI**") Standards: Core Option as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. We defined the report content in accordance with GRI Principles including: • *Materiality:* Focusing on issues that impact business growth and are of utmost importance to our stakeholders; • *Stakeholder Inclusiveness:* Responding to stakeholder expectations and interests; • *Sustainability Context*: Presenting performance in the wider context of sustainability; and • *Completeness:* Including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the Group's performance. It also considers the Sustainability Reporting Guide in Practice Note 7.6 of the SGX-ST Listing Manual. In preparing our report, we applied the GRI's principles for defining report content and report quality by considering the Group's activities, impacts and substantive expectations and interests of its stakeholders. We are currently in the process of implementing mandatory climate reporting based on the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"). Please refer to Appendix D for details on the progress of TCFD implementation this year.
Reporting Boundaries	The aspect boundaries 'within' the organisation are limited to Ley Choon and our subsidiaries. The aspect boundaries 'outside' the organisation include customers, employees, governments and regulatory agencies, local community, shareholders and financial community, and suppliers.
Independent Verification	The data and information provided within the report have not been verified by an independent third party. Ley Choon has engaged Crowe Horwath First Trust Advisory Pte Ltd ("**Crowe**"), a reputable professional firm specialising in audit and risk solutions, to assist the Board in its review of the adequacy and effectiveness of the Company's internal control systems in relation to sustainability reporting. The scope of the services is to review the operations related to the development of sustainability report. The findings are presented to the Audit Committee for its deliberation and recommendation to the Board. There are no significant weaknesses reported.
Restatements	We have restated FY2023's reported data on our Scope 2 and total carbon emissions, electricity, and water consumption. This correction was made due to the identification of errors in the previously reported information.
Accessibility	The Group continues to print adequate copies of this annual-cum-sustainability report as part of our environmental conservation efforts. A current electronic edition of the report is available at www.leychoon.com.
Sustainability Contact	We welcome your views and feedback on our sustainability practices and reporting by filling up our feedback form which can be accessed by scanning the QR code on the right.

SUSTAINABILITY APPROACH

SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability is a cornerstone of our corporate strategy, an essential for driving long-term growth. The value we generate for our employees, the environment, and society significantly influences our financial success. To this end, we have established a dedicated sustainability organisational structure as outlined below:



SUSTAINABILITY STRATEGY

At Ley Choon Group, we are dedicated to embedding sustainability into our business practices, driven by our vision and corporate values. We understand the critical importance of integrating sustainability considerations into our decision-making processes, and we aim to do so in a systematic and seamless manner.

Our senior management spearheads our sustainability initiatives, ensuring that our business objectives are in harmony with our commitments to sustainable development. They regularly report our progress to the Board of Directors, maintaining transparency and accountability. To maximise our impact across economic, environmental, and social dimensions, Ley Choon's Board of Directors and senior management have identified key focus areas that are vital to both our stakeholders and the company.

We actively seek feedback from our internal and external stakeholders to better understand their needs and expectations. By fostering mutually beneficial relationships, we strive to deliver value to all our stakeholders while steadfastly upholding our commitment to sustainability.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

We recognise the need to continually evolve our responsible business practices to meet the increasing expectations of our stakeholders regarding our impact on the economy, environment, and society. To this end, we regularly engage with our stakeholders to identify and address the issues most pertinent to them and to Ley Choon.

An overview of our approach and rationale is set out below (with stakeholders listed in alphabetical order), together with the feedback we have received.

STAKEHOLDERS	HOW WE ENGAGE THEM	KEY TOPICS
Customers	• Formal meetings • Informal feedback • Company's website	• Project timelines, requirements and specifications • Work-in-progress and status • Feedback on completed projects
Employees	• Performance appraisals • Team bonding and company events • Internal communication (emails and intranet) • Annual appreciation dinner	• Performance and skills • Health and safety issues and necessary precautions to note • New contract wins • Project timelines and status updates
Governments and regulatory agencies	• Regular updates and communication • Reports and compliance • Periodical meetings / discussion with government bodies	• Regulatory and industry standards and guidelines
Local community	• Community outreach activities (such as community event sponsorships) • Charity events • Sponsor technical seminars	• Partner with local not-for-profit charitable organisations to identify the target beneficiaries
Shareholders and financial community	• Annual General Meeting • SGX Announcements • Annual reports • Company's website • Regular updates and communication	• Financial results • Key developments such as contract wins, corporate action, etc. • Long-term profitability and sustainability • Compliance with all relevant requirements
Suppliers	• Regular meetings • Emails • Periodic evaluations on suppliers' performance	• Feedback on their products and services • Information of their new products or services

MATERIALITY TOPIC ANALYSIS

Based on the insights garnered from our stakeholders' engagement, Ley Choon Group has implemented a materiality analysis to identify challenges and concerns that hold significance for both our stakeholders and our Group.

Our material issues are identified as those that are ranked as high and critical by both internal and external stakeholders on the materiality matrix. Consequently, we focus our sustainability efforts and reporting towards addressing these key issues.

We have identified and compiled 15 pertinent sustainability issues for the development of this report. These issues were further deliberated and narrowed down through our engagement process with stakeholders. Subsequently, senior management reviewed the list and determined the material issues based on the importance to our stakeholders and impact on sustainability across our businesses.

The importance of the material issues is ranked based on our meetings and interviews with our stakeholders.

ECONOMIC

1. Economic contribution to society
2. Wage and local hiring

ENVIRONMENT

3. Energy management
4. Environmental impact assessment and mitigation
5. Water conservation
6. Waste management
7. Climate change and emission

SOCIAL

8. Diversity and equal opportunity
9. Training and staff development
10. Business partners engagement
11. Labour management relations
12. Supply chain and procurement practices

GOVERNANCE

13. Legal compliance and corporate governance
14. Anti-Corruption and Anti-Fraud
15. Health and safety

SUSTAINABILITY REPORT

MATERIALITY TOPIC ANALYSIS SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

To ensure that our sustainability efforts are comprehensive and effective, we have incorporated the core commitments for each of the key areas within our sustainability strategy. Our approach has been guided by the UN SDGs, which have provided a framework for us to align our objectives with broader global sustainability targets.

By integrating these commitments throughout our sustainability program, we aim to build a robust and impactful strategy that addresses the environmental, social, and economic challenges facing our organisation and our stakeholders.

GOALS	HOW WE SUPPORT
3 GOOD HEALTH AND WELL-BEING	The health and well-being of our workforce is top priority. To this end, we have implemented a comprehensive set of policies and procedures and SEP that cover all aspects of workplace safety, from identifying hazards and assessing risks to preventing injuries and responding to emergencies. These policies and procedures are regularly reviewed and updated to ensure that they align with the latest industry standards and best practices. For our commitment, please refer to **Environmental Health & Safety** section.
6 CLEAN WATER AND SANITATION	We recognise the importance of availability and sustainable management of water and sanitation for all. The Group has implemented several initiatives such as installation of water-efficient fittings, raising awareness among our employees about water scarcity, and actively utilising NEWater, a process that recycles treated used water into clean and reclaimed water. Our actions taken on sustainable water management demonstrates our dedication to promoting responsible water use and contributing to the sustainable development of our community and the planet. For our commitment, please refer to **Water Conservation** section.
7 AFFORDABLE AND CLEAN ENERGY	We believe the importance to have access to affordable, reliable, sustainable and modern energy for all. We have implemented energy-efficient practices in our operations and plan to invest in energy-efficient equipment and vehicles to reduce energy consumption and reliance on non-renewable sources in future. Additionally, we have partially switched to solar panels at selected sites to further decrease reliance on non-renewable energy. Our commitment lies in promoting sustainable energy practices and reducing our carbon footprint. For our commitment, please refer to **Energy Efficiency** section.
8 DECENT WORK AND ECONOMIC GROWTH	We are deeply committed to promoting decent work and economic growth, and this is reflected in our ongoing efforts to make a positive impact on the communities and economies in which we operate. Our approach includes fostering fair employment practices, investing in the development of our employees, and engaging with local stakeholders to support and facilitate local economic development. For our commitment, please refer to **Progressive Wage Mark, President's Challenge Enabling Employment Pledge, Employee Engagement and Wellbeing and Supply Chain Management** sections.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Ensuring the privacy and protection of our customers' personal information is paramount to our operations. We have instituted a robust Customer Privacy and Data Protection system that adheres to the Personal Data Protection Act ("**PDPA**") and other relevant regulations. Regular audits and updates to our data protection measures guarantee alignment with the latest technological advancements and industry best practices. For further details on our commitment to data privacy, please refer to the **Customer Privacy and Data Protection** section.

GOALS	HOW WE SUPPORT
10 REDUCED INEQUALITIES	We are committed to fostering an inclusive and diverse workplace where all individuals have equal opportunities to thrive. Our open recruitment approach is designed to attract the best talent to join our Group, ensuring that we consider candidates from diverse backgrounds. We actively work towards achieving balanced representation across gender, age, and nationality, recognising that diversity enhances our innovation, and performance. By implementing unbiased hiring practices and promoting an inclusive culture, we strive to reduce inequalities and create a workplace where everyone feels valued and respected. For more details on our commitment, please refer to the **Equal Opportunity, Diversity and Anti-discrimination** section.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Our commitment to environmental stewardship is reflected in our rigorous adherence to environmental laws, regulations, standards, and industry requirements. We have established a comprehensive Environmental Compliance system that ensures our operations conform to all applicable environmental guidelines. This includes regular monitoring, auditing, and reporting of our environmental performance to ensure continuous improvement and accountability. For further details on our environmental compliance efforts, please refer to the **Environmental Compliance** section.
13 CLIMATE ACTION	We recognise the urgent need for climate action and are committed to reducing our greenhouse gas ("**GHG**") emissions through a range of measures, including energy-efficient building design and sustainable operations practices. We regularly assess our GHG emissions and strive to continuously improve our environmental performance. Our efforts to reduce our carbon footprint reflect our commitment to addressing climate change and creating a more sustainable future for our business, our stakeholders, and the planet. For our commitment, please refer to **Climate Change and Greenhouse Gas Emissions Management** section.
15 LIFE ON LAND	Preserving biodiversity and ensuring the long-term sustainability of ecosystems is a core priority for our company. We are committed to allocating the necessary resources to protect and enhance natural habitats. Our efforts focus on minimising the impact of our operations on local flora and fauna and promoting sustainable land use practices. By continuously assessing our environmental footprint, we strive to make a positive contribution to biodiversity conservation. For more information on our efforts to preserve biodiversity, please refer to the **Biodiversity Preservation** section.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	We are committed to upholding the highest standards of integrity and accountability, ensuring that all our activities conform to the relevant legal frameworks. By prioritising legal compliance, we not only protect our organisation but also minimise our impact on the environment and contribute to the well-being of the communities we serve. For more information on our compliance efforts, please refer to the **Legal Compliance and Corporate Governance** section.

We are proud to support a range of UN SDGs through our business operations and community initiatives. From promoting sustainable cities and communities to reducing inequalities and climate action, we are committed to making a positive impact on the environment and society.

SUSTAINABILITY REPORT

SUSTAINABILITY PILLAR

Our commitment to sustainability is grounded in four overarching pillars that define our ESG endeavours. By categorising material topics within these pillars, we ensure a transparent and structured dissemination of information to our stakeholders. Our ESG framework will continue to evolve and expand in the years to come as we progress on our sustainability journey. These pillars encompass our dedication to:

01 ECONOMIC SUSTAINABILITY
Driving long-term financial performance, innovation, and value creation for our stakeholders.

02 ENVIRONMENTAL STEWARDSHIP
Reducing our environmental footprint and promoting sustainable practices across all operations.

03 SOCIAL RESPONSIBILITY
Upholding the highest standards of ethical conduct, transparency, and accountability in all aspects of our business

04 GOVERNANCE EXCELLENCE
Upholding the highest standards of ethical conduct, transparency, and accountability in all aspects of our business

HOW WE MEASURE OUR PERFORMANCE

Our sustainability strategy is embedded into the appropriate parts of our business, with dedicated teams for each focus area, and coordination by our relevant departmental managers. Progress will be tracked in two key ways: measuring performance against metrics, and evaluating how well the programs have advanced, through a series of commitments.

Metrics and targets
We have established key performance indicators for each area outlined in our sustainability materiality matrix. Periodically, we plan to introduce new metrics and update targets to ensure alignment with our strategy.

Commitments
To ensure we have a robust sustainability programme in place, we have included the key commitments for each area above. The progress we have made against each key commitment is indicated using the symbols shown in the table below.

We track and review our sustainability programme with the Board of Directors at least once a year.

Symbols used to indicate progress against commitments

SYMBOL	MEANING
Ⓝ	New commitment this year
○	Not started
◐	In progress
●	Complete
↻	Ongoing commitment: no end date

ECONOMIC

Ley Choon Group drives economic value through sustainable infrastructure solutions in Singapore. Our focus on recycling, digital innovation, and efficient resource management has resulted in significant cost savings and operational improvements. In FY2024, we achieved $129 million in revenue and completed our debt restructuring early, reinforcing our financial strength and commitment to positive societal impact.

EARLY FULFILLMENT OF DEBT RESTRUCTURING AGREEMENT

In FY2024, we successfully completed the final bullet repayment for all outstanding amounts due to our lenders under the Debt Restructuring Agreement ("**DRA**") that we entered in 2016 and amended in 2021. Completing the DRA ahead of schedule is highly advantageous as it eliminates debt servicing costs, enhances cash flow, and improves financial flexibility. This enables us to allocate resources more effectively and, without the burden of debt servicing obligations, provides greater freedom in managing working capital.

As a result, we can respond more swiftly to market opportunities and operational needs, aligning with our growth objectives.

STRATEGIES TO MAINTAIN AND ACCELERATE THE GROWTH TRAJECTORY

In recent years, we have significantly enhanced our operational efficiencies by improving productivity and digitising various functions across the Group. These advancements have enabled us to monitor site progress more effectively and deploy our assets and manpower more efficiently. The post-pandemic recovery in the construction sector has also been a critical factor in our robust growth. With a favourable industry outlook and the continued digitalisation of our internal processes, we are confident in maintaining this growth trajectory in the coming years.

We take pride in being early adopters of digitalisation within our industry, particularly in automating manual processes to enhance project management efficiency. By leveraging customised software systems and applications, we have digitised daily work recording, allowing us to monitor project execution, costs, and billing in real-time. Our commitment to continuous improvement through digital innovation enables us to adapt swiftly to industry changes and client demands. Our integrated digital solutions streamline operations and provide valuable insights through advanced data analytics, fostering informed decision-making and strategic planning.

Additionally, the country is entering a replacement cycle for the underground infrastructure sector, with many older systems due for upgrading to accommodate the larger population. As a key player in the underground utility infrastructure segment, we are well-positioned to secure some of these tenders.

However, with the increase in available projects, we could face challenges in managing our workforce and equipment. Taking on more jobs concurrently requires additional engineers, workers, and equipment. We must balance this growth to avoid overexpansion given the industry's cyclical nature. Therefore, we will adopt a prudent and selective approach in our tender strategy, focusing on higher-value contracts to maximise the utilisation of our resources.

In FY2024, we achieved a revenue of $129 million and declared our first dividend, reflecting our strong financial performance and commitment to delivering value to our shareholders.

SUSTAINABILITY REPORT

SUBSTANTIAL COST SAVING FROM RECYCLED MATERIALS

Our comprehensive underground utilities infrastructure construction and roadworks services are managed in accordance with sustainability principles. We collaborate closely with our business partners to identify and address sustainability opportunities and risks as they arise.

We place significant emphasis on contributing positively to society through our economic activities. Our goal is to efficiently manage public infrastructure, such as underground utilities and roadworks, while demonstrating responsible stewardship of resources.

We have established our own construction waste recycling plant. This facility enables us to recover and recycle construction waste, transforming it into backfilling materials and recycled aggregates for use at work sites and in asphalt premix production. Our recycling plant not only reduces the amount of waste ending up in landfills but also conserves natural resources by repurposing materials that would otherwise be discarded.

Our initiatives have led to a notable improvement in the use of recycled materials in our operations, underscoring our commitment to sustainability and responsible environmental stewardship. By utilising recycled materials for our underground works instead of sourcing new materials, we achieved substantial cost savings of S$3,240,000 in FY2024.

" THROUGH DISCIPLINED AND PRUDENT CAPITAL MANAGEMENT OVER THE PAST YEARS, WE HAVE MANAGED TO FULFILL THE DRA AHEAD OF SCHEDULE. THIS IS A HUGE BOOST FOR THE GROUP AS IT GIVES US FULL AUTONOMY OVER OUR CAPITAL MANAGEMENT STRATEGY INCLUDING OUR WORKING CAPITAL NEEDS AND CAPITAL BUDGETING.

GIVEN OUR PROJECT PIPELINE AND THE OPPORTUNITIES AVAILABLE IN THE MARKET, THIS IS EXTREMELY TIMELY FOR US. WE CAN NOW FOCUS ON EXECUTING OUR GROWTH PLANS AND GENERATING HIGHER SHAREHOLDER VALUE."

MR. TOH CHOO HUAT (卓沭檖 先生), EXECUTIVE CHAIRMAN AND CEO OF LEY CHOON COMMENTED

ENVIRONMENT

The Group acknowledges the pressing global challenge of climate change and embraces our responsibility to address it proactively. Recognising that climate change and its effects, such as erratic weather patterns and high temperatures, will significantly impact our construction business by affecting the speed and efficiency of project completion, we are currently developing comprehensive policies to effectively identify and mitigate these climate-related risks. Our primary goal is to manage these risks sustainably, ensuring the long-term resilience and viability of our business.

Our data-driven approach enables us to pinpoint areas where we can make the most significant impact and implement targeted solutions to reduce our overall carbon footprint. By employing this strategy, we aim to minimise our contribution to climate change efficiently and effectively.

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS MANAGEMENT

We are committed to aligning our disclosures with the recommendations of the TCFD and we plan to include additional TCFD-related information in our Sustainability Report in the next financial year, FY2025. By regularly updating our stakeholders on our progress, we aim to demonstrate our ongoing dedication to addressing climate-related risks and maintaining sustainable business practices.

Our commitment to combating climate change involves actively working to reduce carbon emissions across our daily operations. To manage our environmental impact effectively, we continuously monitor and review our carbon footprint. This includes collecting detailed energy usage data across our operational segments and calculating our total annual GHG emissions.

We measure our emissions according to the Greenhouse Gas Protocol, established by the World Resources Institute and the World Business Council for Sustainable Development. This widely recognised standard ensures consistency and accuracy in measuring corporate GHG emissions. We adopt the “control method”, which accounts for 100% of the emissions from businesses directly under our control.

Our carbon footprint encompasses:

- All fuels used directly by our companies (Scope 1 emissions)
- All purchased electricity used in our properties (Scope 2 emissions)

By taking these measures, we are committed to reducing our environmental impact and contributing to global efforts to combat climate change.

In FY2024, we recorded a decrease in GHG emissions intensity, reducing it from 81.4 to 74.2 tonnes of carbon dioxide equivalent per thousand dollars (tCO_2e/$’000). Our total GHG emissions for the year reached 9,576.1 tCO_2e. This reduction is largely attributed to our continued efforts to implement sustainable practices and improve resource utilisation. The predominant source of these emissions remains the diesel used in transportation, including moving our workforce to various sites and delivering essential materials.

SUSTAINABILITY REPORT

Additionally, diesel consumption by various onsite machinery—such as excavators, cranes, generators, and other equipment necessary for project execution—contributes to 97% of our overall carbon emissions. The remaining emissions result from the electricity we purchase for our operations and activities.

As the country enters a replacement cycle for underground infrastructure and demand for new buildings and supporting infrastructure like water pipes, cabling, and roads increases, we anticipate continued high levels of activity. Despite this, we have successfully managed to reduce our emissions through several strategic initiatives. Our consistent provision of employee training on sustainable practices and meticulous project planning have played key roles in this achievement.

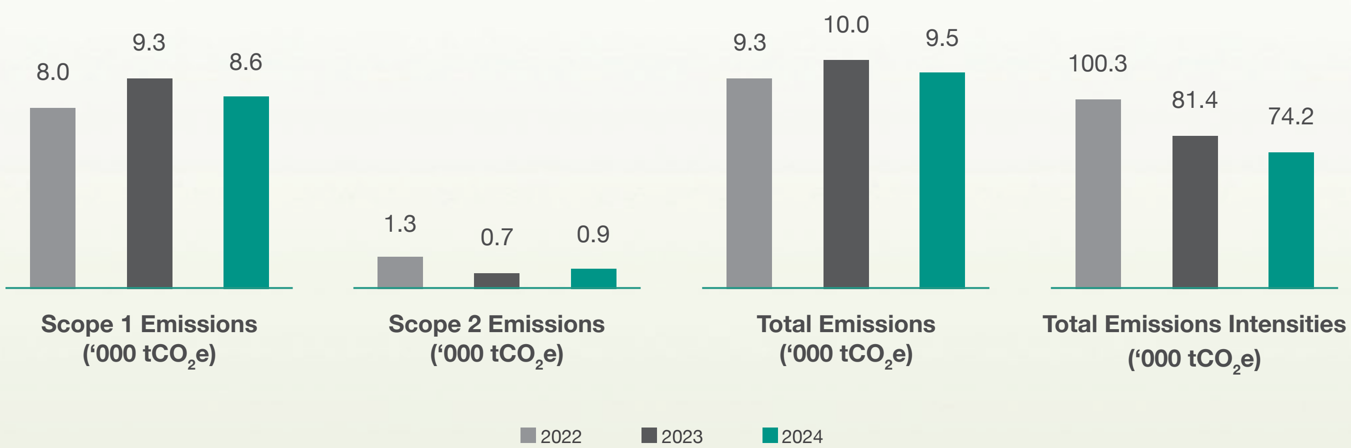
Our reduction in emissions can be attributed to a range of factors, including regular meetings with project managers and responsible individuals to monitor and improve resource utilisation, and implementing regular maintenance routines to ensure optimal engine condition and maximise diesel usage efficiency.

Another reason for the decrease in carbon emission is also partly due to the emissions being converted based on the latest government conversion factors for greenhouse gas reporting, which are intended for use by the United Kingdom and international organisations to report on the greenhouse gas emissions. According to the 2023 Government Greenhouse Gas Conversion Factors for Company Reporting, published by the Department for Energy Security and Net Zero mentions that the conversion factors for high-emitting UK sources vary over time, reflecting changes in key sources for most companies and are therefore updated annually or periodically.

We remain steadfast in our commitment to sustainability and reducing our environmental footprint. Building on the success of the strategies implemented in FY2023, we have continued these best practices into FY2024, yielding significant progress in reducing our carbon emissions. With a 9% reduction in carbon emissions in FY2024, we have maintained a notable year-on-year decrease, marking three consecutive years of reductions since FY2021. This ongoing reduction demonstrates our dedication to improving our environmental impact and our commitment to a more sustainable future. Through these sustained efforts, we continue to make significant strides in reducing our GHG emissions, reinforcing our role as a responsible and environmentally

We recognise the importance of expanding our carbon footprint assessment to include Scope 3 emissions, which account for indirect emissions throughout our value chain. Currently, we are exploring methodologies and data sources to estimate these emissions accurately. Our team is dedicated to developing a robust Scope 3 emissions reporting framework and aims to include this in our future sustainability reports. This initiative will provide a more holistic view of our environmental impact and further our commitment to sustainability.

Carbon Footprint Emission



ENERGY EFFICIENCY

Fuel consumption (Scope 1) accounts for 94% while electricity consumption (Scope 2) account for 6% of our total energy usage. As an underground utilities infrastructure construction company, our projects necessitate the utilisation of heavy machinery such as excavators, bulldozers, cranes, and drilling equipment. These machines rely heavily on fossil fuels to power their engines and facilitate the essential tasks involved in construction and maintenance activities. Recognising the environmental impact of our energy consumption, we are fully committed to implementing energy-efficient practices to help mitigate our footprint. By investing in such practices, we contribute to environmental preservation and alleviate the financial strain associated with high fuel consumption costs.

In FY2024, our total energy consumption amounted to 38,615.9 megawatt-hours (MWh), corresponding to an intensity of 299.4 per thousand dollars (MWh/$'000) of revenue. Despite our efforts, our total energy consumption intensity increased compared to the previous year. This increase is primarily due to the expanded scale and intensity of our construction projects, particularly influenced by Road Maintenance contracts for Expressways which requires more extensive use of heavy machinery as well as continuous operations in our asphalt plant.

- **Increased Operation and Production at Asphalt Plant**: The significant rise in production activities at our asphalt plant has led to higher electricity and fuel consumption.

- **Enhanced Usage of Road Maintenance Machinery**: There was a substantial increase in the use of road maintenance machinery such as milling machines, pavers, and rollers.

- **Frequent Trips by Tipper Lorries**: The number of trips made by our tipper lorries to transport asphalt and milled road waste across the island has surged.

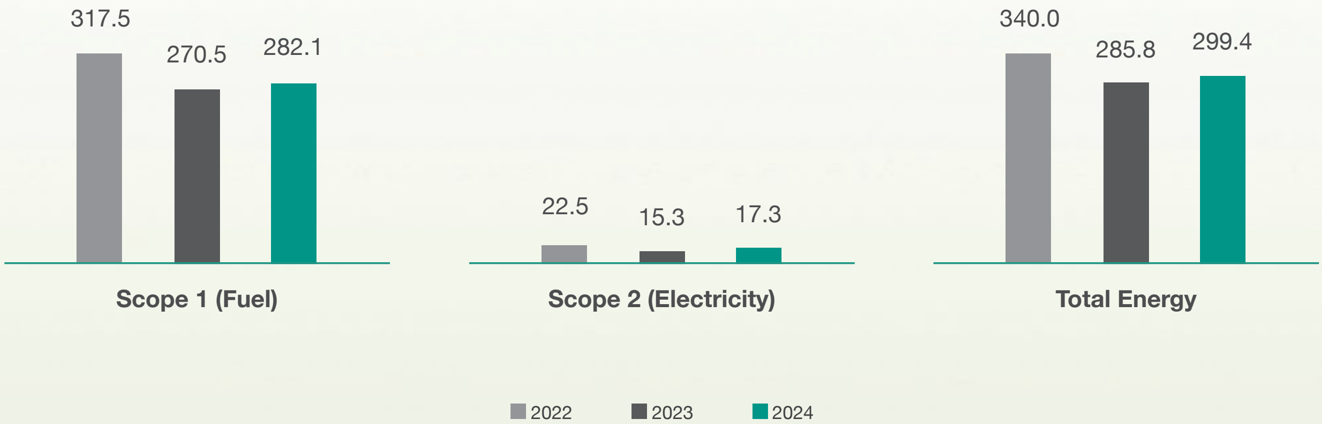
- **Increased Usage and Idling of Tipper Lorries with Truck Mounted Attenuators** ("**TMA**"): Compliance with Land Transport Authority ("**LTA**")'s safety requirements necessitated extended idling and usage of our tipper lorries equipped with TMAs while working on expressways.

Despite an increase in energy consumption, our commitment to energy-efficient practices remains steadfast. We have implemented several initiatives to manage and reduce our energy usage, including:

- Regular Maintenance and Tuning
- Minimising Idling Time
- Fuel Monitoring and Management
- Renewable Energy Integration
- Optimising Operational Practices
- Employee Training Programs

Despite these proactive steps, our overall energy consumption has increased due to the expanded scale and intensity of our construction projects, especially under the Road Maintenance contracts for Expressways. We remain committed to continuously improving our energy management strategies to better manage and reduce our environmental impact.

Energy Consumption Intensity (MWh/$'000)



SUSTAINABILITY REPORT

WATER CONSERVATION

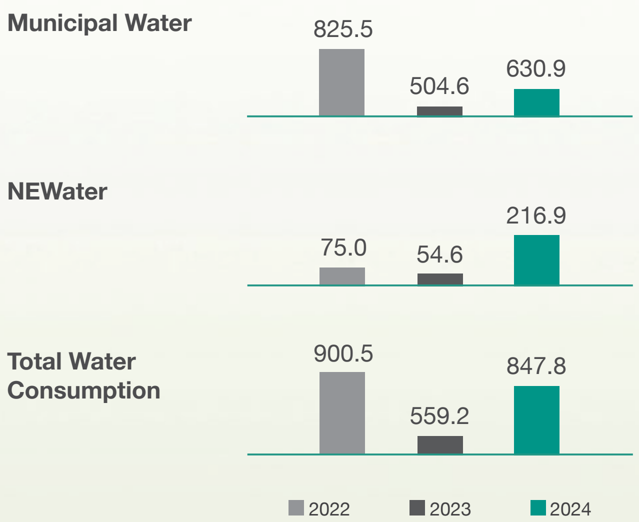
In FY2024, the Group's total water consumption amounted to 109,369.4 cubic meters (m^3), with a water consumption intensity of 847.8 cubic meters per thousand dollars (m^3/$'000) of revenue. Despite the increase in water consumption, this rise is attributed to the expansion in our workforce and the number of projects undertaken. The Group recognises the importance of addressing water scarcity and has implemented various measures to mitigate water usage.

Key measures include installing water-efficient fittings and raising awareness about water conservation among employees, customers, and communities. To further support water sustainability for Singapore and enhance cost-effectiveness, the Group has taken specific steps to increase the use of NEWater:

- **Installed Piping**: We installed piping to supply NEWater to our dormitory urinals and washing machines.
- **Project Site Usage**: Project teams are instructed to use NEWater instead of potable water for site activities, such as washing roads, machinery, and site reinstatement.

Additionally, the increase in the number of migrant workers to support various client and contract requirements has also contributed to the rise in water consumption.

Looking ahead, the Group has set a target to reduce total water consumption by 1% per headcount at the ("**HQ**") building. This commitment underscores our dedication to sustainable water management practices. By meticulously planning projects to optimise resource utilisation and consistently providing employee training on sustainable practices, we remain steadfast in our commitment to monitoring water usage across its properties and raising awareness about water issues among stakeholders, thereby promoting responsible water usage and further reducing our environmental impact.



BIODIVERSITY PRESERVATION

The Group understands the importance of biodiversity and the need to safekeep and protect Singapore's flora and fauna all around us. Therefore, we place a high priority on environmental monitoring and management, as seen in the integration of biodiversity conservation practices within our worksite.

Our biodiversity conservation program encompasses regular assessments of the surrounding vegetation and wildlife conditions at our project worksites. Any identified environmental or wildlife issues are promptly reported and addressed to relevant authorities, demonstrating our commitment to the protection and preservation of local biodiversity.

In FY2024, our diligent monitoring efforts yielded no significant issues related to biodiversity preservation. This success underscores our dedication to sustainable practices and our proactive approach to environmental stewardship. By maintaining a vigilant focus on biodiversity, we uphold our responsibility to safeguard natural habitats and contribute positively to the ecosystems in which we operate.

HAZARDOUS WASTE AND NON-HAZARDOUS WASTE MANAGEMENT

In FY2024, Ley Choon has been effective in waste management and recycling, transforming potential environmental challenges into avenues for cost savings and sustainability. Through the adoption of innovative practices centered on waste reduction, reuse, and recycling, the company has not only achieved financial savings but also notably curtailed the volume of waste requiring disposal via incineration or other methods.

Our asphalt premix plant exemplifies our commitment to proactive waste mitigation and sustainability, utilising up to 70% recycled components. As advocates for recycled aggregates and asphalt, we promote a green environment while complying with regulations from the Building and Construction Authority ("**BCA**"), National Environmental Agency ("**NEA**"), and the building and construction industry. Our state-of-the-art plant incorporates recycled materials in public road construction, approved by the LTA. These materials come from resurfacing projects and various customers, including the LTA, SP Group, and Public Utilities Board ("**PUB**").

By incorporating recycled asphalt into our production process, we effectively manage waste while upholding the stringent quality standards of our asphalt products. This environmentally conscious practice underscores our commitment to sustainability and responsible resource management, ensuring the longevity and durability of the infrastructure projects we contribute to.

To streamline waste recycling management, we have implemented enhanced visibility labels on our recycling containers, clearly delineating the various categories of recycled products. This intuitive system empowers both our staff and customers to efficiently manage their waste recycling endeavours.

Our mission includes:

- Evaluating and implementing waste management systems and processes to minimise wastage.
- Safeguarding water bodies from the adverse effects of contaminated water and waste discharge.

In FY2024, the Group achieved a commendable feat: zero generation of hazardous waste throughout our business operations. This milestone underscores our relentless focus on efficient material utilisation and waste reduction. Furthermore, our initiatives yielded a substantial increase in the usage of recycled materials in Operation Works, reaffirming our commitment to sustainability and responsible environmental stewardship. By opting for recycled materials for underground works over conventional sources, we achieved significant cost savings in FY2024, soaring from S$250,000 to S$3,240,000. This remarkable financial upturn underscores the tangible benefits of our recycling endeavours and unwavering dedication to sustainable practices.

UTILISING MARKET SURPLUS WASTE AND RECYCLING CONCRETE FOR UTILITY WORKS

Since November of the previous year, there has been a notable surplus of waste material stemming from numerous demolition projects across various locales, including Lim Chu Kang, Sungei Kadut, and Defu Lane, alongside ongoing projects throughout the island. Typically, companies incur expenses for waste disposal, yet Ley Choon has strategically leveraged this situation by collaborating with various entities to manage their surplus materials.

With the approval from the BCA, Ley Choon actively recycles concrete waste for integration into our utility projects. This recycled concrete functions as backfill material, effectively supplanting the necessity for granite. Through this initiative, we not only drive down material costs but also assist other companies in efficiently disposing of their surplus waste. In certain instances, we may even receive compensation for this service, contingent upon the location and quality of the waste material.

COLLABORATIVE EFFORTS AND ECONOMIC BENEFITS

Ley Choon's proactive stance in waste management not only advances our sustainability objectives but also yields substantial economic benefits. Through strategic collaborations with other companies to manage their waste products, we not only generate a revenue stream but also diminish our dependence on new raw materials. This concerted effort underscores our unwavering commitment to sustainable practices and optimised resource utilisation.

Our innovative waste management and recycling practices exemplify our ability to transform potential waste disposal challenges into opportunities for both environmental and economic gains. By embracing the principles of reducing, reusing, and recycling waste, Ley Choon establishes its position in responsible construction and utility work practices. Our steadfast dedication to sustainability sets a benchmark for industry peers, reaffirming our leadership in fostering a greener, more sustainable.

Furthermore, in recognising that many ESG issues extend beyond the scope of a single company, Ley Choon actively seeks partnerships with industry associations like The Singapore Contractors Association Limited ("**SCAL**") to collectively address and advance sustainability initiatives within the construction sector.

As an SCAL member, Ley Choon benefits from access to the SCAL council's expertise, networking opportunities, and discounted training sessions. We engage in consultations and networking events, gaining valuable insights and fostering collaborations with industry peers. These interactions enhance our waste management initiatives and strengthen partnerships within the contractor community. Additionally, SCAL membership grants us access to discounted training sessions, facilitating knowledge transfer and skill development for our employees. By leveraging SCAL's resources and expertise, this highlights our commitment to driving economic and environmental benefits through collaborative efforts in waste management and sustainability.

SUSTAINABILITY REPORT

TARGETS & PERFORMANCE

We have charted for ourselves an Environmental, Health and Safety roadmap which we have embarked on since FY2018.

ASPECTS	OBJECTIVE	TARGETS (SHORT TERM)	TARGET (MEDIUM TO LONG)	PROGRESS	FY 2024 PROGRESS AND POLICY
Environment					
Environmental Compliance	• To ensure we conform to environmental laws, regulations, standards and other industry requirements	• Reduce the number of environmental related cases brought by external authorities	• Achieve zero environmental-related cases brought by external authorities		• No environmental-related cases reported in this FY. • We comply with all national and international legal regulations to uphold the highest level of environmental standards at our worksites.
Climate Change and Greenhouse Gas Emission Management	• Minimise the environmental impact by reducing GHG emission	• Reduce carbon footprint intensity by 5% compared to previous year	• Reduce carbon footprint intensity by 10% compared to the baseline year • Achieve carbon neutrality in HQ building		• We have achieved an 8.9% reduction in our carbon footprint compared to the previous years. • We are committed to maintaining our efforts in reducing our carbon footprint by 5% compared to the previous years. • We implement data-driven approach to monitor and review our GHG emission and ensure effective management of the environmental impact.
Energy Efficiency	• Preserve our environment by reducing energy consumption and avoiding pollution	• Reduce the total energy consumption by 1% per headcount in HQ building compared to previous year	• Reduce the total energy consumption by 5% per headcount in HQ building compared to the baseline year • Achieve carbon neutrality in HQ buildin		• In FY2024, we had a 5% increase in energy consumption intensity usage compared to the previous FY due to an increase in projects undertaken this year. • We are committed to increasing our efforts in reducing our total energy consumption by 1% compared to previous years. • We implement energy efficient practices, technology, and equipment to reduce energy consumption within our premises.

ASPECTS	OBJECTIVE	TARGETS (SHORT TERM)	TARGET (MEDIUM TO LONG)	PROGRESS	FY 2024 PROGRESS AND POLICY
Water Conservation	• Preserve our environment by reducing the use of water for our activities	• Reduce the total water consumption by 1% per headcount in HQ building compared to previous year	• Reduce total water consumption by 5% per headcount in HQ building compared to the baseline year		• Our water consumption intensity increased by 51.6% in FY2024 compared to FY2023 due to an increase in projects undertaken and an expanded workforce. • We are committed to maintaining our efforts in reducing our total water consumption per headcount in HQ building by 1% compared to previous years.
Biodiversity Preservation	• Deploy the necessary resources to preserve biodiversity and ensuring the sustainability of ecosystems	• Engage specialists to set up the environmental programme for protected area prior to the commencement of works	• Develop and implement comprehensive environmental management plans for all projects in protected areas • Achieve Singapore Environmental Achievement Award for Systems and Management		• We maintain zero significant issues related to biodiversity in FY2024. • We implement environmentally friendly practices, technology, and equipment to preserve biodiversity.
Waste Management	• Ensure all the contaminated waste are sent for proper disposal by NEA approved General Disposal Facilities	• Employ environmental control office/ specialist for environment control measure implementation	• Standardise environmental control measures across all operations • Achieve comprehensive environmental management across all projects		• Achieved zero generation of hazardous waste throughout our business operations. • We target to treat contaminated waste water before discharging all our projects. • We implement effective waste management measures and technology to ensure we maximise the materials we use and the waste disposal/discharge is responsibly managed. • We implement effective waste management measures and technology to ensure we maximise the materials we use and the waste disposal/discharge is responsibly managed.

SUSTAINABILITY REPORT

SOCIAL

Our unwavering commitment to social responsibility is reflected in our focus on the health, safety, and wellbeing of our employees. We actively foster a diverse and inclusive workplace and strive to make a positive impact on the communities we serve. We ensure a safe working environment, promote work-life balance, support professional development, and uphold fair labour practices.

We are particularly dedicated to building a “second home” for our migrant workers. By creating this supportive environment, we have seen a profound and positive impact. To show our gratitude our employees’ hard work, we organise a variety of bonding activities, including game days, team-building events, and an annual dinner. These initiatives are designed to foster a sense of community and appreciation.

Furthermore, we arranged a trip to Korea for our management personnel, providing them with an opportunity to rest and recuperate. We believe that taking time to rest and rejuvenation is crucial for making the informed decisions and maintaining overall well-being.

Our ongoing efforts in these areas demonstrate our dedication to social responsibility and our commitment to nurturing a supportive and inclusive culture for all employees.

COMPLIANCE WITH LABOUR REGULATIONS

The Group is committed to a holistic Human Resource (“**HR**”) strategy that prioritises fairness, equal opportunities, personal development, employee well-being, and fostering a harmonious work-life balance.

Our HR policies are meticulously crafted to align with Singapore’s employment laws and regulations, including the Employment Act (Cap. 91) and the Employment of Foreign Manpower Act (Cap. 91A), as well as social security schemes like the Central Provident Fund. We hold ourselves fully accountable to uphold these laws in every jurisdiction where we operate, alongside meeting mandatory regulatory and training standards set forth by the BCA and the Ministry of Manpower (“**MOM**”) in Singapore.

We are pleased to announce that in FY2024, we maintained a clean record with zero violations of relevant labour laws and regulations. This achievement underscores our unwavering commitment to ethical employment practices and compliance, ensuring the well-being and rights of our employees are upheld at all times.

PROGRESSIVE WAGE MARK

Since FY2024, we have been certified under the Progressive Wage Mark, demonstrating our commitment to fair wages and equitable treatment for lower-wage workers, enhancing our corporate social responsibility and differentiating our brand as a socially responsible employer. This accreditation not only positions us favourably for public sector contracts but also improves employee morale and retention by promoting workplace well-being and career development opportunities. Additionally, financial support from the Progressive Wage Credit Scheme helps us manage the transition to progressive wage structures effectively, reinforcing our dedication to sustainable and inclusive growth.

By highlighting these achievements, we underscore our proactive approach to social sustainability and ethical business practices, contributing to a fair and equitable economy while enhancing our corporate reputation and competitive advantage in the industry.

PRESIDENT'S CHALLENGE ENABLING EMPLOYMENT PLEDGE

Our company has proudly signed the President's Challenge Enabling Employment Pledge, underscoring our commitment to inclusivity and equal opportunities. This initiative encourages Singaporean employers to integrate persons with disabilities ("**PWDs**") into the workforce. By signing the pledge, we pledge to increase employment opportunities for PWDs within our organisation, provide them with necessary training and support, adopt inclusive HR practices, and advocate for disability inclusion. This aligns with our core values of diversity and social responsibility, positioning us as a leader in promoting inclusive workplaces in Singapore. Through this commitment, we aim to contribute to a more inclusive society where all individuals, regardless of ability, can thrive professionally.

GRIEVANCES POLICY

Our company has established a Grievances Policy to ensure a fair and transparent process for addressing concerns and grievances among employees. This policy provides a structured framework for employees to raise issues related to their employment, working conditions, or interactions within the workplace environment.

Key benefits of our Grievances Policy include:

- **Fair Resolution**: The policy ensures that grievances are addressed promptly and impartially, fostering a respectful and supportive workplace culture.

- **Employee Empowerment**: It empowers employees to voice concerns without fear of reprisal, promoting open communication and trust within the organisation.

- **Compliance and Accountability**: By adhering to this policy, we demonstrate our commitment to legal and ethical standards, ensuring compliance with relevant regulations and promoting accountability at all levels.

- **Continuous Improvement**: The policy allows us to learn from feedback and improve our practices, enhancing employee satisfaction and overall organisational effectiveness.

Our Grievances Policy reflects our dedication to maintaining a positive work environment where every employee feels valued and respected. It supports our sustainability goals by promoting employee well-being, engagement, and retention, which are crucial factors in achieving long-term business success.

EMPLOYEE ENGAGEMENT AND WELLBEING

The Group is dedicated to expressing gratitude and recognising the invaluable contributions of our employees through annual appreciation events. These events highlight the presentation of Long Service Awards (for 5, 10, 15 and 20 years of service) along with monetary payouts to deserving recipients. We place great value on the dedication and commitment of our employees and believe in fostering a positive work environment.

We are proud to announce the awarding of a 15-year Long Service Award to one of our dedicated employees. This milestone not only celebrates the individual's remarkable journey but also validates the effectiveness of our employee management efforts. We remain committed to continually enhancing the support and opportunities we provide to our team.

In FY2024, we organised an Employee Games Day, featuring a variety of activities such as basketball, badminton, baseball, football, and a mini carnival. This event allowed our employees to showcase their talents beyond the workplace, fostering teamwork and leadership skills. The day was filled with the joy of sports and the creation of meaningful memories, further strengthening our community spirit.

To reward the exceptional contributions of our management personnel, we organised a trip to Korea. Recognising the importance of family, we also subsidised half of the expenses of the employees' families. This initiative underscores our commitment to the well-being of our employees and their loved ones, promoting a healthy work-life balance and reinforcing our supportive culture.

These efforts exemplify our dedication to social responsibility, reinforcing our belief in creating a nurturing and inclusive environment for all employees.

SUSTAINABILITY REPORT

Ley Choon's Games Day held on 3rd December 2023.

Our 15 years of long service Employees and we celebrate the Chinese New Year with all the employees.

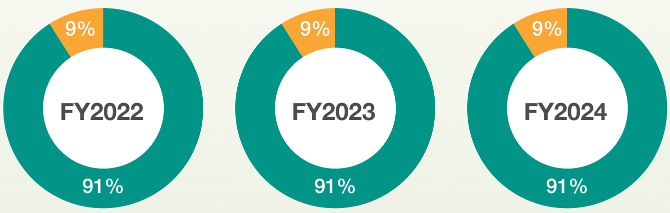
Trip to Korea to experience local culture.

EQUAL OPPORTUNITY, DIVERSITY AND ANTI-DISCRIMINATION

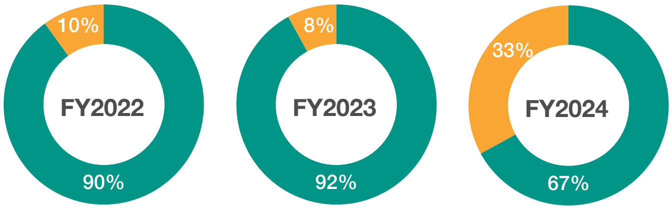
Our Group is deeply committed to leveraging the strength of diversity within our workforce, evident in our equitable representation of employees from diverse nationalities and age brackets. This commitment to diversity serves as a cornerstone of our success, empowering us to effectively serve our key market in Singapore.

While advocating for gender diversity and equal opportunities across all organisational levels, we acknowledge the current imbalance within our workforce. Given the nature of our operations in underground utilities infrastructure construction and roadworks services, a predominant proportion, over 91%, of our employees are male.

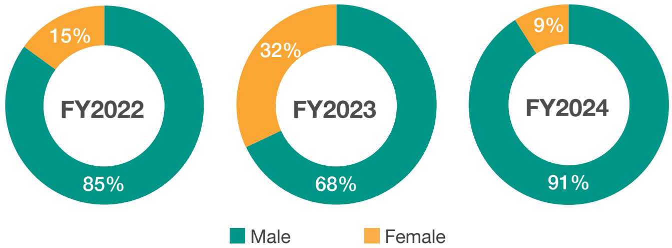
Total Employees by Gender



New Hires by Gender



Employee Turnover by Gender

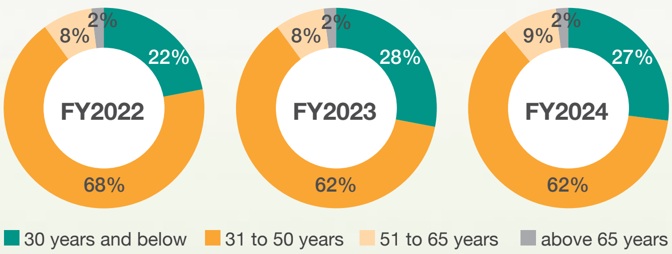


We are unwavering in our commitment to cultivating a diverse and inclusive workplace where every employee, regardless of gender, is afforded equal opportunities for personal and professional advancement. We deeply value the significant contributions made by our female employees across all levels, particularly in pivotal support functions. At Ley Choon, our principles of fairness extend to all aspects of work practices and remuneration, where individual performance, not gender, determines outcomes. Discrimination of any form is unequivocally prohibited within our organisation.

Moreover, we place immense value on age diversity within our workforce. In FY2024, 11% of our employees were aged above 50 years, bringing with them a wealth of experience and expertise that enriches our organisation and elevates the quality of our services.

Below are graphical representations illustrating the Group's steadfast commitment to providing equal opportunities, fostering diversity, and upholding an unwavering anti-discrimination culture within our workplace.

Total Employees by Age Group

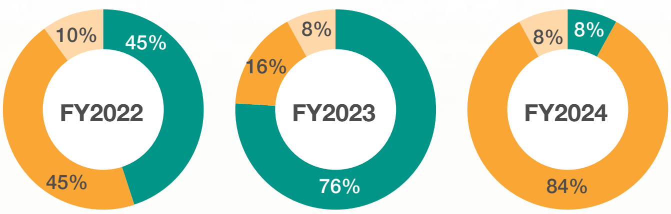


ATTRACTION AND RETENTION

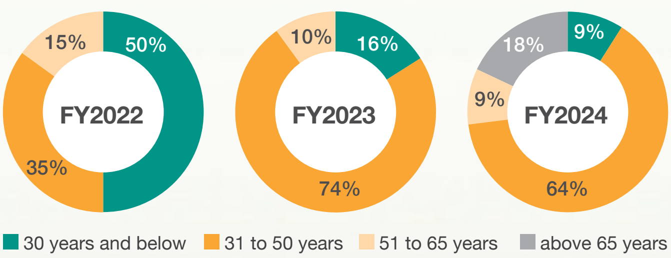
In FY2024, approximately 84% of our new hires were between the ages of 31 and 50. By recruiting an experienced workforce within this age range, we enhanced our capability to handle projects more effectively. Notably, 64% of resignations occurred within this same age range, reflecting a 10% decline compared to the previous year.

To seamlessly integrate new employees from their first day of joining the company, we organise an orientation program which begins with a brief overview of employment contracts, ensuring clarity on the terms and conditions of their employment. This is followed by an office tour, allowing new hires to familiarise themselves with their workspace. They are then introduced to their colleagues, fostering initial connections within the team. A welcome email is sent, providing essential information about our company intranet and website, serving as a one-stop resource for all necessary company details. Additionally, new employees are introduced to our buddy system, where a current employee is assigned to help them acclimate to their new role and environment. In all, we hope that this program will promote retention rates by helping new hires feel welcomed and supported from day one.

New Hires by Age Group



Employee Turnover by Age Group



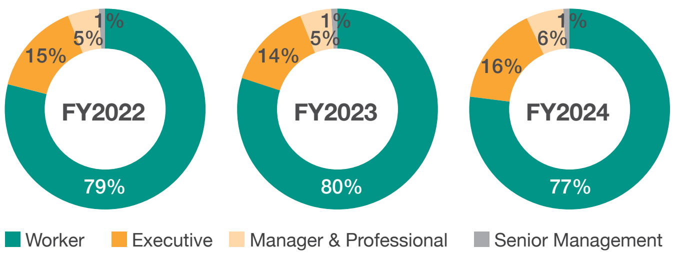
TALENT INVENTORY

Our Group boasts a talented team comprising 996 individuals spanning a diverse array of job positions. Upholding our commitment to providing equitable employment opportunities, we prioritise meritocracy over factors such as age, gender, race, or nationality.

In ensuring effective leadership and fostering business growth across our various business segments, we maintain a well-balanced and inclusive distribution of professionals and management personnel within our workforce, as illustrated in the chart below. This strategic approach enables us to leverage a rich tapestry of skills, knowledge, and experiences, driving our organisation's advancement.

Moreover, female employees occupy 13% of our senior management positions, playing pivotal roles in offering invaluable perspectives and contributing to strategic business planning initiatives.

Total Employee by Job Position



Our Group is privileged to have 6% of our team composed of seasoned professionals who bring invaluable experience and expertise gained from years in the industry. This depth of knowledge strategically positions us to capitalise on emerging market opportunities.

Beyond their direct contributions, our senior staff members play a crucial role in mentoring and guiding our junior staff. We recognise the significance of employee development and are committed to fostering the growth and potential of our team members.

In line with our commitment to age diversity and inclusion, we have adopted the Tripartite Standard on Age-friendly Workplace Practices ("**AFW**") since 2022. The Tripartite Standards are a set of good employment practices endorsed by government, unions, and employers, covering various aspects such as fair recruitment, flexible work arrangements, grievance handling, and age management.

Key practices under the AFW Standard include:

- Age is not a selection criterion in recruitment processes.
- A senior management member champions age-friendly practices.
- Older employees receive training to perform their jobs effectively.
- Implementation of workplace health programmes tailored for older employees.
- Designing jobs and workplaces to be age-friendly.
- Ensuring older employees with satisfactory performance receive annual increments.

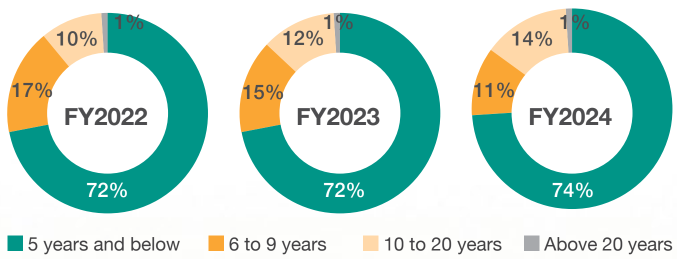
SUSTAINABILITY REPORT

- Engaging employees on re-employment issues well before retirement age and offering re-employment contracts promptly.

Adopting these standards underscores our dedication to creating an inclusive and supportive environment for all employees. It also positions us as a progressive employer, enhancing our ability to attract and retain top talent. As a Tripartite Standards adopter, we proudly use the TS logo in our publicity and recruitment materials, signifying our commitment to exemplary employment practices and reinforcing our status as an employer of choice.

By fostering an age-friendly workplace, we ensure that our seasoned professionals continue to contribute their wealth of experience, thereby supporting our growth and success while motivating all employees to achieve their fullest potential.

Total Employee by Years of Service

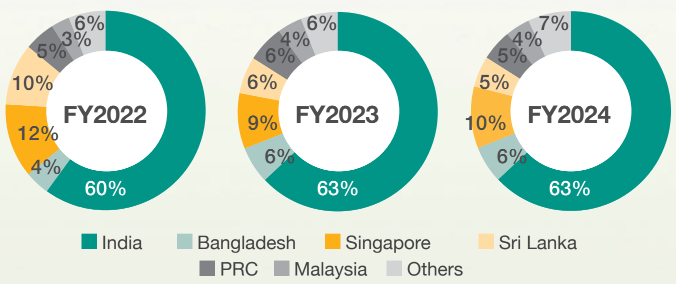


MANPOWER RESOURCE

The Group takes pride in its diverse workforce, represented by individuals from various nationalities, as illustrated in the chart below. Among our employees, the largest contingent comes from Indian nationality.

We deeply value and acknowledge the significant contributions of each individual to our organisation. Their diverse perspectives, experiences, and cultural backgrounds enrich our work environment immeasurably. Embracing this diversity is pivotal to our efforts in cultivating a workplace culture that champions collaboration, innovation, and inclusivity.

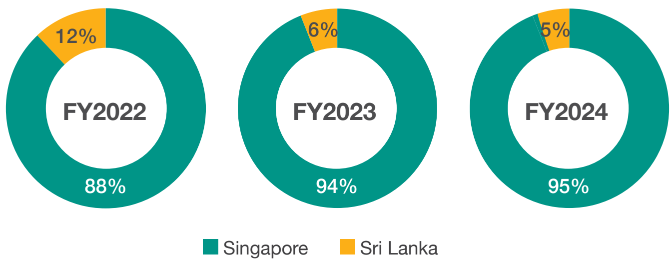
Employees by Geographical Region



The Group prioritises the effective management of manpower resources for site work. We utilise manpower histograms and maintain a look-ahead schedule to meticulously allocate resources. Through diligent monitoring of project workloads and requirements, we guarantee that our workers receive sufficient rest upon completion of their shifts.

Recognising the importance of employee well-being, we are committed to fostering a healthy work-life balance for our workforce. Our employees are distributed across the following locations:

Allocation of Employee by Geographical Region



In FY2024, there is no incident of discrimination and corrective actions taken.

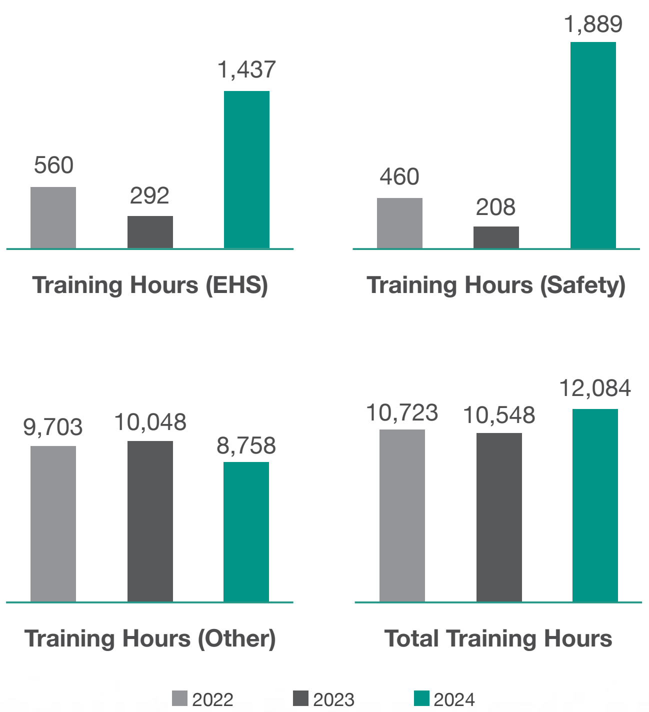
TRAINING & DEVELOPMENT

In FY2024, the Group reaffirmed its commitment to in-house training, emphasising environmental protection, health and safety practices, and personal growth and development for our field staff. We strategically reduced training hours in other areas to prioritise EHS and safety-related courses to further enhance our employees' awareness and proficiency in critical EHS and safety matters.

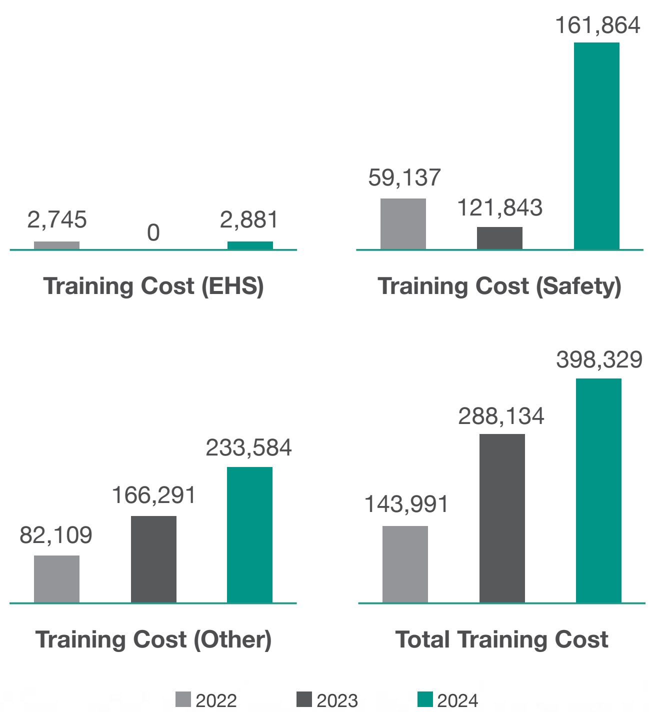
The Group recognises the importance of regular performance reviews in supporting employee professional development, managing skills effectively, and fostering human capital growth. However, in FY2024, the number of employees undergoing performance reviews decreased from 589 to 495. This shift reflects the Company's increased emphasis on ongoing employee development programs, coaching, and mentoring, which are designed to provide continuous support and growth opportunities beyond the scope of formal performance reviews.

These initiatives underscore our dedication to fostering a safe, knowledgeable, and development-focused work environment, ensuring that our employees are well-equipped to contribute to our success and sustainability goals.

Employee Training Hours



Employee Training Cost



Our training program in FY2024 encompasses both external and internal training initiatives. The Group has engaged professional trainers from external sources to deliver specialised training for our employees. As the Group believe that the external trainers bring expertise that may not be available in-house. The external trainer also equipped with the latest knowledge, technologies, and methodologies to provide recommendation on the best practices from the similar industries or companies.

Furthermore, we tailor internal training programs specifically to align with the operations of Ley Choon. Internal training enables us to address the specific challenges and opportunities within our operation, ensuring that the training provided is relevant and impactful. Internal training also facilitates ongoing learning and development by allowing for regular updates and refresher sessions, thereby enhancing employee skills and competencies across various domains.

This dual approach to training underscores our commitment to continuous improvement and employee development, ensuring that our workforce remains adept and well-prepared to tackle current and future challenges effectively.

DIVISIONAL SAFETY PROGRAM WITH TRAINING, QUESTION & ANSWER, AND REWARDS

In FY2024, we continue implement the safety enhancement program across our Group at the divisional level. This initiative represents a pivotal step forward in our commitment to prioritising employee well-being by implementing rigorous safety monitoring and comprehensive training measures. Through this program, we ensure that every employee receives the requisite resources and training necessary to maintain a safe working environment.

To reinforce understanding of safety protocols, we have introduced a question and answer ("**Q&A**") session following each training session. This interactive component empowers employees to address any uncertainties and ensures they possess a thorough understanding of how to effectively implement safety measures.

Furthermore, we have implemented a reward system to acknowledge exemplary performance during training sessions. Employees demonstrating exceptional dedication to safety are recognised with rewards such as gift vouchers, cash incentives, or other tokens of appreciation. This incentivisation approach has significantly heightened safety awareness among our workforce, aligning with the Group's overarching goal of achieving a zero-incident rate in the long term.

DORMITORIES ENVIRONMENT

Our Group is dedicated to ensuring the well-being and comfort of our foreign workers in the Singapore construction industry. Recognising the importance of their non-working hours, we prioritise the quality of their living conditions in our dormitories.

To achieve this, we provide a range of high-quality amenities, including laundry services, gym facilities, a beer garden, and a reliable Wi-Fi network. Additionally, we offer an entertainment centre for recreational activities. These amenities are designed to create a positive environment where workers feel valued and respected.

We remain committed to continuously assessing and improving these living conditions to uphold the rights and welfare of our workers, in full compliance with regulations and guidelines.

BUSINESS PARTNER AND STAKEHOLDER ENGAGEMENT

At the heart of our operations lies a commitment to nurturing robust relationships with our esteemed business partners and stakeholders. We recognise that regular engagement and transparent communication are pivotal in keeping them informed about our latest endeavours and developments.

Our Group proactively initiates dialogue with our business partners and stakeholders on a consistent basis, ensuring that they are always up-to-date with pertinent updates, ongoing projects, and strategic initiatives. Through transparent and open communication channels, we aim to cultivate an environment of collaboration and mutual understanding.

For a comprehensive overview of our stakeholder engagement practices, we invite you to explore the "Stakeholder Engagement" section on Page 18 for detailed insights.

LABOUR-MANAGEMENT RELATIONS

Recognising the paramount importance of informed and engaged employees in fortifying organisational commitment, we prioritise effective communication channels to foster a positive work culture and bolster loyalty within the Group.

To ensure seamless communication, we have implemented a range of strategies aimed at engaging our workforce:

- **Bi-monthly Management Meetings**: These gatherings primarily focus on reviewing the physical and financial progress of ongoing projects, offering insights into our collective achievements and areas for improvement.
- **Chief Executive Officer ("CEO") Dialogue Sessions**: Regular sessions are conducted between our CEO and operational staff to gain a deeper understanding of their day-to-day challenges and identify opportunities for enhancing productivity. This open dialogue facilitates agile adjustments to workflows and business processes.
- **Weekly/Monthly Team Meetings**: Team Managers convene regular meetings to discuss operational reviews and project progress, fostering collaboration and alignment across all levels of the organisation.
- **Quarterly Board Meetings**: Quarterly meetings are held for the Board of Directors to delve into strategic business development initiatives and financial matters, ensuring transparency and alignment with our overarching objectives.
- **Informal Small Group Gatherings**: Management frequently organises informal meetings to provide a platform for employees to voice their concerns and grievances, fostering a culture of openness and trust within the organisation.

By employing these multifaceted communication strategies, we strive to maintain a cohesive and engaged workforce, empowering our employees to contribute meaningfully to our collective success.

SUPPLY CHAIN MANAGEMENT

Our vendor assessment criteria are meticulously crafted to prioritise essential factors crucial for our operational success. These encompass product quality, price competitiveness, certifications and accolades, adherence to delivery schedules, and responsiveness to instructions. Prior to acceptance onto our Approved Vendor List ("**AVL**"), all prospective vendors undergo a rigorous evaluation against these stringent criteria. Similarly, vendors currently engaged in projects are subject to periodic assessments to ensure alignment with our standards and retain their position on the AVL.

To mitigate operational disruptions and uphold a robust supply chain, our AVL encompasses a diverse array of vendors as of 31 March 2024. This strategic approach safeguards against over-reliance on a limited pool of suppliers, affording us the flexibility to engage alternative vendors for competitive pricing and uninterrupted supply continuity. Furthermore, we conduct regular performance evaluations for local suppliers, optimising our partnerships for sustained success.

While not mandatory, we prioritise vendors with environmental certifications such as ISO 14001:2015, reflecting our commitment to sustainability. Conversely, vendors implicated in adverse environmental or social incidents, such as pollution or labour exploitation, undergo thorough review for potential termination of the business relationship.

In FY2024, 95% of our procurement budget was allocated to local suppliers, underpinning our steadfast support for local economic growth and fostering vibrant communities.

HUMAN RESOURCE COLLABORATIVE EFFORTS

As a SCAL member, Ley Choon's HR department has actively contributed to SCAL's initiatives, particularly in the development of the Human Resource Guidebook in this financial year. Our team has participated in numerous brainstorming sessions and volunteered for case studies essential to the project. These efforts were coordinated through SCAL's Human Capital Development Workgroup, under the Manpower and Policy Committee and in collaboration with the Institute for Human Resource Professionals.

Ley Choon Group was featured as case study example for 'Developing a Structured Onboarding Programme' illustrating how we effectively onboard and transition new hires into their roles, via an onboarding programme with classroom learning and on-the-job training, as well as utilising training managers to equip line managers, department heads, and on-site supervisors with the skills to be trainers and mentors for the new hires.

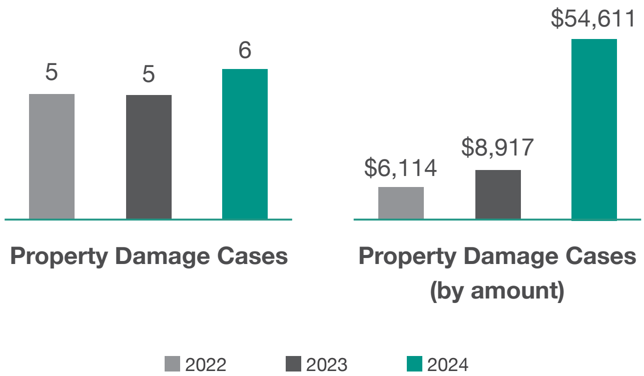
Ley Choon's Onboarding Programme for new hires and training session for managers

The HR Guidebook aims to elevate HR standards and serve as a valuable reference for HR professionals in the construction industry. Its launch at the BUILDSG LEAD Summit 2024 organised by the BCA on 29 April 2024. This initiative not only supports our mission and vision but also provides an opportunity to build a robust network with external stakeholders within the construction industry.

Our involvement in this project underscores our dedication to industry-wide improvement and highlights the collaborative spirit that drives our social sustainability efforts. This significant milestone reflects the collective efforts of our HR and Manpower departments, reinforcing our position as a leader in fostering industry collaboration and elevating HR practices.

PRODUCTS RESPONSIBILITY

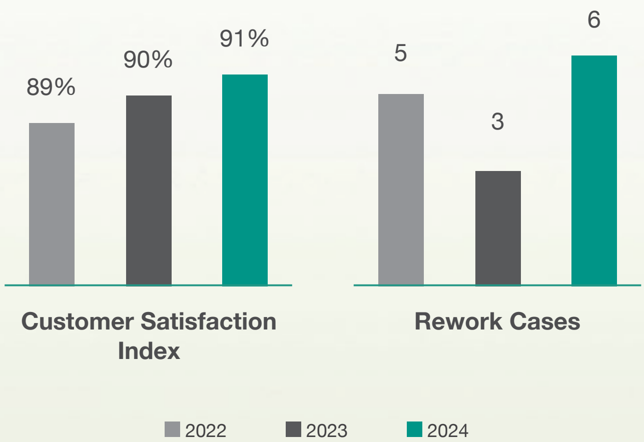
In FY2024, the number of property damage cases has held steady at 6 compared to the previous year. However, there has been a notable increase in repair costs, which have risen to $54,611 from $8,917. Despite this escalation, our commitment to upholding the quality of our work remains unwavering as we strive to curb repair expenses and limit property damage in line with our established targets.



CUSTOMER SATISFACTION INDEX

In FY2024, the Group celebrated a remarkable Customer Satisfaction Index of 91%. The Group wholeheartedly appreciates the insights shared by our customers and remains steadfast in its dedication to continuously enhancing the quality of its work to surpass customer expectations.

Furthermore, in FY2024, the Group maintain the rework cases with 6 rework cases reported. Building on this success, the Group is poised to sustain its momentum in FY2025, aiming for an additional 1 reduction in rework cases compared to the preceding year. Through rigorous quality management practices and a relentless pursuit of excellence, we remain resolute in our quest to deliver unparalleled service and value to our valued clientele.



SUSTAINABILITY REPORT

TARGETS & PERFORMANCE

We strive for excellence to raise our investments and standards for our human capital. We have set a three-year roadmap along 6 key pillars of:

- Employee Engagement and Excellence
- Fair Remuneration
- Diversity and Equal Opportunities
- Training and Development
- Talent Performance Management
- Corporate Social Responsibility

We are systematically reviewing and setting the key performance metrics for our human resource management system in 1 to 5 years' time.

ASPECTS	OBJECTIVE	TARGETS (SHORT TERM)	TARGET (MEDIUM TO LONG)	PROGRESS	FY 2024 PROGRESS AND POLICY
Social					
Employee Wellness	Enhance employee wellness in both physical and mental state of well-being	• Immediate wellness initiatives: Through organised activities for employees to participate in	• Strengthen wellness initiatives: Through wellness programs to promote work-life balance and mental health • Development wellness metrics to measure employees' wellbeing on a regular basis		• We organised several activities and events for the employees to participate in. • We aspire to position Ley Choon as the employer-of-choice for existing and potential employees. • We strive to provide a healthy workplace as healthy employees contribute to the Company's growth and corporate culture such as productivity, energy, engagement, and morale.
Employee Engagement	Foster a highly engaged, cohesive, and motivated workforce	• Launch well-designed employee engagement programs	• Refine engagement programs and conduct regular engagement assessment sessions • Sustain high level of engagement and develop programs targetting other aspects such as leadership		• In FY2024, we organised bonding activities such as Employee Games Day to promote camaraderie and interactions between employees. • We strive to achieve at least 90% employee engagement to enhance the communication and cohesion of the organisation. • We promote greater social interaction among employees via company-wide programmes and both external and internal communications channels.

ASPECTS	OBJECTIVE	TARGETS (SHORT TERM)	TARGET (MEDIUM TO LONG)	PROGRESS	FY 2024 PROGRESS AND POLICY
Employee Loyalty	Foster strong employee loyalty by enhancing morale, motivation, and social cohesion	• Launch employee loyalty strategies and programs	• Enhance loyalty programs with competitive benefits and career development • Sustain and implement more loyalty-enhancing programs		• We continue to give out long-service awards to recognise the contributions made to deserving employees. • We aspire to position Ley Choon as the employer-of-choice for existing and potential employees. • We strive to attain 80% employee loyalty to enhance the employee morale, motivation, and cohesion of the organisation.
Compensation and Benefits	Ensure fair and competitive remuneration and benefits to attract, retain, and motivate top talent, aligning with employees' skills and experience	• Provide fair and competitive remuneration and staff benefits which meets the Company's goals of attracting and retaining good talents	• Improve remuneration packages for staff which corresponds to their work experience and skillset • Sustain compensation and remuneration benefits which aptly reflects changes in the job market, economic conditions and employee needs.		• We are certified under the Singapore government's Progressive Wage Mark program, elucidating our commitment to fair wages for lower-wage workers, which make up a majority of our workforce. • We strive to achieve fair, non-discriminatory, and competitive remuneration packages for staff which commensurate with their work experience and skillset. • We aim to achieve above 80% rating for satisfaction for remuneration and benefits by our employees in the exit interview responses.
Recruitment	Embrace open recruitment approach to attract the best talent to join the Group	• Conduct fair recruitment to employ employees with a good profile and required skillset	• Develop a strong employer branding and referral programs • Sustain programs and regularly review and update recruitment strategies		• We recruited 12 new hires in the past FY across different ages, genders and nationalities. • We embrace an open recruitment policy to uphold the principle of fairness and meritocracy in our recruitment and selection process.

SUSTAINABILITY REPORT

ASPECTS	OBJECTIVE	TARGETS (SHORT TERM)	TARGET (MEDIUM TO LONG)	PROGRESS	FY 2024 PROGRESS AND POLICY
Diversity	Foster a diverse workforce by achieving balanced representation in gender, age, and nationality	• Review and update HR policies and practices	• Implement diversity recruitment initiatives and inclusive policies and practices • Establish mechanisms for continuous monitoring and evaluation of diversity metrics to track progress over time		• In FY2024, 11% of employees were above 50 years old, 27% were below the age of 30, and 9% of our employees were female. This highlights the Group's ongoing commitment towards gender, age, and nationality diversity in the workforce. • We strive to achieve a fair proportion of diversity in terms of gender, age and nationality in our workforce.
Training & Development	Empower employees through comprehensive training programs	• Implement training programmes which will upgrade and enhance the technical skillsets and professional competencies of our employees for them to excel in their current position	• Implement advanced training programs that go beyond basic skill enhancement to develop specialised skills and competencies required for career advancement • Establish leadership development programs		• Total training hours increased by 14.5% in this FY compared to the previous FY, alongside additional programs such as Question and Answer Sessions to reinforce learning and reward systems for exemplary behaviour during trainings. • We are committed to provide a minimum of 8 hours of training to each employee, ensuring their continuous professional development and encouraging skills upgrading for all members of our workforce. • We provide training to our employees to upgrade and enhance their professional competencies and technical skillset to meet the required scope of work.
Employee Performance	Create a culture of high performance and motivation by implementing a fair and effective employee performance strategy	• Develop an employee performance system which will provide a fair evaluation and high motivation system for employees	• Establish a continuous feedback mechanism and recognition reward program • Regularly review and refine the performance management system		• In FY2024, we had 495 employees undergoing performance reviews which is a decrease from 598 in the previous FY, underscoring our emphasis on other ongoing employee development programs. • We adopt a fair employee performance system which provides a fair evaluation system for employees and to motivate high employee performance.

SUSTAINABILITY REPORT

GOVERNANCE

Ley Choon Group upholds the highest standards of corporate governance and legal compliance, adhering to stringent regulations from various authorities. In FY2024, we maintained a spotless compliance record and reported no whistle-blowing incidents, demonstrating our commitment to ethical practices. We also continued to excel in protecting customer data and maintaining investor transparency. Our proactive risk management strategies ensure our resilience and adaptability in a dynamic market, reinforcing our dedication to long-term sustainability and stakeholder value.

LEGAL COMPLIANCE AND CORPORATE GOVERNANCE

We place a strong emphasis on upholding the highest standards of corporate governance and legal compliance. Our decision-making processes strictly adhere to all legal and regulatory requirements, including the Code of Corporate Governance issued by the Monetary Authority of Singapore, as well as guidelines from the BCA, LTA, NEA, and MOM.

In FY2024, we maintained our impeccable record, receiving no correspondence or notifications regarding material non-compliance with regulatory requirements. Additionally, the Audit Committee reported no whistle-blowing incidents throughout the financial year. These outcomes underscore our unwavering commitment to compliance and governance.

We are also proud to report zero incidents of environmental violations since FY2021, highlighting our dedication to sustainable practices. This achievement is the result of our continuous efforts to enhance our sustainability initiatives, which began with our first sustainability report in FY2018.

We remain steadfast in our commitment to maintaining these high standards of compliance and governance, believing they are essential to the long-term success of our business and the well-being of the communities we serve.

ANTI-CORRUPTION AND ANTI-FRAUD

To ensure the highest standards of integrity and accountability, we are committed to implementing robust anti-corruption and anti-fraud measures within its corporate governance framework.

Employees are encouraged to report any improprieties or suspected improprieties related to the Company's activities and operations. The policy ensures that employees can voice concerns without fear of victimisation, discrimination, or disadvantage. It protects and empowers employees to raise serious concerns internally, preventing escalation or external reporting. We are committed to taking swift action on all reported improprieties. All cases will be thoroughly investigated and addressed promptly, with measures implemented to prevent future occurrences. The policy fosters a culture of openness and responsibility, encouraging employees to uphold the Company's reputation and public confidence. Detailed guidelines and a Q&A section are provided to help employees understand and utilise the whistle-blowing policy effectively.

Additionally, we have also established a comprehensive code of conduct that outlines the ethical standards and expectations for all employees. The HR disciplinary framework details the consequences of violating the code of conduct, ensuring employee's accountability and adherence to Company policies. A demerit system is in place to record and address instances of misconduct, ensuring a fair and consistent approach to employee discipline. Regular reviews and updates to the framework ensure it remains effective and relevant to the Company's evolving needs.

CUSTOMER PRIVACY AND DATA PROTECTION

In FY2024, the Group maintained its exemplary record of protecting customer privacy and data security, with no substantiated complaints concerning breaches of customer privacy or losses of customer data. We adhere strictly to the guidelines set by the PDPA to ensure that our clients' personal data is always protected. To achieve this goal, we have made significant investments in our proprietary IT system, which meets the highest standards for IT security. Additionally, we ensure the secure disposal of confidential documents through reputable waste disposal firms.

Our continued success in safeguarding our clients' information reflects our unwavering commitment to data protection and underscores our reputation as a trustworthy and reliable business partner. By prioritising the security of our clients' data, we reinforce the trust placed in us and demonstrate our dedication to maintaining the highest standards of privacy and confidentiality.

ENVIRONMENTAL HEALTH AND SAFETY

At our Group, we understand that prioritising quality, environmental sustainability, employee safety, and health is paramount to meeting the expectations of our customers, business partners, employees, and the wider community.

Underpinning this commitment is our Group policy, "Safety is everybody's responsibility," which serves as a cornerstone in fostering a safe and secure working environment where our employees can thrive. We have seamlessly integrated this policy into our management system, ensuring that we uphold our obligations and responsibilities to our employees, stakeholders, and the public.

In line with our integrated management system policy, we are dedicated to cultivating a workplace culture that places utmost importance on employee well-being, prevents property damage, fosters a pollution-free environment, and minimises noise pollution for the public. To achieve this, we pledge to:

- Embrace the principles of "Reduce, Reuse, and Recycle" to diminish our environmental footprint.
- Proactively prevent environmental pollution, injuries, illnesses, and accidents that could impact our employees, stakeholders, contractors, suppliers, and the wider community.
- Continuously enhance our management systems, processes, and performance to drive ongoing improvement.
- Ensure strict compliance with all relevant legal legislation and other requirements.
- Champion green and gracious approaches to safeguard our environment and demonstrate consideration for the well-being of the public.

Through these proactive measures and steadfast commitments, we endeavour to uphold the highest standards of safety, health, and environmental stewardship across all facets of our operations.

PURSUING EHS EXCELLENCE

We strive to achieve EHS excellence by meeting the stringent requirements of the BCA, the Green and Gracious Builder Award, and the bizSAFE STAR certification annually for the following subsidiaries:

BIZSAFE STAR	BCA GREEN & GRACIOUS AWARDS
• Ley Choon Constructions and Engineering Pte Ltd • Teacly (S) Pte. Ltd. • Chin Kuan Engineering and Contractors Pte Ltd • Multiform Developments & Construction Pte Ltd • Pan Alliance Technology International Pte. Ltd.	• Ley Choon Constructions and Engineering Pte Ltd • Teacly (S) Pte. Ltd. • Chin Kuan Engineering and Contractors Pte Ltd

In addition, we have been awarded the following awards:

AWARDS	CUSTOMER	PROJECT
• Contractor Safety Recognition Award (Construction)	• Public Utilities Board	• Proposed 2200mm Diameter Water Pipeline from MNSR - Package 1
• Safety Recognition Award	• Changi Airport Group	• ZERO Safety infringement for works at Changi Airport in 2018
• Safety Accomplishment Award	• Samsung Engineering & Construction	• T313 Project 2018 for achieving 5.0 million accident-free man-hours

OCCUPATIONAL HEALTH AND SAFETY

Our unwavering commitment to workplace safety and health is exemplified through our comprehensive SEP seamlessly integrated into our EHS management system. The primary objective of this program is to elevate safety standards and drive down the Accident Frequency Rate ("**AFR**") and Accident Severity Rate ("**ASR**") across our organisation.

At Ley Choon, safety isn't just a priority; it's ingrained in our culture. Our Project Management Office ("**PMO**") convenes monthly meetings with key project personnel, including the EHS Manager, facilitating thorough reviews of project status and safety compliance. These sessions, attended by our Chief Executive Officer, ensure swift executive decisions on safety matters, such as additional training and resource allocation, further reinforcing our commitment to safety at the highest levels.

During these meetings, our Corporate Safety Manager presents group-level EHS statistics, meticulously analysed to guide improvement strategies. The insights provided by our Project Management Director focus on enhancing overall safety, occupational health, and personal well-being.

To equip our workforce with essential safety knowledge and skills, we've implemented robust safety programs. From mass Tool Box Meetings to monthly refresher training and comprehensive new worker inductions, every initiative underscores our dedication to fostering a safe and healthy work environment. Covering topics ranging from environmental protection to personal hygiene, these sessions are overseen by our Corporate Safety Manager and conducted by project Work Safety and Health Officers.

Our commitment to EHS extends beyond internal programs. We collaborate with external service providers to offer specialised training, emphasising risk management and preparedness. This includes participation in national anti-terrorism programs and regular workplace fire safety drills, ensuring our workforce is equipped to respond effectively to emergencies.

To instil a sense of ownership and accountability among employees, we've implemented the Environmental, Health and Safety Monitoring Plan. Monthly meetings, chaired by the CEO and PMO, offer a comprehensive overview of EHS status at worksites, facilitating agile decision-making. Real-time updates on critical safety issues are shared via a dedicated EHS WhatsApp group, ensuring swift communication and response.

Continuously striving for excellence, we regularly review and refine our Safety Management System, incorporating advancements such as competency assessments for site supervisors and technology-based analytics for incident analysis. Through these concerted efforts, we maintain a harmonious balance between productivity and safety, ensuring the well-being of our workforce while driving operational excellence.

WORKPLACES' HEALTH AND SAFETY

In FY2024, we regret to report a tragic traffic accident at one of our worksites. In September 2023, while carrying out a project and closing two lanes along the PIE towards the Tuas area, a motorcyclist inadvertently encroached upon our worksite and collided with one of our Traffic Controllers. Despite immediate action by the ground team to call an ambulance, the Traffic Controller was unfortunately pronounced deceased upon its arrival.

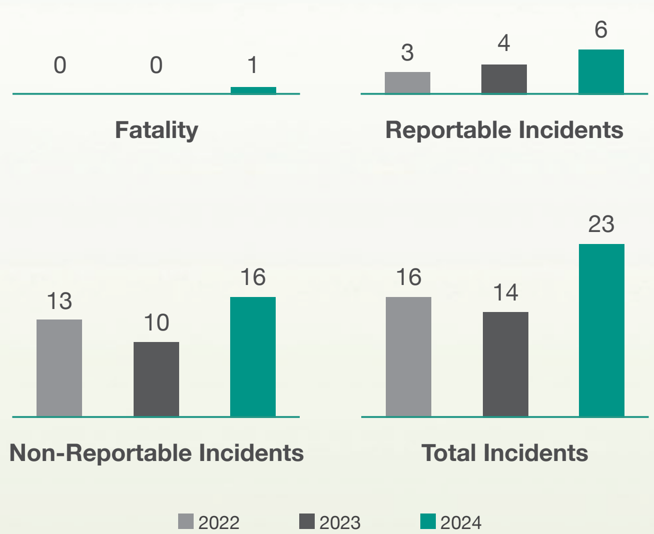
In response to this accident, we have significantly enhanced our training programs related to EHS and workplace safety. These improvements are aimed at preventing such incidents in the future and ensuring the highest safety standards for all our employees and contractors. Our commitment to safety remains paramount as we strive to create a safer working environment for everyone involved.

Looking ahead, safety remains paramount in our operations as we aim to drive incident rates to zero. To achieve this objective, the Group's board and management have implemented a range of strategies and plans:

- **Implementation of the Safety Enhancement Program**: This initiative involves thorough monthly reviews conducted by the Project Management Office to identify areas for improvement and ensure continuous enhancement of safety protocols.

- **Consistent Training Programs**: We have instituted a comprehensive training program covering EHS practices for both existing workers and staff, complemented by regular internal refresher training sessions at worksites.
- **Recruitment and Retention**: We prioritise recruiting and retaining talent who prioritise health and safety across all divisions, ensuring a workforce committed to maintaining a safe working environment.
- **Mass Tool Box Meetings**: These meetings are conducted regularly to communicate and reinforce safe work practices, with incentives provided to workers who demonstrate adherence to these practices.
- **Buddy Care System**: Implemented across all workplaces, this system fosters a culture of mutual care and support among workers, further enhancing safety awareness and responsiveness.
- **Enhanced Dormitory Facilities**: We have upgraded worker dormitory facilities to ensure adequate rest and comfort after work, promoting overall well-being.
- **Management Involvement**: Our management team actively visits worksites to underscore their commitment to EHS and to enhance workers' awareness of safety practices through direct engagement.

Through these concerted efforts, Ley Choon is dedicated to achieving our goal of zero incidents, prioritising the safety and well-being of all our employees while upholding our unwavering commitment to operational excellence.



ENSURING GOOD INVESTOR RELATIONS

In an era characterised by heightened scrutiny and a burgeoning focus on corporate accountability, both on a global scale and within Singapore, the call for transparency and robust corporate governance practices among listed companies has reached unprecedented levels. At Ley Choon, we acknowledge the significance of meeting these heightened expectations and steadfastly pledge to uphold the most stringent standards of transparency and disclosure across all facets of our business operations.

Timely and Reliable Information

We deeply acknowledge the paramount importance of keeping our investors well-informed, and we stand resolute in our commitment to delivering timely and reliable updates regarding our strategic initiatives, financial performance, and other noteworthy developments. In addition to regular financial reporting, investor presentations, and engagement sessions, we ensure that our investors have unfettered access to critical information through the publication of announcements pertaining to our operations.

These crucial updates, including our first half-year financial statements, are readily available in our newsroom on the official Ley Choon website and the SGX announcements page. Through these meticulously curated channels, we endeavour to empower our investors with the indispensable insights they require to make well-informed decisions.

Supporting Informed Investment Decisions

Our commitment to clear and transparent disclosures underscores our dedication to empowering our investors to make informed investment decisions. We firmly believe that well-informed investors are better equipped to comprehend our business dynamics, assess associated risks and opportunities, and align their investment strategies accordingly.

To foster meaningful dialogue with our stakeholders, Ley Choon diligently conducts Annual General Meetings ("**AGMs**") where stakeholders can actively participate in Q&A sessions. This interactive platform enables us to address concerns directly and offer clarity on our strategic direction and operational endeavours.

Transparency and open communication lie at the heart of Ley Choon's sustainability endeavours. By upholding a steadfast commitment to transparency and open dialogue, we endeavour to cultivate trust and confidence among our investors and stakeholders. We remain resolute in our pledge to deliver timely and reliable information, thereby facilitating informed investment decisions and fostering long-term value creation for all our stakeholders.

Risk Assessment and Management

At Ley Choon, we understand the critical role of proactive risk assessment and management in safeguarding the seamless operations and sustainable growth of our business. By proactively identifying and addressing potential risks, we endeavour to mitigate their impact and uphold our resilience in a dynamic business landscape.

Employing a systematic approach, we diligently identify risks that may pose a threat to our operations, encompassing various factors such as market trends, regulatory shifts, and external disruptions. Through continuous monitoring and comprehensive analysis, we assess both internal and external elements that could influence our business continuity and performance.

Remaining vigilant to industry developments and engaging with regulatory authorities, we are committed to proactively adjusting our strategies and operations to align with evolving market conditions. This proactive stance allows us to anticipate potential challenges and opportunities, staying ahead of market trends and governmental regulations.

Furthermore, we prioritise compliance with all pertinent laws and regulations, actively engaging with regulatory bodies to comprehend emerging requirements. By embracing this proactive approach, we can address regulatory changes early on, mitigating their disruptive effects on our business operations.

Enhancing Adaptability

Ley Choon's proactive stance on risk management stands as a cornerstone of our operational resilience, epitomising our unwavering commitment to delivering value to stakeholders. We steadfastly invest in fortifying our organisational agility and flexibility, enabling us to respond adeptly to shifting market dynamics and regulatory environments. This continual enhancement of our adaptability ensures our steadfast resilience amidst uncertainty and primes us to seize emerging opportunities.

Our overarching goal is to safeguard the long-term sustainability and prosperity of our business within an ever-evolving business landscape. By prioritising proactive risk management, we not only mitigate potential threats but also position ourselves strategically to thrive in dynamic market conditions. This steadfast commitment to resilience underscores our dedication to delivering enduring value and fostering sustained success for all stakeholders involved.

SUSTAINABILITY REPORT

TARGETS & PERFORMANCE

ASPECTS	OBJECTIVE	TARGETS (SHORT TERM)	TARGET (MEDIUM TO LONG)	PROGRESS	FY 2024 PROGRESS AND POLICY
Governance					
Legal Compliance	Maintain full compliance with local laws and regulatory requirement and minimise impact on the environment	• Ensure continuous full legal compliance	• Conduct periodic internal assessments and external audits to verify compliance and identify opportunities for improvement		• Achieved full compliance with local regulatory requirements in FY2024. • Achieved zero violations against laws and regulations relevant to environment in FY2024. • We are committed to continuing to comply with laws and local regulatory requirement.
Customer Privacy & Data Protection	Protect customers' personal information as per PDPA	• Maintain zero complaints	• Implement advanced data protection technologies • Conduct regular risk assessments		• Achieved zero complaints concerning breaches of customer privacy or losses of customer data in FY2023. • We are committed to continuing to safeguard our client's information and maintain zero complaints concerning breaches of customer privacy or losses of customer data.
Anti-Corruption and Anti-Fraud	Ensure the highest standards of integrity and accountability of all employees	• Implement training sessions to educate employees	• Conduct regular audits and reviews of the whistle-blowing policy and HR disciplinary framework • Achieve and sustain zero whistle-blowing incidents		• Achieved zero whistle-blowing incidents in FY2024 and in the recent financial years. • We seek to maintain a strong ethical foundation, ensuring the Company operates with the highest standards of integrity and accountability.
Environmental Health Safety	Ensure workplace safety and health	• Achieve a 50% reduction in Accident Frequency Rate and Accident Severity Rate	• Achieve a 100% reduction in Accident Frequency Rate and Accident Severity Rate • Continuously improve EHS management systems and improve safety training sessions		• We collaborate with external service providers for specialised training pertaining to risk management. • We remain dedicated to balance productivity and safety, ensuring workforce well-being and operational excellence.

ASPECTS	OBJECTIVE	TARGETS (SHORT TERM)	TARGET (MEDIUM TO LONG)	PROGRESS	FY 2024 PROGRESS AND POLICY
Good Investor Relations	Supporting informed investment decisions	• Continue to maintain transparent communication	• Expand engagement opportunities • Establish robust channels for ongoing engagement with stakeholders	N	• Conducted an annual general meeting and regularly publish announcements and updates on our website. • We set up regular dialogue sessions with stakeholders and investors such as Annual General Meetings. • We are committed to delivering timely and reliable information regarding our company and our operations.
	Maintain good risk management and adaptability	• Enhance risk identification and monitoring	• Strengthen risk management framework • Maintain a track record for risk management	N	• Regularly keep up with market trends and industry regulations. • We identify risks through continuous monitoring and comprehensive analysis.

SUSTAINABILITY REPORT

APPENDIX A: SUSTAINABILITY SCORECARD

ECONOMIC CONTRIBUTION AND GOVERNANCE

METRICS	UNITS	FY2022	FY2023	FY2024
Revenue	$ ‘mil	93	124	129
Number of whistleblowing incidents	Number	–	–	–
Number of environmental violations	Number	–	–	–
Number of breaches of customer privacy and losses of customer data incident	Number	–	–	–
Number issues concerning biodiversity conservation	Number	–	–	–

ENVIRONMENTAL SUSTAINABILITY

METRICS	UNITS	FY2022	FY2023	FY2024
Carbon emission				
Carbon emission (scope 1)	tCO_2e	8,022.9	9,323.4	8,645.9
Carbon emission (scope 2)	tCO_2e	1,303.3	775.1[1]	930.2
Total carbon emission	tCO_2e	9,326.2	10,098.5[1]	9,576.1
Carbon emission intensity	tCO_2e/ $ ‘000	100.3	81.4[1]	74.2
Energy consumption				
Fuel energy consumption	Litre	2,952,897.0	3,353,853.0	3,456,358.6
Fuel energy consumption	MWh	29,529.0	33,538.5	36,385.1
Fuel energy consumption intensity	MWh/ $ ‘000	317.5	270.5	282.1
Electricity consumption	MWh	2,095.3	1,899.9[1]	2,230.8
Electricity consumption intensity	MWh/ $ ‘000	22.5	15.3[1]	17.3
Energy consumption	MWh	31,624.3	35,438.4[1]	38,615.9
Energy consumption intensity	MWh/ $ ‘000	340.0	285.8[1]	299.4
Water consumption				
Water consumption (municipal)	m^3	76,767.0	62,564.2[1]	81,391.8
Water consumption intensity (municipal)	m^3/ $ ’000	825.5	504.6[1]	630.9
Water consumption (NEWater)	m^3	6,976.0	6,786.9[1]	27,977.6
Water consumption intensity (NEWater)	m^3/ $ ’000	75.0	54.6[1]	216.9
Total water consumption	m^3	83,743.0	69,351.1[1]	109,369.4
Water consumption intensity	m^3/ $ ’000	900.5	559.2[1]	847.8
Waste consumption				
Cost savings from recycled materials in operations	$ ‘000	447	250	3,240

1 Restated

EMPLOYMENT AND LABOUR PRACTICES

METRICS	UNITS	FY2022	FY2023	FY2024
Employment				
Total number of employees	Number	864	941	996
Employee turnover	%	2%	2%	1%
Female representation in senior management	Number	–	1	1
Female representation in senior management	%	–	13%	13%
Current employee by gender				
Male employee	Number (%)	782(91%)	859(91%)	910(91%)
Female employee	Number (%)	82(9%)	82(9%)	86(9%)
Current employees by age group				
30 years and below	Number (%)	194(22%)	264(28%)	268(27%)
31 to 50 years	Number (%)	585(68%)	590(62%)	624(62%)
51 to 65 years	Number (%)	72(8%)	72(8%)	87(9%)
Above 65 years	Number (%)	13(2%)	15(2%)	17(2%)
Current employee by employment level				
Senior Management	Number (%)	8(1%)	8(1%)	8(1%)
Managers and Professionals	Number (%)	48(5%)	49(5%)	59(6%)
Executives	Number (%)	127(15%)	133(14%)	159(16%)
Workers	Number (%)	681(79%)	751(80%)	770(77%)
Current employees by years of service				
5 years and below	Number (%)	622(72%)	680(72%)	737(74%)
6 to 9 years	Number (%)	143(17%)	140(15%)	112(11%)
10 to 20 years	Number (%)	93(10%)	116(12%)	140(14%)
Above 20 years	Number (%)	6(1%)	5(1%)	7(1%)
Current employee by geographical region				
Foreigner – Indian	Number (%)	515(60%)	594(63%)	633(63%)
Foreigner – Bangladeshi	Number (%)	35(4%)	52(6%)	56(6%)
Local – Singaporean	Number (%)	103(12%)	88(9%)	103(10%)
Foreigner – Sri Lankan	Number (%)	89(10%)	52(6%)	47(5%)
Foreigner – PRC	Number (%)	41(5%)	52(6%)	47(5%)
Foreigner – Malaysian	Number (%)	29(3%)	45(4%)	44(4%)
Others	Number (%)	52(6%)	58(6%)	66(7%)
Allocation of employee by geographical region				
Singapore	Number (%)	763(88%)	888(94%)	942(95%)
Sri Lanka	Number (%)	101(12%)	53(6%)	54(5%)
Current employee by employment type				
Full-time	Number (%)	864(100%)	941(100%)	941(100%)
Part-time	Number (%)	–	–	–
Employee turnover by gender				
Male resigned employee	Number (%)	17(85%)	13(68%)	10(91%)
Female resigned employee	Number (%)	3(15%)	6(32%)	1(9%)
Employee turnover by age group				
30 years and below	Number (%)	10(50%)	3(16%)	1(9%)
31 to 50 years	Number (%)	7(35%)	14(74%)	7(64%)
51 to 65 years	Number (%)	3(15%)	2(10%)	1(9%)
Above 65 years	Number (%)	–	–	2(18%)

SUSTAINABILITY REPORT

METRICS	UNITS	FY2022	FY2023	FY2024
Employee turnover by nationality				
Singaporean	Number (%)	2(10%)	4(21%)	3(27%)
Other	Number (%)	18(90%)	15(79%)	8(73%)
New hire by gender				
Male new hire	Number (%)	28(90%)	35(92%)	8(67%)
Female new hire	Number (%)	3(10%)	3(8%)	4(33%)
New hire by age group				
30 years and below	Number (%)	14(45%)	29(76%)	1(8%)
31 to 50 years	Number (%)	14(45%)	6(16%)	10(84%)
51 to 65 years	Number (%)	3(10%)	3(8%)	1(8%)
Above 65 years	Number (%)	–	–	–
New hire by nationality				
Singaporean	Number (%)	4(13%)	7(18%)	3(25%)
Other	Number (%)	27(87%)	31(82%)	9(75%)
Training				
Training hours (Safety)	Hours	460	208	1,889
Training hours (EHS)	Hours	560	292	1,437
Training hours (Others)	Hours	9,703	10,048	8,758
Training hours (Total)	Hours	10,723	10,548	12,084
Average training hours per employee	Hours	12.4	11.2	12.1
Average training hours per male employee	Hours	14.0	12.0	13.3
Average training hours per female employee	Hours	1	1	1
Workplace Safety				
Number of cases related to fatalities	Number	–	–	1
Serious incidents	Number	–	–	–
Workplace injuries (Reportable)	Number	3	4	6
Workplace injuries (Non-Reportable)	Number	13	10	16
Incidents and injuries (Total)	Number	16	14	23

OPERATING PRACTICES

METRICS	UNITS	FY2022	FY2023	FY2024
Supply Chain Management				
Total purchase	$ ’000	41,805	40,326	36,747
Purchase from local suppliers	$ ’000	39,380	33,350	34,909
Purchase from local suppliers	%	94.2%	82.7%	95.0%
Products Responsibility				
Number of customer surveys conducted	Number	4	7	4
Customer satisfactory index	%	89%	90%	91%
Number of rework cases	Number	5	3	6
Number of property damage cases	Number	5	5	6
Amount of property damage cases	$	6,114	8,917	54,611
Anti-Corruption				
Violations against relevant laws and regulations	Number	–	–	–

APPENDIX B: GRI CONTENT INDEX

GRI STANDARDS CONTENT INDEX

The GRI Content Index references the Ley Choon Group Holdings Limited Annual Report 2024 (AR).

DISCLOSURE NUMBER		DISCLOSURE TITLE	PAGE REFERENCE AND REMARKS
GRI 2: General disclosures			
Organisational profile	2-1	Organisational details	• AR: Corporate Profile
	2-2	Entities included in the organisation's sustainability reporting	• AR: Subsidiaries – Note 5 to the Financial Statements
	2-3	Reporting period, frequency and contact point	• SR: Scope of Sustainability Report
	2-4	Restatements of information	• SR: Scope of Sustainability Report
	2-5	External assurance	• No external assurance
Activities and workers	2-6	Activities, value chain and other business relationships	• SR: Social
	2-7	Employees	• SR: Stakeholder Engagement
	2-8	Workers who are not employees	• Not applicable
Governance	2-9	Governance structure and composition	• AR: Report on Corporate Governance
	2-10	Nomination and selection of the highest governance body	• AR: Report on Corporate Governance
	2-11	Chair of the highest governance body	• AR: Report on Corporate Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	• SR: Sustainability Materiality
	2-13	Delegation of responsibility for managing impacts	• SR: Sustainability Materiality
	2-14	Role of the highest governance body in sustainability reporting	• SR: Sustainability Governance Structure
	2-15	Conflicts of interest	• AR: Report on Corporate Governance
	2-16	Communication of critical concerns	• SR: Sustainability Materiality
	2-17	Collective knowledge of the highest governance body	• AR: Report on Corporate Governance
	2-18	Evaluation of the performance of the highest governance body	• AR: Report on Corporate Governance
	2-19	Remuneration policies	• AR: Report on Corporate Governance
	2-20	Process to determine remuneration	• AR: Report on Corporate Governance
	2-21	Annual total compensation ratio	• AR: Report on Corporate Governance

SUSTAINABILITY REPORT

DISCLOSURE NUMBER		DISCLOSURE TITLE	PAGE REFERENCE AND REMARKS
Strategy, policies and practices	2-22	Statement on sustainable development strategy	• SR: Sustainability Materiality
	2-23	Policy commitments	• SR: Sustainability Materiality
	2-24	Embedding policy commitments	• SR: Sustainability Materiality
	2-25	Processes to remediate negative impacts	• SR: Sustainability Materiality
	2-26	Mechanisms for seeking advice and raising concerns	• SR: Sustainability Materiality
	2-27	Compliance with laws and regulations	• SR: Sustainability Materiality
	2-28	Membership associations	• SR: Sustainability Materiality
Stakeholder engagement	2-29	Approach to stakeholder engagement	• SR: Stakeholder Engagement
	2-30	Collective bargaining agreements	• Not applicable
GRI 3: Material topics			
Disclosures on material topics	3-1	Process to determine material topics	• SR: Sustainability Materiality
	3-2	List of material topics	• SR: Sustainability Materiality
	3-3	Management of material topics	• SR: Sustainability Materiality
GRI 200: Economic disclosures (applicable sections only)			
Economic performance	201-1	Direct economic value generated and distributed	• AR: Financial Highlights
Market presence	202-2	Proportion of senior management hired from local community	• Our senior management is 100% hired from the local community
Procurement practices	204-1	Proportion of spending on local suppliers	• Majority of our business expenditure in Singapore is on locally-registered companies
Anti-corruption	205-1	Operations assessed for risks related to corruption	• AR: Report on Corporate Governance • SR: Governance
	205-2	Communication and training about anti-corruption policies and procedures	• AR: Report on Corporate Governance • SR: Governance
	205-3	Confirmed incidents of corruption and actions taken	• There were no incidences of corruption
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	• There were no legal actions for anti-competition
GRI 300: Environment disclosures (applicable sections only)			
Energy	302-1	Energy consumption within the organisation	• SR: Environment
	302-4	Reduction of energy consumption	• SR: Environment
Water	303-1	Water withdrawal by source	• SR: Environment
	303-3	Water recycled and reused	• SR: Environment
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	• SR: Environment
	304-2	Significant impacts of activities, products, and services on biodiversity	• SR: Environment
	304-3	Habitats protected or restored	• SR: Environment

DISCLOSURE NUMBER		DISCLOSURE TITLE	PAGE REFERENCE AND REMARKS
Emissions	305-1	Direct (Scope 1) GHG emissions	• SR: Environment
	305-2	Energy indirect (Scope 2) GHG emissions	• SR: Environment
GRI 400: Social disclosures (applicable sections only)			
Employment	401-1	New employee hires and employee turnover	• SR: Social
	401-3	Parental leave	• SR: Social
Labor / management relations	402-1	Minimum notice periods regarding operational changes	• SR: Social
Occupational health and safety	403-1	Workers representation in formal joint management–worker health and safety committees	• SR: Environment
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	• SR: Environment
Training and education	404-1	Average hours of training per year per employee	• SR: Environment • SR: Social
	404-2	Programs for upgrading employee skills and transition assistance programs	• SR: Environment • SR: Social
	404-3	Percentage of employees receiving regular performance and career development reviews	• SR: Social
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	• SR: Social
	405-2	Ratio of basic salary and remuneration of women to men	• Workers' remuneration are ascertained based on work experience and academic qualifications. Individual work performance and not on any gender consideration
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	• There is no incidents of discrimination
Child labor	408-1	Operations and suppliers at significant risk for incidents of child labor	• Child labour is strictly prohibited
Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	• Forced and compulsory labour is strictly prohibited
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	• SR: Governance

APPENDIX C: METHODOLOGIES AND DATA BOUNDARIES

This section details key definitions, methodologies and data boundaries applied to Ley Choon Group Holdings Limited Sustainability Report, as we endeavor to elevate transparency and facilitate comparability of our data disclosed. These definitions and methodologies are adapted with reference to the GRI Standards Glossary 2021, Reporting Recommendations and Guidance set out in the respective GRI disclosures and various authoritative intergovernmental instruments.

CARBON EMISSIONS

In the scope of this reporting, scope 1 emissions are emission are generated from the consumption of fuels for our operations. The emission factor used for calculating carbon emission is obtained from The International Energy Agency (**IEA**). Carbon emissions are expressed in tonnes of carbon dioxide equivalent (tCO_2e).

The scope of this reporting, scope 2 emissions are emissions that result from the generation of purchased or acquired electricity, by the Group. The Grid Emission Factor (**GEF**) used for calculating carbon emissions is obtained from the NEA. Carbon emissions are expressed in tCO_2e.

CARBON EMISSIONS INTENSITY

This is the ratio of carbon emissions relative to the manhours engaged by the Group. Carbon emissions intensity is expressed in tonnes of carbon dioxide equivalent per thousand dollars (tCO_2e/$'000).

ENERGY CONSUMPTION

Energy consumed results from purchased electricity and diesel consumed by the operations of the Group. Energy consumed is expressed in megawatt-hours (MWh).

ENERGY CONSUMPTION INTENSITY

This is the ratio of energy consumed relative to the manhours engaged by the Group. Energy consumption intensity is expressed in megawatt per thousand dollar (MWh/ $'000).

WATER CONSUMPTION

This is the volume of water consumed by the Group. The sources of water are supplied by local municipalities. The total amount of water withdrawn is assumed to be the amount consumed as reflected in utility bills received.

The volume of water consumed is expressed in cubic meters (m^3).

WATER CONSUMPTION INTENSITY

This is the ratio of water consumed relative to the revenue generated by the Group. Water consumption intensity is expressed in cubic meters per thousand dollar (m3/ $'000).

NEW HIRES AND TURNOVER

New hires are defined as new employees who have joined the Group during the financial year.

Turnover is defined as all employees who have left the Group voluntarily, or due to dismissal, retirement or death in service during the financial year.

The new hires/turnover rate is the total number of new hires/ employee turnovers in the financial year, relative to the total number of new hires/resignees recorded at financial year-end.

The new hires/turnover rate by age group is the total number of new hires/employee turnovers for each age group in the financial year, relative to the total number of new hires/ resignees recorded at financial year-end.

New hires/turnover rate by gender is the total number of female/male new hires/employee turnovers for each gender in the financial year, relative to the total number of new hires/ resignees recorded as at financial year-end.

TRAINING HOURS

Average training hours per employee is the total number of training hours provided to employees, relative to the total number of employees recorded as of financial year-end.

Average training hours per female/male employee is the total number of training hours provided to female/male employees, relative to the total number of female/male employees recorded as of financial year-end.

LOCAL SUPPLIER

Organisation or person that provides a product or service to the reporting organisation and that is based in the same geographic market as the reporting organisation.

APPENDIX D: TCFD RECOMMENDATIONS CONTENT INDEX

TCFD RECOMMENDATIONS CONTENT INDEX

The TCFD Recommendation Content Index indicates our current implementation status for climate reporting.

TCFD THEMATIC AREAS	RECOMMENDED DISCLOSURES	REFERENCE AND REMARKS
Governance		
Disclose the organisation's governance around climate-related risks and opportunities	Describe the board's oversight of climate-related risks and opportunities	SR Sustainability Governance Structure
	Describe management's role in assessing and managing climate-related risks and opportunities	SR Sustainability Governance Structure
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	The Group intends to identify the climate-related risks and opportunities over the short, medium, and long term as part of our ongoing commitment to adopt TCFD disclosures.
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	Upon identifying the climate-related risks and opportunities, the Group will conduct risk assessments, and evaluate potential opportunities to ensure a comprehensive understanding of the implications for our business, strategy, and financial planning.
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	The Group currently does not employ scenario analysis in identifying climate risks and opportunities. However, there are plans to integrate scenario analysis into our assessment of climate risks and opportunities in the future.
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks	Describe the organisation's processes for identifying and assessing climate-related risks	The Group intends to identify the climate-related risks and opportunities over the short, medium, and long term as part of our ongoing commitment to adopt TCFD disclosures. The Group will subsequently formulate mitigating controls to address identified risks and leverage opportunities effectively. This involves incorporating climate-related considerations into the existing risk management framework, ensuring that the organisation is well-prepared to navigate the challenges and capitalise on the opportunities associated with climate-related factors. The integration of climate-related risk management measures will be a key component of the overall risk management strategy, aligning with the company's commitment to sustainability and responsible business practices.
	Describe the organisation's processes for managing climate-related risks	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	
METRICS AND TARGETS		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	SR Environment
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks	The Group has disclosed Scope 1 and Scope 2 GHG emissions. The Group plans to include Scope 3 GHG emissions in the total carbon emissions in the future.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	The Group has set short, medium and long-term targets for Scope 1 and 2 GHG emissions and will explore opportunities to achieve the targets.

CORPORATE INFORMATION

BOARD OF DIRECTORS

TOH CHOO HUAT
Executive Chairman and Chief Executive Officer

PROF. LING CHUNG YEE
Lead Independent Director

CHIA SOON HIN WILLIAM
Independent Director

CHUA HOCK THAK
Independent Director

TEO HO BENG
Non-Executive Director

AUDIT COMMITTEE

Prof. Ling Chung Yee (Chairman)
Chia Soon Hin William
Chua Hock Thak
Teo Ho Beng

REMUNERATION COMMITTEE

Chia Soon Hin William (Chairman)
Prof. Ling Chung Yee
Chua Hock Thak
Teo Ho Beng

NOMINATING COMMITTEE

Chua Hock Thak (Chairman)
Prof. Ling Chung Yee
Chia Soon Hin William
Teo Ho Beng

COMPANY SECRETARIES

Ong Beng Hong
Tan Swee Gek

REGISTERED OFFICE

No. 3 Sungei Kadut Drive
Singapore 729556
Tel: (65) 6757 0900
Fax: (65) 6757 0100
Website: www.leychoon.com

SHARE REGISTRAR

IN.CORP CORPORATE SERVICES PTE. LTD.
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712

CATALIST SPONSOR

RHT CAPITAL PTE. LTD.
36 Robinson Road
#10-06 City House
Singapore 068877

INDEPENDENT AUDITORS

FOO KON TAN LLP PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS
1 Raffles Place #04-61/62
One Raffles Place, Tower 2
Singapore 048616
Partner-in-charge: Cheong Wenjie
(with effect from the financial year ended 31 March 2022)

PRINCIPAL BANKERS

HL BANK
1 Wallich Street
#29-01 Guoco Tower
Singapore 078881

RHB BANK BERHAD, SINGAPORE BRANCH
90 Cecil Street #03-00
RHB Bank Building
Singapore 069531

STANDARD CHARTERED BANK
Marina Bay Financial Centre (Tower 1)
8 Marina Boulevard
Singapore 018981

SUSTAINABILITY

For enquiries, please contact
Tel: (65) 6757 0900
Email: ir@leychoon.com

RISK ASSESSMENT AND MANAGEMENT

The Group has identified and listed below certain key business risks and they could adversely affect the Group. The possible measures to mitigate such risks are also briefly described. Risks are inherent in all business enterprises and therefore our Group monitors and manage our exposure to risks relating to its business and industry.

1. POTENTIAL SHORTAGE OF LABOUR AND INCREASE IN LABOUR COST

Ley Choon, like many construction companies in Singapore, relies heavily on foreign labour. Our foreign workers mostly come from India, China, Malaysia, Thailand, Myanmar and Bangladesh. The employment of foreign workers is subject to foreign workers' levy. We are thus vulnerable to any shortage in the supply of foreign workers or any increase in the cost of foreign labour. Any changes in the policies and regulations imposed by the authorities may potentially affect the supply and cost of labour for Ley Choon.

Ley Choon constantly seeks ways to automate processes to increase productivity. We devised the Intelligent Stop & Go signaling, off-site CCTV monitoring, and deployed the suction excavation machine, amongst others, to minimize the use of labour.

2. DOWNGRADE OR LOSS OF THE BUILDING CONSTRUCTION AUTHORITY ("BCA") GRADES OR BUILDER'S LICENCES

We are required to register ourselves as licensed contractors and/or builders with the BCA for our business. Based on the grades conferred to us as registered contractors, Ley Choon is allowed to tender for public sector projects, subject to the stipulated limit. To maintain the existing contractor grades for our subsidiaries, there are certain requirements stipulated by the BCA, including but not limited to the following:

a) each registered company must meet the stipulated requirements with regards to the value of contracts undertaken by that company in the past three financial years;

b) each registered company must meet the minimum paid-up share capital and the minimum net worth requirement; and

c) each registered company must employ the required number of professionals or technical personnel and these professionals or technical personnel must have the minimum professional qualifications stipulated by BCA, being a recognised degree in Architecture, Building, Civil/Structural Engineering or the equivalent qualifications approved by the BCA and have the stipulated number of years of relevant experience.

If these requirements are not complied with, it is possible that Ley Choon will lose its BCA grades and/or builder's licences. If this happens, our ability to tender for projects, and thus our business operations, will be affected.

To ensure business sustainability, we are careful to ensure that our subsidiaries comply with the BCA requirements and our BCA grades and builder's licenses are upheld.

RISK ASSESSMENT AND MANAGEMENT

3. DEPENDENCY ON PUBLIC SECTOR DEMAND IN SINGAPORE

As Ley Choon is mainly engaged in (i) underground utilities infrastructure construction and maintenance; (ii) sewer pipeline rehabilitation; and (iii) road and airfield construction and maintenance in Singapore, our business is vulnerable to the cyclical fluctuations of the construction industry in Singapore and is dependent on the general health of the Singapore economy as well as the availability of the government's civil engineering projects in Singapore.

To ensure business sustainability, we have diversified our revenue sources. We are also into the business of asphalt premix recycling and production and have taken on overseas projects.

4. DEPENDENCY ON PROJECT TENDER SUCCESS

All our businesses, except asphalt premix production and construction waste recycling, are mostly undertaken on a project basis and are non-recurring. Our income is therefore subject to the number, value and duration of projects successfully tendered.

We must therefore tender competitively to ensure a steady stream of projects coming on-board while at the same time be mindful about maintaining healthy margins for each project.

5. INABILITY TO ATTRACT AND RETAIN KEY PERSONNEL

Ley Choon's success depends to a significant extent upon a number of key employees and senior management. Our continued success and growth are therefore dependent on the retention of our key personnel as well as our ability to continue to attract, retain and motivate other qualified personnel. Consequently, the loss of the services of one or more of these individuals without suitable and timely replacement or the inability to attract new qualified personnel could have an adverse impact on our operations.

To attract and retain talent, Ley Choon has in place a talent development initiative to improve employee loyalty and staff cohesiveness.

RISK ASSESSMENT AND MANAGEMENT

6. SUBJECT TO REGULATIONS AND GUIDELINES IMPOSED BY VARIOUS GOVERNMENT AND REGULATORY AUTHORITIES

We are subject to regulations and guidelines, including safety regulations, imposed by various government and regulatory authorities in Singapore.

In the event of an inadvertent breach of certain regulatory guidelines and regulations imposed by the regulatory authorities such as the NEA, PUB and LTA, we may be subject to administrative proceedings and unfavourable decrees that result in pecuniary liabilities and cause delays to our projects. In such instances, our financial performance might be affected. In addition, judgements and decrees awarded that are unfavourable to us would have a negative effect on our reputation.

Regulations and regulatory guidelines are subject to amendments from time to time. Any changes in government legislation, regulations or policies affecting our industry could adversely affect our business operations and/or have a negative effect on the demand for our services. There is also no assurance that we will be able to comply with any changes. There is also a possibility that such amendments to regulations could increase our operating costs.

Ley Choon adopts a prudent approach and strives to adapt to the changes in the operating environment to stay relevant.

7. POSSIBILITY OF COST OVERRUNS

Our quotes are determined after careful evaluation of all related costs pertaining to subcontractors, labour cost, materials cost and other overheads. However, unforeseen circumstances such as pandemic situations like COVID-19, adverse weather conditions and unanticipated construction constraints at the worksites may arise during the course of the project resulting in increase in the costs of labour, raw materials, equipment, rental and sub-contracting services, or other costs not previously anticipated and thus leading to cost overruns.

Ley Choon has gone through extensive organisational restructuring in the areas of human resource management, strengthening accountability, optimizing asset utilisation, enhancing management oversight and monitoring of project progress through regular and systematic project review and control using digital platforms. All these measures have been helping the senior management to mitigate the above risks.

FINANCIAL CONTENTS

REPORT ON CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") of Ley Choon Group Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**"), is committed to high standards of corporate governance and adopting the corporate governance practices contained in the Code of Corporate Governance issued on 6 August 2018 (the "**Code**") by the Corporate Governance Committee, so as to ensure greater transparency and protection of shareholders' interests. The Board recognises the need for accountability, creating and preserving shareholder value and achieving its corporate vision for the Group. This report describes the Group's corporate governance practices and activities, with specific reference to the Code, during the financial year ended 31 March 2024 ("**FY2024**"), and is presented in a tabular form, stipulating each principle and provision, and explaining any variation from any provisions of the Code (together with an explanation on how the practices it had adopted are consistent with the intent of the relevant principle). The Company has also adopted, where appropriate, best practices set out in the Practice Guidance issued on 6 August 2018 (the "**Practice Guidance**"), which complements the Code by providing guidance on the application of the principles and provisions of the Code and setting out best practices for companies.

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

As at the date of this Annual Report, the Board comprises one (1) Executive Director, three (3) Independent Directors and one (1) Non-Executive Director. The contribution, experience and competency of each Director helps in the overall effective management of the Company and the Group.

The Board's principal duties include the following:

Provision 1.1 of the Code: The Board's role

(i) protecting and enhancing long-term value and return to the Company's shareholders ("**Shareholders**");

(ii) establishing, reviewing and approving the annual budget, corporate policies, strategies and objectives for the Group;

(iii) ensuring the effectiveness and integrity of the Management;

(iv) chartering the corporate strategy and direction of the Group and setting goals for the Management;

(v) supervising and monitoring the Management's achievement of these goals;

(vi) conducting periodic reviews of the Group's financial performance, internal controls and reporting compliance;

(vii) approving nominations to the Board and the appointment of key personnel;

(viii) ensuring the Group's compliance with all relevant and applicable laws and regulations;

(ix) assuming responsibility for the corporate governance of the Group;

(x) setting the values and standards for the Group (including ethical standards), and ensuring that obligations to Shareholders and other stakeholders are understood and met; and

(xi) establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of Shareholders' interests and the Company's assets.

All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company and hold Management accountable for performance.

Provision 1.1 of the Code: Directors to act in the interests of the Company

To assist in the execution of its responsibilities, the Board has established an Audit Committee, a Nominating Committee and a Remuneration Committee (collectively referred herein as "**Board Committees**"). The Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. The effectiveness of each Board Committee is also monitored.

Provision 1.4 of the Code: Disclosure on delegation of authority by Board to board committees

Board meetings are conducted regularly at least once every half-year to review the business affairs of the Group and approve the announcement of the half-yearly financial results. When necessary, additional Board meetings will be held to deliberate on other substantive matters. Teleconferencing at meetings of the Board is allowed under the Company's Constitution. In addition to holding meetings, significant matters concerning the Group are also put to the Board for its decision by way of written resolutions.

Provision 1.5 of the Code: Board to meet regularly

In the financial year under review[1], the attendance of the existing Directors at the scheduled meetings of the Board and Board Committees and general meetings held during FY2024 were as follows:

	BOARD OF DIRECTORS	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE	GENERAL MEETINGS
No. of Meetings	**3**	**3**	**1**	**1**	**1**
Director					
Toh Choo Huat	3/3	3/3	1/1	1/1	1/1
Ling Chung Yee	3/3	3/3	1/1	1/1	1/1
Chia Soon Hin William	3/3	3/3	1/1	1/1	1/1
Chua Hock Thak	3/3	3/3	1/1	1/1	1/1
Teo Ho Beng	3/3	3/3	1/1	1/1	1/1

Note:

(1) The attendance of the Directors, including those also acting as the members of the respective Board Committees, at the meetings of the Board and the Board Committees was recorded in the relevant attendance lists prepared and circulated by the Company Secretaries prior to the commencement of such meetings and these attendance lists are kept in the statutory records of the Company.

REPORT ON CORPORATE GOVERNANCE

Provision 1.3 of the Code: Matters requiring Board approval

The Executive Director supervises the management of the business and affairs of the Group. However, meetings of the Board are still held and/or resolutions in writing of the Board are circulated for matters which require the Board's approval, including the following, but are not limited to:

(i) review of the annual budget and the performance of the Group;

(ii) review of the key activities and business strategies;

(iii) approval of the corporate strategy and direction of the Group;

(iv) approval of transactions involving a conflict of interest for a substantial shareholder or a Director or interested person transactions;

(v) material acquisitions and disposals;

(vi) corporate or financial restructuring and share issuances;

(vii) declaration of dividends and other returns to Shareholders; and

(viii) appointments of new Directors or key personnel.

A formal document setting out the following guidelines has been adopted by the Board:

(i) the matters reserved for the Board's decision; and

(ii) clear directions to Management on matters that must be approved by the Board.

The Company has adopted internal guidelines setting forth matters that require the Board's approval. The types of material transactions that require the Board's approval under such guidelines are listed below:

(i) major capital expenditure;

(ii) capital management;

(iii) banking facilities;

(iv) acquisition and disposal of entities/business;

(v) diversifying into new business; and

(vi) any other significant material transaction.

Provision 1.1 of the Code: Directors facing conflicts of interest

In the event that a Director is involved in an interested person transaction with the Group, he shall inform the Board accordingly and abstain from making any recommendation or decision with regards to the transaction.

Provision 1.2 of the Code: Directors to receive appropriate training

The Company has a formal training program for new Directors. The Board ensures that all the newly appointed Directors will be given a detailed introduction on the Company's history and development and an orientation on the operational procedures of the Company to familiarise them with the Group's business and governance practices. When necessary, the Company will provide training for first-time directors in areas such as accounting, legal and industry-specific knowledge as appropriate. Any Director who has had no prior experience as a director of a listed company will be required to undergo training in the roles and responsibilities of a listed company director.

The Directors are updated, from time to time, when new laws or regulations affecting the Group are introduced. The Directors are encouraged to attend seminars and training courses at the Company's expense that will assist them in executing their obligations and responsibilities as directors to the Company. As of the date of this Annual Report, the Directors have participated in various seminars and other such external programmes. Some of the programmes and seminars include the ACAMS 14th Annual AML and Anti-Financial Crime Conference – APAC organised by ACAMS, CXOSociety – C-Engage Convention organised by CXOSociety, Navigating Regulatory Compliance for Financial Institutions in Singapore organised by IBF Thomson Reuters – Regulatory Intelligence.

ACCESS TO INFORMATION

Provision 1.6 of the Code: Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

To ensure that the Directors are able to effectively discharge their duties and are fully aware of the decisions and actions of the Management, the Directors are given detailed information concerning the Group's business operations periodically. The Management maintains close contact and communication with the Board by various means, including but not limited to holding meetings with the Board or via electronic means by which documents are circulated to the Board for their review or for their information. In particular, financial statements of the Group are also prepared on a half-yearly basis and circulated to all Directors for their review, allowing the Directors to have timely access to the Group's financial position. In addition, monthly summary management accounts and corporate updates are circulated to the Board for their review and for their information. When required, board papers are also prepared for meetings of the Board to provide information on financial, business and any other corporate issues to the Board. The Management also prepares and updates the Company's budget and tables the same to the Board for their review. The abovementioned arrangement allows the Directors to monitor the Group's performance as well as the Management's achievements of the goals and objectives determined and set by the Board.

The Company recognises that information should be supplied to the Board in a timely manner and as far as possible, Board papers and agenda items are circulated or dispatched to the Directors before scheduled meetings. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed so that discussions can be more meaningful and productive.

Provision 1.7 of the Code: Directors should have separate and independent access to the Management, the Company Secretaries and external advisers (where necessary)

In addition, the Directors have, at all times:

(i) unrestricted access to the Company's records and information; and

(ii) separate and independent unlimited access to the Management, the Company Secretaries and external advisers (where necessary).

The Board supports the taking of independent professional advice, at the Company's expense, if necessary in order for it or an individual Director to effectively discharge his duties and responsibilities.

At least one (1) of the Company Secretaries and/or her representatives attends all of the formal meetings held by the Board and/or the Board Committees and her responsibilities include ensuring that procedures for these meetings (including those stipulated in the Constitution) are followed and that applicable rules and regulations, including the requirements of the Singapore Companies Act 1967 (the "**Companies Act**") and the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), are complied with.

Provision 1.7 of the Code: Appointment and removal of Company Secretary

The decision for the appointment and the removal of the Company Secretaries rests with the Board as a whole.

REPORT ON CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

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

The Board comprises five (5) Directors, of which three (3) are Independent Directors. As at the date of this Annual Report, the composition of the Board is as follows:

Executive Director

Toh Choo Huat (Executive Chairman and Chief Executive Officer)

Independent Directors

Ling Chung Yee (Lead Independent Director)
Chia Soon Hin William (Independent Director)
Chua Hock Thak (Independent Director)

Non-Executive Director

Teo Ho Beng (Non-Executive Director)

The Board considers a director's independence in accordance with the guidance set out in the Code as well as Rule 406(3)(d) of the Listing Manual – Section B: Rules of Catalist (the "**Catalist Rules**"). An Independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its Shareholders who have an interest or interests in not less than 5% of the total votes attached to all the voting shares in the Company or the officers that could interfere, or be reasonably perceived to interfere, with the exercise of that director's independent business judgement in the best interests of the Company. Under the Catalist Rules, a Director will not be deemed independent if he is employed by the Company or its related corporations for the current or any of the past three (3) financial years, or if he has an immediate family member who is employed or has been employed by the Company or its related corporations for the past three (3) financial years, and whose remuneration is determined by the Company's Remuneration Committee. A Director would also not be independent if he has been a director for an aggregate period of more than nine (9) years (whether before or after listing). As at the date of this Annual Report, there are no Directors who have served on the Board beyond nine (9) years from the date of his first appointment. As Ling Chung Yee and Chia Soon Hin William will have served on the Board for nine (9) years during the course of the financial year ending 31 March 2025 ("**FY2025**"), the Company is in the process of making the appropriate arrangements for handover and renewal of the Board.

Provision 2.1 of the Code: Disclosure of directors considered to be independent

Rule 406(3)(d)(iv) of the Catalist Rules: a director will not be independent if he has been a director of the issuer for an aggregate period of more than 9 years (whether before or after listing)

REPORT ON CORPORATE GOVERNANCE

As the majority of the Board comprises Independent Directors, the Company believes the Board is able to exercise independent judgment on corporate affairs and ensures that no one individual or group of individuals dominates any decision-making process and the Board is satisfied that there is a strong and independent element on the Board. Non-Executive Directors, which include the Independent Directors, make up a majority of the Board.

Provisions 2.2 and 2.3 of the Code: Independent directors make up a majority of the Board where the Chairman is not independent[(1)]; non-executive directors make up a majority of the Board

Provision 2.2 of the Code requires that independent directors make up a majority of the Board where the Chairman is not independent. The Chairman is not independent when (i) he or she is not an independent director, (ii) he or she is also the CEO, (iii) he or she and the CEO are immediate family members as defined in Catalist Rules (i.e. the person's spouse, child, adopted child, step-child, brother, sister and parent), (iv) he or she and the CEO have close family ties with each other (i.e. a familial relationship between two parties which extends beyond immediate family members and could influence the impartiality of the Chairman) as determined by the Nominating Committee, or (v) he or she is part of the Management team. Under the present board composition, Provision 2.2 of the Code has been met.

With the introduction of Rule 710A of the Catalist Rules effective from 1 January 2022, the Board has formulated and implemented a board diversity policy (the "**Board Diversity Policy**") that addresses gender, skills and experience and other relevant aspects of diversity. Under the Board Diversity Policy, the Board considers whether there is an appropriate mix of members taking into account factors including but not limited to an appropriate balance and mix of age, gender, length of service, relevant skills, experience, and core competencies (including accounting / finance, legal / corporate governance / sustainability, investment, risk management, business and management experience), relevant industry knowledge, background and other relevant qualities considered essential for the effective governance of the Company.

Rule 710A of the Catalist Rules: An issuer must maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity and describe in its annual report its board diversity policy.

In reviewing the appointments of new directors, the Board together with the Nominating Committee ensures that it sets relevant objectives to promote and achieve diversity on the Board, and appointments are based on merit and after due consideration of the collective skills needed to strengthen the overall board governance role.

The Board composition reflects the Company's commitment to Board diversity in terms of gender, skills and experience. The table below sets out the Company's diversity targets, timelines for achieving the targets as well as its progress towards achieving the targets:

(1) Rule 406(3)(c) of the Catalist Rules requires independent directors to make up at least one-third of the Board. This rule came into effect on 1 January 2022. Prior to 1 January 2022, the corresponding Guideline 2.1 in the 2012 Code applied.

<table>
<tr><th><u>Target</u></th><th><u>Progress and plans towards achieving target</u></th></tr>
<tr><td>Gender Representation
To enhance gender diversity by appointing at least one female director within the next 3 years.</td><td>The Company will continue to work towards having female directors on the Board, whenever possible. The Company shall in any case endeavour, where appropriate and possible, that female candidates are included for consideration when identifying candidates to be appointed as new directors, and if external search consultants are engaged to identify candidates for appointment to the Board, the consultants will be asked to present female candidates for consideration. Broadening out the scope, the Company does have gender representation among its key management personnel. Any issues on gender representation will be considered by the Board.</td></tr>
<tr><td>Skills and Experience
To ensure skillset of directors on the Board with relevant skills and experience. The Board has identified the following core competencies as important:

(i) Accounting/finance

(ii) Legal/corporate governance/sustainability

(iii) Investment, risk management, business and management experience

(iv) Relevant industry knowledge</td><td>Currently the proportion of the Board with the identified core competencies is as follows:
<table><tr><th>CORE COMPETENCIES</th><th>NUMBER OF DIRECTORS</th></tr><tr><td>Accounting/finance</td><td>2</td></tr><tr><td>Legal/corporate governance/ sustainability</td><td>1</td></tr><tr><td>Investment, risk management, business and management experience</td><td>3</td></tr><tr><td>Relevant industry knowledge</td><td>3</td></tr></table>
When identifying new director(s) for appointment to the Board, the Company strives to ensure that candidates who have the relevant skills, expertise and/or experience in the abovementioned core competencies are included for consideration by the Nominating Committee.</td></tr>
<tr><td>Board Independence
To have more than 50% Independent Director representation on the Board where the Chairman of the Board is not independent within FY2025.</td><td>As Ling Chung Yee and Chia Soon Hin William will have served on the Board for nine (9) years during the course of FY2025, the Company is in the process or making the appropriate arrangements for handover and renewal of the Board, including the appointment of new Independent Directors.</td></tr>
</table>

The Board has considered the present Board size and each Board Committee's size, and is satisfied that the current size facilitates effective decision-making and is appropriate for the nature and scope of the Group's operations.

Provision 2.4 of the Code: Board and board committees are of an appropriate size and Board to comprise directors with appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity

To maintain or enhance the Board's balance and diversity, consistent with the intent of Principle 2 of the Code, the Nominating Committee conducts an annual assessment of the existing attributes and core competencies of the Board to ensure that the Board has the appropriate mix of diversity, expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making, taking into account the nature and scope of the Group's operations. The Nominating Committee is of the view that the Board has a good balance of Directors who come from diverse backgrounds and have extensive business, financial, accounting and management experience. Their combined wealth and diversity of experience enable them to contribute effectively to the strategic growth and governance of the Group and provide for effective direction of the Group. Details on the experiences, professional qualifications and responsibilities of the Directors are set out in pages 10 and 11 of this Annual Report.

The Non-Executive Directors (including the Independent Directors) will constructively challenge and assist in the development of proposals on strategy, assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. The Non-Executive Directors have engaged in regular discussions amongst themselves without the presence of the Management and the Executive Director throughout the year. In FY2024, the Independent Directors and Non-Executive Director met several times in the absence of key management personnel and the Lead Independent Director provided feedback to the Executive Chairman after such meetings.

Provision 2.5 of the Code: Regular meetings of non-executive directors and/or independent directors without the presence of Management

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

The Executive Chairman and Chief Executive Officer, Toh Choo Huat, sets the tone for the conduct of the Board and leads the Board to ensure the effectiveness of the Board. He also ensures the Group's adherence to the best corporate governance practices prescribed by the Code.

As Executive Chairman, Toh Choo Huat is also responsible for, amongst other things, the proper functioning of the Board. He ensures that the Board holds regular meetings and oversees the proper dissemination of corporate information to the relevant parties (including but not limited to the Directors and Shareholders). He sets the agenda for each meeting and ensures that adequate time is available for discussion and debate of all agenda items, and in particular, strategic issues. He also encourages constructive relations between the Board and the Management, facilitates the effective contribution of Independent Directors, and encourages constructive discussion and debate amongst the Directors, hence promoting high standards of corporate governance.

Provision 3.2 of the Code: Chairman and CEO's role

All major decisions made by the Executive Chairman and the Chief Executive Officer are under the purview of review by the Audit Committee. His performance and appointment to the Board are also reviewed periodically by the Nominating Committee while his remuneration package is reviewed periodically by the Remuneration Committee. As such, whilst the Executive Chairman and the Chief Executive Officer are the same person, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

Provision 3.1 of the Code: Chairman and CEO should in principle be separate persons

The Board is of the view that power is not unduly concentrated in the hands of one (1) individual nor is there any compromised accountability and independent decision-making as all major decisions and policy changes are conducted through the respective Board Committees, all of which are chaired by Independent Directors.

In addition, the Board also believes that notwithstanding the Executive Chairman and the Chief Executive Officer being the same person, the Group's interest is well served by:

(i) the benefit of an Executive Chairman and Chief Executive Officer who is very experienced and knowledgeable about the Group's businesses, thereby ensuring the smooth and efficient implementation of decisions on policy issues;

(ii) the good balance of power and authority on the Board as all the Board Committees of the Board are chaired by the Independent Directors;

(iii) the majority of the Board being made up of Independent Directors to ensure independent review of the Management's performance; and

(iv) the benefit of the objective and independent views that the Group receives from the Independent Directors and the contributions of the Non-Executive Directors.

In view that the Executive Chairman and the Chief Executive Officer are the same person, the Company had appointed Ling Chung Yee as the Lead Independent Director to adhere to the principles set out in the Code and to provide leadership in situations where the Executive Chairman is conflicted. As the Lead Independent Director, Ling Chung Yee acts as the contact person for the Shareholders in the event that the Shareholders have concerns or issues for which communication with the Executive Chairman and Chief Executive Officer or the Chief Financial Officer is inappropriate, inadequate or where such communication has failed to resolve the concerns or issues raised.

Provision 3.3 of the Code: Appointment of lead independent director

BOARD MEMBERSHIP

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

As at the date of this Annual Report, the Nominating Committee comprises the Company's three (3) Independent Directors, namely Chua Hock Thak (Chairman of the Nominating Committee), Ling Chung Yee (Member of the Nominating Committee), Chia Soon Hin William (Member of the Nominating Committee) and one (1) Non-Executive Director, Teo Ho Beng (Member of the Nominating Committee). The Nominating Committee meets at least once annually. The Lead Independent Director is a member of the Nominating Committee.

Provision 4.2 of the Code: Nominating Committee comprises at least three directors, the majority of whom, including the Chairman, are independent

The Nominating Committee is responsible for:

(i) re-nominating the Directors, having regard to the Directors' contribution and performance;

(ii) determining annually whether or not an Independent Director is independent; and

(iii) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director, taking into consideration the Director's number of listed company board representations and other principal commitments.

The Nominating Committee also makes recommendations to the Board relating to:

Provision 4.1 of the Code: Nominating Committee to make recommendations to the Board on certain relevant matters

(i) the review of board succession plans for the Directors, in particular, the Executive Chairman, the Chief Executive Officer and key management personnel;

(ii) the development of a process for evaluation of the performance of the Board, its board committees and the Directors;

(iii) the review of the training and professional development programs for the Board and the Directors;

(iv) the appointment and re-appointment of the Directors (including alternate directors, if applicable); and

(v) the appointment and re-appointment of the Chief Executive Officer, the Chief Financial Officer or any other person who holds a similar position to the Chief Executive Officer or the Chief Financial Officer by any name.

The Nominating Committee will decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the Board, which addresses how the Board is to enhance long-term Shareholders' value. As part of its review, the Nominating Committee will recommend to the Board a process to assess the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board.

Each member of the Nominating Committee abstains from voting on any resolutions and making recommendations and/or participating in any deliberations in respect of the assessment of his own performance or re-nomination as a director.

Provision 4.4 of the Code: Nominating Committee to determine directors' independence annually

Further to the above, the Nominating Committee reviews the independence of each of the Independent Directors annually, having considered the circumstances set out in Provision 2 of the Code and Catalist Rule 406(3)(d). As part of their review process, the Nominating Committee requires the Independent Directors to complete and execute declaration forms in relation to their independence. These declaration forms are drawn up based on the requirements in the Code and the Catalist Rules. The Nominating Committee reviews declaration forms executed by the Independent Directors as well as any declaration which they may make to determine their respective independence (including their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any). Pursuant to its review, the Nominating Committee is of the view that Ling Chung Yee, Chia Soon Hin William and Chua Hock Thak do not have any relationships with the Company, its related corporations, its substantial shareholders or its officers which may affect their independence and accordingly are independent of the Group and the Management.

The Nominating Committee also reviews the performance of the Directors as well as their contribution to the Board.

Provision 4.5 of the Code: Nominating Committee to decide if a director is able to and has been adequately carrying out his or her duties

The Nominating Committee has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards and have other principal commitments. The Board, with the concurrence of the Nominating Committee, has agreed that the Company shall not impose a maximum number of listed board representations on the Directors as the Board is of the opinion that setting a fixed number would not adequately take into account the varied circumstances of each Director and the Nominating Committee will instead focus on whether a Director has sufficient time to adequately discharge his duties to the Company.

The present and past directorships (held in the last three (3) years) of the Directors with other public listed companies and their other present principal commitments are set out in the following tables:

REPORT ON CORPORATE GOVERNANCE

TOH CHOO HUAT
Other existing directorships with public listed companies:

COMPANY	POSITION
Nil	–

Other past directorships with public listed companies (held in the last three (3) years):

COMPANY	POSITION
Nil	–

Other present principal commitments:

COMPANY / ORGANISATION	POSITION
LC International Trading Co Pte. Ltd.	Director
Ley Choon Constructions and Engineering Pte Ltd	Director
Li Chun Dragon Fish Industry Pte. Ltd.	Director
Zheng Choon Holding Pte. Ltd.	Director
Ley Choon (M) Sdn Bhd	Director
Teacly (S) Pte. Ltd.	Director

LING CHUNG YEE
Other existing directorships with public listed companies:

COMPANY	POSITION
Combine Will International Holdings Ltd	Independent Director
VinFast Auto Ltd. (listed on NASDAQ)	Independent Director
Amplefield Ltd	Independent Director
United Food Holdings Ltd	Lead Independent Director

Other past directorships with public listed companies (held in the last three (3) years):

COMPANY	POSITION
Debao Property Development Ltd	Lead Independent Director

Other present principal commitments:

COMPANY/ ORGANISATION	POSITION
FollowTrade Pte. Ltd.	Director
CASE Endowment Fund Governing Board	Director

CHIA SOON HIN WILLIAM

Other existing directorships with public listed companies:

COMPANY	POSITION
Asiatic Group (Holdings) Ltd	Independent Director

Other past directorships with public listed companies (held in the last three (3) years):

COMPANY	POSITION
H2G Green Limited (f.k.a. P5 Capital Holdings Ltd)	Independent Director

Other present principal commitments:

COMPANY/ ORGANISATION	POSITION
Xie Capital Pte Ltd	Managing Director
Mitsuba Japanese Restaurant Pte Ltd	Managing Director
Mitsuba International Pte Ltd	Director
Rapusodi Pte Ltd	Director

CHUA HOCK THAK

Other existing directorships with public listed companies:

COMPANY	POSITION
Nil	–

Other past directorships with public listed companies (held in the last three (3) years):

COMPANY	POSITION
Nil	–

Other present principal commitments:

COMPANY/ ORGANISATION	POSITION
Nil	–

TEO HO BENG

Other existing directorships with public listed companies:

COMPANY	POSITION
Hiap Hoe Limited	Executive Director (Chief Executive Officer)

Other past directorships with public listed companies (held in the last three (3) years):

COMPANY	POSITION
Nil	–

Other present principal commitments:

COMPANY/ ORGANISATION	POSITION
Nil	–

After conducting its reviews, the Nominating Committee is satisfied that the Directors have been able to devote adequate time and attention to the affairs of the Company and they are able to fulfil their duties as Directors of the Company.

The Company does not have any alternate Directors. The Board will generally avoid approving the appointment of alternate Directors unless alternate directors are appointed for limited periods in exceptional cases such as when a director has a medical emergency.

For appointment of new Directors to the Board, the Nominating Committee would, in consultation with the Board, evaluate and determine the selection criteria with due consideration to the mix of skills, knowledge, experience and diversity of the then existing Board. The Nominating Committee receives recommendations from existing Directors and the Company's professional advisors and endeavors to ensure that female candidates with the relevant skillsets are included for consideration when identifying candidates to be appointed as new directors. The Nominating Committee may, if necessary, interview potential candidates and make recommendations to the Board for approval. The Board will then consider the potential candidates and Directors newly appointed by the Board are appointed by way of board resolution, following which they are subject to election by Shareholders at the next annual general meeting immediately following their appointment and thereafter, they are subject to the one-third rotation rule as prescribed by the Company's Constitution. For re-appointment of existing Directors to the Board, the Nominating Committee makes its decision based on its annual review of the performance of the relevant Directors as well as their contribution to the Board.

Provision 4.3 of the Code: Disclosure of process for selection, appointment and re-appointment of directors

All Directors are appointed to the Board by way of a formal letter of appointment or service agreement setting out the scope of their duties and obligations.

Provision 4.5 of the Code: New directors are aware of their duties and obligations

The dates of initial appointment of each Director are set out as follows:

NAME OF DIRECTORS	DATE OF INITIAL APPOINTMENT	DATE OF LAST RE-ELECTION
Toh Choo Huat	25 July 2012	29 July 2022
Ling Chung Yee	28 September 2015	29 July 2022
Chia Soon Hin William	28 September 2015	28 July 2023
Chua Hock Thak	29 March 2018	29 September 2021
Teo Ho Beng	28 September 2015	28 July 2023

Under Regulation 107 of the Company's Constitution, at least one-third of the Directors (or if their number is not three (3) or a multiple of three (3), then the number nearest to but not less than one-third) is required to retire from the office of Director and stand for re-election at the Company's Annual General Meeting. Generally, the retiring Directors are Directors who have been the longest in office since their last election (unless otherwise nominated by the Nominating Committee). Accordingly, pursuant to Regulation 107 of the Constitution, Toh Choo Huat and Chua Hock Thak will be due for retirement and re-election at the forthcoming Annual General Meeting.

Under Regulation 117 of the Constitution, any newly appointed Director shall hold office only until the next Annual General Meeting of the Company, and shall be eligible for re-election.

Details on the experiences, professional qualifications and responsibilities of the Directors are set out in pages 10 and 11 of this Annual Report. In addition, information on shareholdings in the Company and its related companies held by each Director is set out in the "Directors' Statement" section of this Annual Report. Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F of the Catalist Rules relating to Toh Choo Huat and Chua Hock Thak, who are the Directors seeking re-election at the forthcoming Annual General Meeting, is set out in pages 100 to 106 of this Annual Report.

Further to the above, it should also be noted that the Nominating Committee also reviews the appointment of any manager of the Company or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or substantial shareholder. Pursuant to Rule 704(8) of the Catalist Rules, the Company confirms that, as far as the Company is aware and save as set out below, there are no other persons occupying managerial positions in the Company or any of its principal subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company or its principal subsidiaries:

	NAME	CURRENT POSITION IN THE COMPANY	FAMILY RELATIONSHIP WITH ANY DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS OF THE COMPANY
1.	Toh Chew Leong	Advisor	Brother of Toh Choo Huat ("**TCH**") who is the Executive Chairman and Chief Executive Officer
2.	Toh Swee Kim	Advisor	Brother of TCH
3.	Toh Chew Chai	Advisor	Brother of TCH
4.	Toh Chiew Boon	Senior Construction Manager	Brother of TCH
5.	Toh Kai Sheng	Director, Operations & HR	Nephew of TCH
6.	Toh Kai Hock	Information Technology ("IT") Director & Head of Fleet Department	Nephew of TCH
7.	Toh Ting Xuan	Department Head for Tender, Contract and Sales Department of the Group and Executive Officer of Company	Daughter of TCH
8.	Toh Wei Jie	Deputy Director	Nephew of TCH
9.	Toh Qiu Ling	Senior Procurement cum Sales Manager	Niece of TCH
10.	Toh Wanni	Procurement cum BI Manager	Daughter of TCH

BOARD PERFORMANCE

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

The Nominating Committee has established a process for assessing the effectiveness of the Board as a whole and each of its Board Committees and for assessing the contribution of each individual Director to the effectiveness of the Board. This assessment is conducted by the Nominating Committee at least once a year. The Nominating Committee assesses the Board's effectiveness as a whole and the effectiveness of each of its Board Committees through the completion of a questionnaire by each member of the Nominating Committee which includes questions covering the above-mentioned areas of assessment. The Nominating Committee collates the results of these questionnaires and discusses the results collectively with other Board members to address any areas for improvement.

Provisions 5.1 and 5.2 of the Code: Board to implement criteria and process for evaluation of the Board's performance and disclose the process in Annual Report

Each member of the Nominating Committee abstains from voting on any resolutions in respect of the assessment of his own performance or re-nomination as a Director.

To assess the effectiveness of the Board as a whole, the factors evaluated by the Nominating Committee include but are not limited to:

(i) the size and composition of the Board;

(ii) the discussion and decision-making processes of the Board (including the conduct of meetings by the Board);

(iii) the Board's access to information;

(iv) the accountability of the Board to the Shareholders;

(v) the observation of risk management and internal control policies by the Board; and

(vi) the performance of the Board (including the Board's performance in relation to the discharge of its principal responsibilities in terms of the financial indicators set out in the Code).

To assess the effectiveness of each Board Committee, the factors evaluated by the Nominating Committee include but are not limited to:

(i) the size and composition of the relevant Board Committee; and

(ii) the performance of the relevant Board Committee in relation to the discharge of its duties set out in its terms of reference.

To assess the contribution of each individual Director, the factors evaluated by the Nominating Committee include but are not limited to:

(i) his participation at the meetings of the Board;

(ii) his ability to contribute to the discussion conducted by the Board;

(iii) his ability to evaluate the Company's strengths and weaknesses and make informed business decisions;

(iv) his ability to interpret the Company's financial reports and contribute to the formulation of strategies, budgets and business plans that are compatible with the Group's vision and existing business strategy;

(v) his compliance with the policies and procedures of the Group;

(vi) his performance of specific tasks delegated to him;

(vii) his disclosure of any related person transactions or conflicts of interest; and

(viii) for Independent Directors, his independence from the Group and the Management.

The performance criteria include financial targets, contributions by the Board members as well as expertise, sense of independence and industry knowledge. This encourages feedback from the Board members and leads to an enhancement of the Board's performance over time. The performance criteria are not usually changed from year to year. However, where circumstances deem it necessary for any of the criteria to be changed, the onus will be on the Board to justify this decision.

The Chairman of the Nominating Committee will act on the results of the performance evaluation, and in consultation with the Nominating Committee, propose, where appropriate, that new members be appointed to the Board or seek the resignation of Directors.

The Board and the Nominating Committee have ensured that the Directors possess the experience, knowledge and expertise critical to the Group's business.

Based on the Nominating Committee's review, the Nominating Committee considered the performance and effectiveness of each individual current Director, the Board as a whole and each Board Committee, to be satisfactory and is of the view that the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

No external facilitators were used in the assessment of the Board, its Board Committees and the individual directors for FY2024.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

As at the date of this Annual Report, the Remuneration Committee comprises the Company's three (3) Independent Directors, namely Chia Soon Hin William (Chairman of the Remuneration Committee), Ling Chung Yee (Member of the Remuneration Committee), Chua Hock Thak (Member of the Remuneration Committee) and one (1) Non-Executive Director, Teo Ho Beng (Member of the Remuneration Committee). The Remuneration Committee meets at least once annually.

*Provision 6.2 of the Code: Remuneration Committee ("**RC**") comprises at least three directors, all of whom are non-executive and the majority of whom, including the Chairman, are independent*

Provision 6.1 of the Code: RC to make recommendations to the Board on certain relevant matters

The Remuneration Committee is principally responsible for:

(i) overseeing the general compensation of employees of the Group with a goal to motivate, recruit and retain our employees and the Board through competitive compensation and progressive policies;

(ii) reviewing all aspects of remuneration including the Board's and Executive Officers' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits in kind as well as the remuneration of persons related to the Company's Board and Substantial Shareholders;

(iii) implementing and administering any share option scheme, share performance scheme and other performance bonus scheme(s) that the Group may set up in the future; and

(iv) reviewing the Group's obligations arising in the event of the termination of the Executive Director(s) and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Pursuant to its review, the Remuneration Committee will submit its recommendations to the entire Board for endorsement.

Each member of the Remuneration Committee abstains from the decision-making process and from voting on any resolutions in respect to his remuneration package.

Provision 6.4 of the Code: Disclosure of engagement of any remuneration consultants and their independence

The Remuneration Committee will be provided with access to expert professional advice on remuneration matters, as and when necessary. The expenses of such services shall be borne by the Company. If so required, it may seek expert advice in the field of executive compensation outside the Company upon approval by the Board. The Remuneration Committee ensures that in the event of such advice being sought, existing relationships if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The Company has not appointed any remuneration consultants for FY2024.

Provision 6.3 of the Code: RC to consider all aspects of remuneration, including termination terms, to ensure they are fair

The Remuneration Committee reviews all aspects of remuneration to ensure they are fair. In particular, the Remuneration Committee reviews the fairness and reasonableness of the termination clauses of the service agreements of the Executive Director and key management executives to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance.

LEVEL AND MIX OF REMUNERATION

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

The Remuneration Committee carries out annual reviews of the remuneration packages of the Directors and the Management, having due regard to their contributions as well as the financial and commercial needs of the Group. The Remuneration Committee takes into account the industry norms/standards by considering, inter alia, the remuneration packages and employment conditions within the industry, the Group's performance as well as the contribution and performance of each Director when determining the remuneration packages of the Directors. The Directors' fees are compared against industry standards to ensure that they are in line with industry norms.

Provision 8.1 of the Code: Disclosure of the policy and criteria for setting remuneration

The remuneration for the Executive Director and the Management comprise a basic salary component and a variable component, namely, the annual bonus. The latter is based on the performance of the Group as a whole, giving due regard to the profitability of the Group, its financial performance as well as general economic conditions under which the Group operates and their individual performance.

Provision 7.1 of the Code: A significant and appropriate proportion remuneration is structured so as to link rewards to corporate and individual performance

The Remuneration Committee also considers whether remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

Provision 7.3 of the Code: Remuneration is appropriate to attract, retain and motivate the directors and key management personnel

The Remuneration Committee administers the Company's performance share plan (the "**Ley Choon Performance Share Plan 2018**"), which was approved by the Shareholders at the Annual General Meeting held on 30 July 2018. Please refer to page 86 of this Annual Report for more details. Save for the Ley Choon Performance Share Plan 2018, the Company currently does not have any long-term incentive scheme.

The Independent Directors and Non-Executive Director receive directors' fees in accordance with their contributions, taking into account factors such as effort and/or time spent, the responsibilities of the Independent Directors and Non-Executive Director and the need to pay competitive fees to attract, retain and motivate the Independent Directors and Non-Executive Director. The Independent Directors and Non-Executive Director are not over-compensated to the extent where their independence may be compromised. The Directors' fees are recommended by the Remuneration Committee and endorsed by the Board for approval by the Shareholders of the Company at annual general meetings.

Provision 7.2 of the Code: Remuneration of non-executive directors is appropriate to the level of contribution

The Company had entered into a service agreement with Toh Choo Huat which sets out the framework of his remuneration. This service agreement provides, inter alia, that the Executive Director or the Company may terminate the service agreement upon giving written notice of not less than six (6) months.

In addition, the Board is of the view that there is no need to institute contractual provisions to allow the Company to reclaim incentive components of the Executive Director's remuneration paid in prior years in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss, as he owes a fiduciary duty to the Company and the Company should be able to avail itself of remedies against the Executive Director in the event of such a breach of fiduciary duties.

DISCLOSURE ON REMUNERATION

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

In addition to its strict policies on bribery and money-laundering, the Group also maintains, under its code of ethics, strict policies on gifts and entertainment which apply to all employees (including Directors). In the event that gifts, entertainment or other benefits are offered to employees, they must be properly declined if there is a risk of there being an appearance of impropriety. Similarly, all employees must also not offer any gifts, entertainment or other benefits to others if it creates an appearance of impropriety.

The breakdown of remuneration (in percentage terms) of the Directors of the Company paid and payable for FY2024 is set out below:

Provisions 8.1 and 8.3 of the Code: Remuneration of directors, CEO and top five key management personnel; details of employee share schemes

REMUNERATION BAND AND NAME OF DIRECTORS	FEES (%)	SALARY (%)	AWS (%)	BONUS (%)	EMPLOYER + CPF + SDL + PMBS (%)	ALLOWANCES (%)	TOTAL (%)
Directors who received S$0 to S$99,999							
Ling Chung Yee	100%	–	–	–	–	–	**100%**
Chia Soon Hin William	100%	–	–	–	–	–	**100%**
Chua Hock Thak	100%	–	–	–	–	–	**100%**
Teo Ho Beng	100%	–	–	–	–	–	**100%**
Directors who received S$100,000 to S$749,999							
–	–	–	–	–	–	–	**–**
Directors who received S$750,000 to S$1,000,000							
Toh Choo Huat	–	57%	4%	33%	2%	4%	**100%**

The breakdown of remuneration of the top seven (7) Key Management (Executive Officers) for FY2024 is set out below:

REMUNERATION BAND AND NAME OF EXECUTIVE OFFICER	FEES (%)	SALARY (%)	AWS (%)	BONUS (%)	EMPLOYER + CPF + SDL + PMBS (%)	AWARD/ REWARD/ INCENTIVE (%)	ALLOWANCES (%)	TOTAL (%)
Executive Officers who received S$0 to S$99,999								
–	–	–	–	–	–	–	–	–
Executive Officers who received S$100,000 to S$249,999								
Reanne Toh Ting	–	54%	–	17%	12%	11%	6%	**100%**
Toh Kai Sheng	–	70%	–	11%	10%	–	9%	**100%**
Executive Officers who received S$250,000 to S$499,999								
Toh Kai Hock	–	66%	–	22%	9%	–	3%	**100%**
Ragavendran Srinivasan	–	65%	–	21%	7%	–	7%	**100%**
Toh Chew Chai	–	59%	–	30%	5%	–	6%	**100%**
Executive Officers who received S$500,000 to S$799,999								
Toh Swee Kim	–	56%	5%	28%	3%	–	8%	**100%**
Toh Chew Leong	–	57%	5%	28%	2%	–	8%	**100%**

In aggregate, the total remuneration paid to the top five (5) key management personnel (who are not Directors or the Chief Executive Officer) in FY2024 is approximately S$1.97 million.

The Board is of the view that given the sensitive, private and confidential nature of the Directors' and employees' remuneration, detailed disclosure on the remuneration of the Directors and key management personnel is not in the best interests of the Company and the Group. Such disclosure would disadvantage the Group in relation to its competitors and may adversely affect the cohesion and spirit of team work prevailing among the Directors and the employees of the Group. The Board is also of the view that it is not necessary to present detailed disclosure on the Company's remuneration policy as the remuneration policy for executives is a management decision that the Board is generally entitled to make.

Provisions 8.1 and 8.3 of the Code: Remuneration of directors, CEO and top five key management personnel; details of employee share schemes

In view of the aforementioned reasons, the Company believes that its current disclosure is consistent with the intent of Principle 8 of the Code as Shareholders are still given information on the level and mix of remuneration in percentage terms and that the interests of Shareholders will not be prejudiced as a result of such non-disclosure of the total remuneration in dollar terms for the Directors as well as for key management personnel.

There are no termination, retirement and post-employment benefits granted to Directors or the key management personnel.

Pursuant to Rule 704(10) of the Catalist Rules, the Company has disclosed in its full year results announcement released via SGXNET on 27 May 2024, a list of persons occupying managerial positions who are related to a Director, Chief Executive Officer or Substantial Shareholder of the Group ("**Related Employees**"). The breakdown of Related Employees for FY2024 is set out below:

Provision 8.2 of the Code: Disclosure of remuneration of employees who are substantial shareholders or family members of directors, CEO or substantial shareholder and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

REMUNERATION BAND AND NAME OF RELATIVE	FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR SUBSTANTIAL SHAREHOLDER	FEES (%)	SALARY (%)	AWS (%)	BONUS (%)	EMPLOYER + CPF + SDL + PMBS (%)	AWARD/ REWA RD/ INCENTIVE (%)	ALLOWANCES (%)	TOTAL (%)
S$0 to S$50,000									
Toh Wanni	Daughter of Toh Choo Huat ("**TCH**") (the Executive Chairman and Chief Executive Officer of the Company) and niece of Toh Chew Leong ("**TCL**"), Toh Swee Kim ("**TSK**") and Toh Chew Chai ("**TCC**") (substantial shareholders of the Company)	–	72%	–	11%	15%	1%	1%	100%
S$50,001 to S$100,000									
Toh Wei Dong	Nephew of TCH, TCL, TSK and TCC	–	64%	–	10%	16%	–	10%	100%
S$100,001 to S$150,000									
Toh Qiu Ling	Daughter of TSK and niece of TCH, TSK and TCC	–	64%	–	10%	15%	–	11%	100%
Toh Chiew Boon	Brother of TCH, TCL, TSK and TCC	–	63%	–	6%	12%	8%	11%	100%
S$150,001 to S$200,000									
Toh Wei Jie	Son of TCL and nephew of TCH, TCL, TSK and TCC	–	59%	–	19%	12%	–	10%	100%
S$200,001 to S$250,000									
Reanne Toh Ting Xuan	Daughter of TCH and niece of TCL, TSK and TCC	–	54%	–	17%	12%	11%	6%	100%
Toh Kai Sheng	Son of TCC and nephew of TCH, TCL and TSK	–	70%	–	11%	10%	–	9%	100%
S$250,001 to S$300,000									
Toh Kai Hock	Son of TCC and nephew of TCH, TCL and TSK	–	66%	–	22%	9%	–	3%	100%
S$300,001 to S$350,000									
–	–	–	–	–	–	–	–	–	–
S$350,001 to S$400,000									
Toh Chew Chai	Substantial shareholder and brother of TCH, TCL and TSK	–	59%	–	30%	5%	–	6%	100%
S$400,001 to S$450,000									
–	–	–	–	–	–	–	–	–	–
S$450,001 to S$500,000									
Toh Swee Kim	Substantial shareholder and brother of TCH, TSK and TCC	–	56%	5%	28%	3%	–	8%	100%
Toh Chew Leong	Substantial shareholder and brother of TCH, TCL and TCC	–	57%	5%	28%	2%	–	8%	100%

REPORT ON CORPORATE GOVERNANCE

Provision 8.3 of the Code: Details of employee share schemes

The Ley Choon Performance Share Plan 2018 was approved by the Shareholders at the Annual General Meeting held on 30 July 2018.

The objectives of the Ley Choon Performance Share Plan 2018 are as follows:

(a) to give the Company the option and flexibility to pay eligible employees' bonuses in the form of cash, shares or a combination of cash and shares, resulting in a better and more flexible salary and cash-flow management for the Company;

(b) to give the Company the flexibility to impose specific or medium-term performance targets or to impose time-based service conditions, or a combination of both, as a means to reward and steer its executives to better performance and to retain employees with suitable skill sets and talents to drive the growth of the Group;

(c) to incentivise participants of the Ley Choon Performance Share Plan 2018 to excel in their performance and encourage greater dedication and loyalty to the Company;

(d) to recognise and reward past contributions and services and motivate participants of the Ley Choon Performance Share Plan 2018 to continue to strive for the Company's long-term prosperity;

(e) to further strengthen and enhance the Company's competitiveness in attracting and retaining employees with suitable talents; and

(f) to foster an ownership culture within the Company, and align the interests of participants of the Ley Choon Performance Share Plan 2018 with the interests of the Shareholders.

The Ley Choon Performance Share Plan 2018 shall be administered by the Remuneration Committee with such discretion, powers and duties as are conferred on it by the Board of Directors. A member of the Remuneration Committee shall not be involved in the deliberations or decisions of the Committee in respect of the grant of Awards to him or his associate. Shareholders who are eligible to participate in the Ley Choon Performance Share Plan 2018 shall abstain from voting on any resolution relating to the Ley Choon Performance Share Plan 2018.

The Ley Choon Performance Share Plan 2018 shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of ten (10) years from the date on which the Ley Choon Performance Share Plan 2018 was adopted by Shareholders, provided always that the Ley Choon Performance Share Plan 2018 may continue beyond the above stipulated period with the approval of the Company's Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

No performance shares have been allotted and issued to any employees or Directors of the Company since the Ley Choon Performance Share Plan 2018's commencement.

Save for the Ley Choon Performance Share Plan 2018, the Company currently does not have any long-term incentive scheme for its Directors and key management personnel.

REPORT ON CORPORATE GOVERNANCE

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

Provision 9.1 of the Code: Board to determine nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation

In line with the Singapore Standards on Auditing and the Committee of Sponsoring Organisations of the Treadway Commission Internal Controls-Integrated Framework, "internal controls" is broadly defined as "a process effected by an entity's board of directors and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

(i) effectiveness and efficiency of operations;

(ii) reliability of financial reporting; and

(iii) compliance with applicable laws and regulations."

The first category addresses an entity's basic business objectives, including performance and profitability goals and safeguarding of assets. The second category relates to the preparation of reliable published financial statements, including interim and condensed financial statements and selected financial data derived from such statements, such as earning releases, reported publicly. The third category deals with complying with those laws and regulations to which the entity is subject.

The Audit Committee, as well as the Board, conducts regular reviews of the effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems.

During FY2024, Crowe Horwath First Trust Risk Advisory Pte Ltd (the "**Internal Auditors**") conducted an independent review of the effectiveness and adequacy of the Group's internal controls and risk management policies and processes. Subsequent to the internal audit fieldwork and the detailed review of internal controls in specific identified areas with respect to FY2024, the Internal Auditors submitted a report to the Audit Committee covering their findings and recommendations to improve the internal controls in the respective identified areas. The Internal Auditors' recommendations were accepted and implementation of the recommendations is in progress. The Audit Committee and the Board monitors the Management's implementation of such recommendations.

Adequacy of Internal Controls (Catalist Rule 1204(10))

Based on the internal controls established and maintained by the Group, work performed by Messrs Foo Kon Tan LLP (the "**External Auditors**") and Internal Auditors and reviews performed by Management, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at 31 March 2024.

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer:

Provision 9.2 of the Code: Board to receive assurance on financial records, financial statements and management and internal control systems

(a) 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) regarding the adequacy and the effectiveness of the Company's risk management and internal control systems.

The Board acknowledges that it is responsible for the overall internal control and risk management framework, but recognises that all internal control and risk management systems contain inherent limitations and that no internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives. The Board notes that all internal control systems can provide only reasonable and not absolute assurance against the occurrence of material misstatement or loss, poor judgement in decision making, human error, fraud or other irregularities.

Risk Management (Catalist Rule 1204(4)(b) (iv))

The Board of Directors oversees the Group's financial risk management policies. Where there are significant risks in respect of the Group's operations, risk management practices will be put in place to address these risks. The Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to manage and mitigate these risks. The Management reviews all the significant control policies and procedures and highlights all significant findings to the Directors and the Audit Committee.

AUDIT COMMITTEE

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

*Provision 10.2 of the Code: Audit Committee ("**AC**") comprises at least three directors, all of whom are non-executive and the majority of whom, including the Chairman, are independent; Board to ensure AC members are qualified*

As at the date of this Annual Report, the Audit Committee comprises the Company's three (3) Independent Directors, namely, Ling Chung Yee (Chairman of the Audit Committee), Chia Soon Hin William (Member of the Audit Committee), Chua Hock Thak (Member of the Audit Committee) and one (1) Non-Executive Director, Teo Ho Beng (Member of the Audit Committee), who collectively bring with them invaluable managerial and professional expertise in the financial, accounting and business management spheres. The Board ensures that the Audit Committee's members have the appropriate qualifications to provide independent, objective and effective supervision. At least two (2) members, including the Chairman of the Audit Committee, have recent and relevant accounting or related financial management expertise or experience.

The Company has appointed Ling Chung Yee as the Chairman of the Audit Committee as he has strong financial management expertise, having held senior investment banking positions with JPMorgan, Lehman Brothers, Goldman Sachs and Salomon Smith Barney. Ling Chung Yee was a former Board Director of the CFA Society of Japan. Further, he also serves on the board of directors of other listed companies.

REPORT ON CORPORATE GOVERNANCE

The Audit Committee does not comprise any former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Provision 10.3 of the Code: Former partners or directors of Company's existing auditing firm should not act as member of the AC

The Audit Committee meets at least once every half-yearly to review the accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained within the Group.

The Audit Committee's duties include, amongst others, the review of:

Provision 10.1 of the Code: Duties of AC

(i) the financial and operating results and accounting policies of the Group;

(ii) the co-operation given by the Group's officers to the External Auditors;

(iii) the half-yearly and annual financial statements of the Group and the results announcements before the submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;

(iv) the Group's administrative, operating and internal accounting and financial control procedures;

(v) the nomination of External Auditors and Internal Auditors for appointment or re-appointment and matters relating to the resignation or dismissal of the External Auditors and Internal Auditors before making recommendations to the Board;

(vi) interested person transactions falling within Chapter 9 of the Catalist Rules, if any;

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

(viii) any potential conflicts of interest;

(ix) the Group's key financial risk areas, with a view to providing independent oversight on the Group's financial reporting. The outcome of such review will be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;

(x) the Group's significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;

(xi) hedging policies and instruments, if any, to be implemented by the Group before recommending the same to the Board;

(xii) review the proposals to the Shareholders on the appointment, re-appointment and removal of the External Auditors, and approval of the remuneration and terms of engagement of the External Auditors;

(xiii) the adequacy, effectiveness, independence, scope and results of the Group's internal audit function;

(xiv) the adequacy, effectiveness, independence scope and results of the Group's External Auditors;

(xv) the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters; and

(xvi) the suitability of the Group's Chief Financial Officer/Financial Controller.

As part of its review, the Audit Committee shall also:

(i) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position;

(ii) ensure that all future transactions with related parties shall comply with the requirements of the Catalist Rules;

(iii) evaluate 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 systems, ensure co-ordination between the External Auditors, the Internal Auditors and the Group's management, review the assistance given by the Group's management to the auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of the Group's management, where necessary); and

(iv) review the assurance from the Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements.

Under its terms of reference, the Audit Committee is entitled to obtain independent professional advice to execute its duties.

For FY2024, the Audit Committee has reviewed the Company's financial reporting function, internal controls and processes and is satisfied with the effectiveness and adequacy of the same.

In the event that a member of the Audit Committee is interested in any matter being considered by the Audit Committee, he will abstain from reviewing that particular transaction or voting on that particular resolution.

The Audit Committee reviewed the adequacy of the audit plans, with particular emphasis on the observations of the External Auditors, the scope and the results of their audits and the independence and objectivity of the External Auditors.

The Audit Committee has also reviewed the scope and quality of the External Auditors' work before recommending the External Auditors to the Board for re-appointment. The Company's External Auditors are Messrs Foo Kon Tan LLP. After taking into account the resources and experience of Messrs Foo Kon Tan LLP and the audit engagement partner assigned to the audit, Messrs Foo Kon Tan LLP's other audit engagements, any non-audit services provided by Messrs Foo Kon Tan LLP to the Group, the size and complexity of the audit for the Group as well as the number and experience of the staff assigned by Messrs Foo Kon Tan LLP for the audit, the Audit Committee is of the opinion that Messrs Foo Kon Tan LLP's independence has not been compromised and is able to meet its audit obligations. Together with the Board, the Audit Committee recommends the re-appointment of Messrs Foo Kon Tan LLP at the forthcoming Annual General Meeting. None of the members of the Audit Committee is a partner or director of Foo Kon Tan LLP.

Messrs Foo Kon Tan LLP is an audit firm registered with the Singapore Accounting & Corporate Regulatory Authority and was appointed on 22 January 2016. Messrs Foo Kon Tan LLP was also re-appointed to audit the accounts of the Company and its Singapore incorporated subsidiaries for FY2024. The fees paid/payable to the External Auditors for their audit and non-audit (taxation) services in FY2024 are S$240,000 (FY2023: S$235,000) and S$47,000 (FY2023: S$39,500), respectively. The Company is in compliance with Rule 712 and Rule 715 of the Catalist Rules.

The Audit Committee has reviewed the arrangements by which the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters within the Group, with the objectives of ensuring that arrangements are in place for independent investigations of such matters and for appropriate follow-up action as and when the need arises. As at the date of this Annual Report, the Company has put in place a whistle-blowing policy for this purpose. Under the Company's whistle-blowing policy, employees may submit a complaint (which may be on an anonymous basis) to the Independent Directors and Non-Executive Director, who also form the Audit Committee. The Audit Committee is obliged to review all reports received and take or approve the appropriate actions. There were no whistle blowing reports received during FY2024 and until the date of this report.

The Audit Committee is also briefed by the External Auditors on any change in the accounting standards which has a direct impact on the Company's financial statements.

Provision 10.5 of the Code: AC to meet external and internal auditors without the presence of management, annually

The Audit Committee and External Auditors have, at all times, unrestricted access to each other. The Audit Committee also meets annually with the External Auditors and the Internal Auditors, without the presence of the Management and is authorised to have full and unrestricted access to the Management and all personnel, records, operations, properties and other informational sources of the Company as required or desirable to properly discharge its responsibilities.

The Audit Committee has reviewed and discussed the following significant matters affecting the financial statements with the Management and the External Auditors:

SIGNIFICANT MATTERS	ACTION
Revenue recognition over time	The Audit Committee, with the assistance of the internal audit function, considered the internal controls established and maintained by the Management over project management, costing and revenue recognition. The Audit Committee noted the periodic reviews conducted by the Management in respect of long-term projects where the Group satisfies its performance obligations over time, which include the assessment of reasonableness of the estimated total budgeted costs of each project, and whether any provision for onerous contracts is required. Revenue recognition over time was also an area of focus for the External Auditors. The External Auditors had included this item as a key audit matter in their report for FY2024. Please refer to page 113 of this Annual Report.

INTERNAL AUDIT

The Internal Auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the Audit Committee, and has appropriate standing within the Company. The Internal Auditors report directly to the Audit Committee and provide reports to the Audit Committee on a timely basis. The Audit Committee decides on the appointment, termination and remuneration of the Internal Auditors.

Provision 10.4 of the Code: Primary reporting line of the internal audit function is to the AC; internal audit function has unfettered access to documents, records, properties and personnel, and has appropriate standing

The Board acknowledges that it is responsible for maintaining an internal audit function independent of the activities it audits. The effectiveness of the internal control systems and procedures are monitored by the Management and also by the internal audit function. During FY2024, the Company had in place an internal audit function, whereby the Company's finance team supports the Audit Committee in ensuring that the Company maintains a sound system of internal controls by monitoring and assessing the adequacy and the effectiveness of the key controls and procedures.

As part of the Company's efforts to enhance the risk management process and internal control systems, the Audit Committee has appointed Crowe Horwath First Trust Risk Advisory Pte Ltd, a suitably appointed qualified firm of accountants which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors ("**IIA**"), for the enterprise risk management and internal audit functions of the Group and to perform internal audit review on the operations of the Group. The internal audit methodology of Crowe Horwath First Trust Risk Advisory Pte Ltd has been mapped to the IIA's International Professional Practice Framework.

The Audit Committee meets at least once annually to ensure the adequacy of the internal audit functions. The AC reviewed the independence, adequacy and effectiveness of the Internal Auditors as required under Rule 1204(10C) of the Catalist Rules and determined that the Internal Auditors are independent, effective and adequately resourced. The Audit Committee also believes that the system of internal controls and risk management maintained by the Company is adequate to safeguard the Shareholders' investment and the Company's assets.

Internal audit function is independent, effective and adequately resourced (Catalist Rule 1204(10C))

The findings from the reviews and checks on the adequacy of the internal control and risk management are rated and reported to the Audit Committee. In particular, high risk matters are highlighted to the Audit Committee and the Management to ensure that proper follow-up actions are undertaken to ensure proper internal control and risk management.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT AND MANAGING STAKEHOLDERS RELATIONSHIPS

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

The Shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights. Written policies and procedures are implemented to ensure that there is adequate disclosure of developments in the Group in accordance with the Catalist Rules.

The Board supports the Code's principle to encourage shareholder participation at the general meetings. Any notice of a general meeting of Shareholders is issued at least 14 clear days before the scheduled date of such meeting, and Shareholders are informed of the rules governing general meetings. The Board regards the Annual General Meeting as an opportunity to communicate directly with the Shareholders and encourages attendance and participative dialogue during the Annual General Meeting. The notice of the Annual General Meeting is dispatched to the Shareholders with the Annual Report (together with explanatory notes or a circular/letter to Shareholders on items of special business, if applicable) at least 14 clear days before the Annual General Meeting if only ordinary resolutions are to be tabled at the meeting or at least 21 clear days before the meeting if any special resolutions are to be tabled at the meeting.

Provision 11.1 of the Code: Company to provide shareholders with the opportunity to participate effectively in and vote at general meetings and inform them of the rules governing general meetings

The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and supports the Code's principle regarding "bundling" of resolutions. In the event that there are resolutions which are interlinked, the Board will explain the reasons and material implications.

Provision 11.2 of the Code: Company should avoid "bundling" resolutions

The Directors, Senior Management and the Company Secretary will be available to answer questions from the Shareholders present. The Chairmen of the Audit Committee, Remuneration Committee and Nominating Committee are normally available at the Annual General Meeting as well to answer questions relating to the work of the Board Committees. The External Auditors are also invited to attend the Annual General Meeting and will assist the Directors in addressing relevant queries by the Shareholders relating to the conduct of the audit and the preparation and content of the External Auditors' report. All Directors attended the last Annual General Meeting held on 28 July 2023.

Provision 11.3 of the Code: All directors and external auditors to be present at AGM

REPORT ON CORPORATE GOVERNANCE

The Company's Constitution allows a Shareholder to appoint one (1) or two (2) proxies to attend general meetings and vote in place of that Shareholder. A member of the Company who is a relevant intermediary may appoint more than two (2) proxies to attend and vote at general meetings, but such proxies must be appointed to exercise the rights attached to a specified number of shares. The term "relevant intermediary" for this purpose is defined under the Companies Act and includes the Central Provident Fund Board as well as banks and capital market services licence holders which provide custodial services. Allowing multiple proxies for such members will facilitate indirect investors attending and voting at shareholder meetings and encourages more active shareholder participation. The Board is of the view that voting in absentia can only be possible if there is absolute certainty that integrity of the information and authentication of the identity of such Shareholder are not compromised.

Provision 11.4 of the Code: Company's Constitution allows for absentia voting at general meetings

The Company also encourages all the Shareholders to attend the Annual General Meeting to grasp a better understanding of the Group's business and be informed of the strategic goals and objectives. The Board and Management are committed to an open dialogue with the Shareholders at the Annual General Meeting to address the Shareholders' issues, views and concerns.

The Company Secretary and/or representatives from the Company Secretary's office prepares the minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and Management. The minutes of such meetings are then circulated to the Board for approval. Thereafter, the Company publishes the minutes on its corporate website as soon as practicable and on the SGX-ST within one (1) month after the annual general meeting.

Provision 11.5 of the Code: Minutes to be available to shareholders

In compliance with Rule 730A(2) of the Catalist Rules, resolutions tabled at general meetings of Shareholders will be put to vote by poll, via electronic polling, the procedures of which will be explained by the appointed scrutineer(s) at the general meetings of Shareholders. The results of the Annual General Meeting will be released as an announcement via SGXNET.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. The Board is pleased to recommend a dividend of 0.27 Singapore cents per ordinary share for FY2024 for approval by shareholders at the forthcoming Annual General Meeting.

Provision 11.6 of the Code: Company to have a dividend policy and communicate it to shareholders

One of the Board's principal duties is to protect and enhance the long-term value and returns to the Shareholders. This accountability to the Shareholders is demonstrated through the presentation of its periodic financial statements as well as the timely announcements and press releases of significant corporate developments and activities so that the Shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

For further accountability, the announcements containing the half-yearly interim financial statements in the course of FY2024 were signed jointly by the Executive Chairman and Chief Executive Officer, Toh Choo Huat and the Lead Independent Director, Ling Chung Yee for and on behalf of the Board, to confirm that it is to the best of the Board's knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results contained in the announcement to be false or misleading in any material aspects.

The Directors' Statement to the audited financial statements of the Company is also signed by the Executive Chairman and Chief Executive Officer, Toh Choo Huat and the Lead Independent Director, Ling Chung Yee.

The Company also completes and submits compliance checklists to its Sponsor (if applicable and when required) to ensure that all announcements, circulars or letters to our Shareholders comply with the disclosure requirements set out in the Catalist Rules. For its annual reports, the Company also reviews the documents against the Governance and Transparency Index launched by The Business Times and the Singapore Corporate Governance & Financial Reporting Centre.

ENGAGEMENT WITH SHAREHOLDERS AND STAKEHOLDERS

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

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

Provision 12.1 of the Code: Company provides avenues for communication between the Board and all shareholders, and discloses the steps taken to solicit and understand the views of shareholders.

The Company endeavours to maintain constant and effective communication with Shareholders through timely and comprehensive announcements. Price-sensitive information is released to all parties such as Shareholders, stakeholders and the public simultaneously to ensure a level playing field. Any material information or respective half-yearly and full year results (all issued within the mandatory period) is disseminated through SGXNET.

The Company communicates regularly through the following channels:

(i) SGXNET;

(ii) news and press releases; and

(iii) the annual report.

The Group's material development and information shall also be disclosed in:

(i) the Company's announcement of periodic financial results on SGXNET;

(ii) notices of and explanatory memoranda for Annual General Meetings and Extraordinary General Meetings;

(iii) press releases for the Group's half-yearly and full-year results as well as other briefings, as appropriate;

(iv) press releases on major developments and corporate affairs of the Group (which the Company also releases as announcements via SGXNET and any supporting materials to these press releases such as PowerPoint slides are also attached to these announcements); and

(v) circulars or letters to shareholders to provide the Shareholders with more information on its major transactions.

In addition to the above, Shareholders and other stakeholders can access the Company's corporate website (http://www.leychoon.com) at their convenience to receive updates. The Company's corporate website also provides information about the Company, its products and its directors. In the investor relations section of the corporate website, the Company maintains announcements released on SGXNET, including its latest financial results and annual reports.

Provision 13.3 of the Code: Company maintains a current corporate website to communicate and engage with stakeholders

The Company has adopted an investor relations policy, which describes the principles and practices that the Company applies in order to provide current and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field, and sets out the mechanism through which Shareholders may contact the Company with questions and through which the Company may respond to such questions. The Company also considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to Shareholders.

Provisions 12.2 and 12.3 of the Code: Company has in place an investor relations policy

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2024 can be found on page 18 of this Annual Report in the Sustainability Report.

Provisions 13.1 and 13.2 of the Code: Management of stakeholder relationships

(E) DEALING IN SECURITIES

The Group has adopted and implemented the best practices guidelines advised by SGX-ST in relation to the dealing of shares of the Company through an internal compliance code to provide guidance to its officers with regard to dealing by the Company and its officers in its securities. The Group has in place procedures prohibiting the Directors and employees of the Group from dealing in the Company's shares one (1) month before the announcement of the Group's half year and full year financial results and ending on the date of the announcement of the results; or if they are in possession of unpublished material price-sensitive information of the Group.

The Directors and employees are also expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. In addition, the Directors and employees are expected not to deal in the Company's securities on short term considerations.

The Board confirms that as at the date of this Annual Report, the Company has complied with Rule 1204(19) of the Catalist Rules.

(F) INTERESTED PERSON TRANSACTIONS

To ensure compliance with the relevant rules under Chapter 9 of the Catalist Rules on interested person transactions, the Board and Audit Committee regularly reviews if the Company enters into any interested person transaction and if it does, to ensure that the Company complies with the requisite rules under Chapter 9.

As set out in the Company's circular to the Shareholders dated 25 July 2012 (the "Circular"), the Company has implemented, inter alia, the following procedures to ensure that all Interested/ Related Person Transactions are undertaken on normal commercial terms:

(a) in the case of a purchase from or procurement of services from an Interested Person or a Related Person, the Group shall require that quotations be obtained from such Interested Person or Related Person and at least two (2) other quotations from unrelated third parties; and

(b) in the case of a sale to or provision of services to an Interested Person or a Related Person, comparison will be made with reference to (i) at least two (2) latest similar transactions between the Group and unrelated third parties or (ii) if relevant market rates from independent sources are available, such market rates.

Provision 1.1 of the Code: Directors facing conflicts of interest

If the Company does enter into an Interested/Related Party Transaction, and a potential conflict of interest arises, the Director concerned will abstain from any discussions and decisions involving the issues of conflict and will also refrain from exercising any influence over other members of the Board. In addition, the Audit Committee will carry out half-yearly reviews to ensure that the established guidelines and procedures for Interested/Related Party Transaction have been complied with and the relevant approvals are obtained.

No interested person transactions were entered into during FY2024.

(G) MATERIAL CONTRACTS

Save for the service agreements entered into between the Company and the Executive Director, there were no material contracts of the Company or its subsidiaries involving the interests of the Executive Chairman, Chief Executive Officer, any Director or Controlling Shareholder subsisting at the end of FY2024, or if not then subsisting, entered into since the end of the previous financial period.

(H) NON-SPONSOR FEES

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The current Continuing Sponsor of the Company is RHT Capital Pte. Ltd. ("**RHT Capital**"). RHT Capital was appointed as the Company's Continuing Sponsor with effect from 22 February 2017. No non-sponsor fees were paid to RHT Capital by the Company for FY2024.

(I) PROCEDURES FOR REPORTING IMPROPRIETIES (WHISTLE-BLOWING POLICY)

Provision 10.1(f) of the Code: The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns

The Company has in place a whistle-blowing policy which sets out the procedures for a whistleblower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers. The policy is endorsed and overseen by the Audit Committee, pursuant to which employees of the Group have direct access to the Independent Directors of the Company, who also form the Audit Committee, to raise concerns about possible corporate improprieties in matters of financial reporting or other matters. The objective of such arrangements is to ensure both independent investigation of such matters and appropriate follow-up action are taken, and that employees making any reports in good faith will be able to do so with the confidence that they will be treated fairly and protected from reprisal, victimization, or detrimental or unfair treatment. The Audit Committee is responsible for the oversight and monitoring of whistleblowing matters. The Company will ensure the confidentiality of any whistle-blower as far as reasonably practical and allow disclosures to be made anonymously where requested by the complainant.

There were no whistle-blowing reports received during FY2024 and as of the date of this Annual Report.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Toh Choo Huat and Mr Chua Hock Thak are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 30 July 2024 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(5) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), the information relating to the Retiring Directors as set out in Appendix 7F of the Catalist Rules is set out below:

	MR TOH CHOO HUAT	**MR CHUA HOCK THAK**
Date of Appointment	25 July 2012	29 March 2018
Date of last re-appointment	29 July 2022	29 September 2021
Age	67	70
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr Toh Choo Huat for re-appointment as an Executive Director of the Company. The Board has reviewed and concluded that Mr Toh Choo Huat possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr Chua Hock Thak for re-appointment as an Independent Director of the Company. The Board has reviewed and concluded that Mr Chua Hock Thak possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Chief Executive Officer	Independent Director, Chairman of the Nominating Committee and member of the Remuneration Committee and Audit Committee
Professional qualifications and working experience and occupation(s) during the past 10 years	Mr Toh Choo Huat is presently the Chief Executive Officer of the Company. Mr Toh has more than 30 years of experience in the business of underground utilities infrastructure construction and maintenance, sewer pipeline rehabilitation, road and airfield construction and maintenance.	Mr Chua Hock Thak has over 40 years of experience in the development of water infrastructure projects. He was with Public Utilities Board, Singapore's National Water Agency, for 34 years holding various positions and was involved in the development of water infrastructures such as water and NEWater treatment works, water transmission and distribution pipelines, raw water and treated water reservoirs and barrage structures for raw water intakes.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TOH CHOO HUAT	MR CHUA HOCK THAK
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 794,000 shares Deemed interest: 902,272,580 shares	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes. Mr Toh Choo Huat is the brother of Mr Toh Chew Leong (Advisor, a substantial shareholder of the Company, and a director of the Company's subsidiary, Ley Choon Constructions and Engineering Pte Ltd), Mr Toh Swee Kim (Advisor, a substantial shareholder of the Company, and a director of the Company's subsidiary, Chin Kuan Engineering and Contractors Pte Ltd), Mr Toh Chew Chai (Advisor, a substantial shareholder of the Company, and a director of the Company's subsidiary, Chin Kuan Engineering and Contractors Pte Ltd) and Mr Toh Chiew Boon (Senior Construction Manager of the Company). Mr Toh Choo Huat is the father of Ms Reanne Toh Ting Xuan (a director of the Company's subsidiaries, Multiform Developments & Construction Pte Ltd, LC International Trading Co Pte. Ltd., Chin Kuan Engineering and Contractors Pte Ltd, and Department Head for Tender, Contract and Sales Department of the Group) and Ms Toh Wanni, Procurement cum BI Manager; and the uncle of Mr Toh Kai Sheng Adam (a director of the Company's subsidiaries, Ley Choon Constructions and Engineering Pte Ltd and Pan Alliance Technology International Pte. Ltd. and Director of Operations & HR of the Group), Mr Toh Kai Hock (IT Director and Head of Fleet Department of the Group), Ms Toh Qiu Ling (a director of the Company's subsidiaries, Pan Alliance Technology International Pte. Ltd. and Multiform Developments & Construction Pte Ltd, and Senior Procurement cum Sales Manager of the Group), and Mr Toh Wei Jie (a director of the Company's subsidiary, Teacly (S) Pte. Ltd. and Deputy Director of the Group).	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TOH CHOO HUAT	MR CHUA HOCK THAK
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	Past (for the last 5 years): Nil Present: Director of LC International Trading Co Pte. Ltd. Director of Ley Choon Constructions and Engineering Pte Ltd Director of Li Chun Dragon Fish Industry Pte. Ltd. Director of Zheng Choon Holding Pte. Ltd. Director of Ley Choon (M) Sdn Bhd Director of Teacly (S) Pte. Ltd.	Past (for the last 5 years): Nil Present: Nil
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		MR TOH CHOO HUAT	MR CHUA HOCK THAK
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		MR TOH CHOO HUAT	MR CHUA HOCK THAK
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TOH CHOO HUAT	MR CHUA HOCK THAK
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A. This is a re-election of a director.	N.A. This is a re-election of a director.

DIRECTORS' STATEMENT

for the financial year ended 31 March 2024

We submit this annual report to the members together with the audited consolidated financial statements of Ley Choon Group Holdings Limited (the "Company") and its subsidiaries (the "Group") and statement of financial position of the Company for the financial year ended 31 March 2024.

In our opinion:

(a) the accompanying statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, 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 March 2024 and of 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.

NAMES OF DIRECTORS

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

Toh Choo Huat (Executive Chairman, Executive Director and Chief Executive Officer)
Ling Chung Yee Roy (Lead Independent Director)
Chia Soon Hin William (Independent Director)
Chua Hock Thak (Independent Director)
Teo Ho Beng (Non-Executive Director)

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares or debentures of the Company or any other corporate body, other than as disclosed in this statement.

DIRECTORS' STATEMENT

for the financial year ended 31 March 2024

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act 1967, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	HOLDINGS REGISTERED IN THE NAME OF DIRECTOR		HOLDINGS IN WHICH DIRECTOR IS DEEMED TO HAVE AN INTEREST	
	AS AT 1.4.2023	AS AT 31.3.2024 AND 21.4.2024 #	AS AT 1.4.2023	AS AT 31.3.2024 AND 21.4.2024 #
The Company -				
Ley Choon Group Holdings Limited		Number of ordinary shares		
Toh Choo Huat	794,000	794,000	902,272,580	902,272,580
Holding company -				
Zheng Choon Holding Pte. Ltd.		Number of ordinary shares		
Toh Choo Huat	24,391,371	24,391,371	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2024.

Toh Choo Huat, by virtue of the provisions of Section 7 of the Companies Act 1967, is deemed to have an interest in all shares of the subsidiaries of the Company.

SHARE OPTIONS

No options were granted during the financial year to take up issued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

PERFORMANCE SHARE PLAN

The Ley Choon Performance Share Plan 2018 was approved by the shareholders at the Annual General Meeting held on 30 July 2018.

The objectives of the Ley Choon Performance Share Plan 2018 are as follows:

(a) to give the Company the option and flexibility to pay eligible employees' bonuses in the form of cash, shares or a combination of cash and shares, resulting in a better and more flexible salary and cash-flow management for the Company;

(b) to give the Company the flexibility to impose specific or medium-term performance targets or to impose time-based service conditions, or a combination of both, as a means to reward and steer its executives to better performance and to retain employees with suitable skill sets and talents to drive the growth of the Group;

(c) to incentivise participants of the Ley Choon Performance Share Plan 2018 to excel in their performance and encourage greater dedication and loyalty to the Company;

(d) to recognise and reward past contributions and services and motivate participants of the Ley Choon Performance Share Plan 2018 to continue to strive for the Company's long-term prosperity;

(e) to further strengthen and enhance the Company's competitiveness in attracting and retaining employees with suitable talents; and

(f) to foster an ownership culture within the Company and align the interests of participants of the Ley Choon Performance Share Plan 2018 with the interests of the shareholders.

The Ley Choon Performance Share Plan 2018 shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of ten years from the date on which the Ley Choon Performance Share Plan 2018 is adopted by shareholders, provided always that the Ley Choon Performance Share Plan 2018 may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

No performance shares have been allotted and issued to any employees or directors of the Company since the commencement of Ley Choon Performance Share Plan 2018.

DIRECTORS' STATEMENT

for the financial year ended 31 March 2024

AUDIT COMMITTEE

The Audit Committee at the date of this statement comprises the following members:

Ling Chung Yee Roy (Chairman)
Chia Soon Hin William
Chua Hock Thak
Teo Ho Beng

The Audit Committee performs the functions set out in Section 201B(5) of the Companies Act 1967, the Listing Manual - Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. In performing those functions, the Audit Committee performed the following:

(i) reviewed the overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It also met with the Company's internal auditor to discuss the results of their examination and evaluation of the Group's system of internal accounting controls;

(ii) reviewed the audit plan of the Company's external auditor and any recommendations on the Group's internal accounting controls arising from the statutory audit;

(iii) reviewed the quarterly financial information, the statement of financial position of the Company as at 31 March 2024 and the consolidated financial statements of the Group for the financial year ended 31 March 2024, as well as the auditor's report thereon;

(iv) reviewed and discussed with management and the external auditor the key audit matters communicated in the auditor's report;

(v) reviewed the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditor;

(vi) met with the auditors, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

(vii) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(viii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(ix) reviewed the nature and extent of non-audit services provided by the external auditor;

(x) recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(xi) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and

(xii) reviewed interested person transactions (as defined in Chapter 9 of the Catalist Rules).

AUDIT COMMITTEE (CONT'D)

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 auditor and reviews the level of audit and non-audit fees.

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

Full details regarding the Audit Committee are provided in the Report on Corporate Governance.

In appointing the auditors for the Company and its subsidiaries, the Company has complied with Rules 712 and 715 of the Catalist Rules.

INDEPENDENT AUDITOR

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

On behalf of the Directors

....
TOH CHOO HUAT

....
LING CHUNG YEE ROY

Dated: 12 July 2024

INDEPENDENT AUDITOR'S REPORT

to the members of Ley Choon Group Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Ley Choon Group 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 March 2024, and the consolidated statement of profit or loss and other 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.

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements 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.

KEY AUDIT MATTER	OUR RESPONSES AND WORK PERFORMED
Revenue recognition over time (refer to Notes 2(a), 2(d) and 19 to the financial statements)	
For the long-term projects where the Group satisfies its performance obligations over time, the Group has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred on the projects. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the projects. Where the Group has a contract that is onerous, of which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, the present obligation under the contract is recognised and measured as a provision. The level of total expected costs to be incurred on each contract is estimated by the Group and includes certain judgements as contracts may run over a number of accounting periods and include variations in contract work, claims and incentive payments, and forecasts in relation to future costs including labour and materials which are not yet contractually agreed. Actual costs could differ from the estimates. The nature of these judgements increases the risk of them being susceptible to management override.	Our audit procedures included testing the Group's key internal controls over revenue. We assessed whether the revenue recognition policies adopted complied with SFRS(I) 15 as detailed in Note 2(d) to the financial statements. We inspected the terms of significant sales contracts to assess whether they were consistent with the detailed calculations being considered. We agreed amounts recognised to contract sums and variation orders. Our testing also included evaluating customer acceptance of the work done. When assessing the stage of completion on contracts, we agreed amounts recognised to documentary evidence on a sample basis. This included the agreement of actual costs incurred to invoices and other supporting documents, and the assessment of any judgements applied in the projection of total contract costs through consideration of the Group's historical experience of costs on similar contracts. Our audit procedures also included reviewing for variation orders and enquiring of key personnel regarding adjustments for job costing and expected losses from onerous contracts. We also considered the adequacy of disclosures in the financial statements, including management's sensitivity analysis to assess the impact from reasonably possible changes to estimates of expected costs of uncompleted contracts and revenue.

OTHER INFORMATION

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

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 auditor's report is Cheong Wenjie.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
Singapore

12 July 2024

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2024

		THE GROUP		THE COMPANY	
		2024	2023	2024	2023
	NOTE	S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	3	15,095	19,188	–	–
Right-of-use assets	4	7,896	6,796	–	–
Subsidiaries	5	–	–	160,100	160,100
Deferred tax assets	6	229	437	–	–
Club membership		229	229	–	–
		23,449	26,650	160,100	160,100
Current Assets					
Inventories	7	6,409	7,712	–	–
Contract assets	8	28,477	30,807	–	–
Trade and other receivables	9	17,342	22,659	6,339	2,126
Prepayments	10	4,683	4,391	27	30
Other investments	11	21	16	–	–
Cash and bank balances	12	9,371	7,124	6	3
Fixed deposits	12	–	507	–	–
		66,303	73,216	6,372	2,159
Total assets		89,752	99,866	166,472	162,259
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	13	97,889	97,889	164,108	164,108
Accumulated losses		(36,172)	(47,084)	(26,760)	(30,915)
Other reserves	14	(1,485)	(1,586)	28,774	28,774
Equity attributable to owners of the Company		60,232	49,219	166,122	161,967
Non-controlling interest		2	–	–	–
Total equity		60,234	49,219	166,122	161,967
Non-Current Liabilities					
Deferred tax liabilities	6	48	4	–	–
Lease liabilities	15	3,178	2,556	–	–
		3,226	2,560	–	–
Current Liabilities					
Lease liabilities	15	2,521	2,912	–	–
Borrowings	16	–	19,858	–	–
Trade and other payables	17	23,347	25,241	350	292
Provisions	18	267	21	–	–
Current tax payable		157	55	–	–
		26,292	48,087	350	292
Total liabilities		29,518	50,647	350	292
Total equity and liabilities		89,752	99,866	166,472	162,259

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 March 2024

	NOTE	2024 S$'000	2023 S$'000
Continuing operations			
Revenue	19	129,140	123,921
Cost of sales		(108,043)	(107,551)
Gross profit		21,097	16,370
Other income	20	3,249	5,920
Selling and distribution expenses		(129)	(120)
Administrative expenses		(11,624)	(10,929)
Impairment losses on trade receivables	9	(123)	–
Other operating expenses	21	(44)	(31)
Finance costs	22	(1,156)	(1,633)
Profit before taxation from continuing operations		11,270	9,577
Taxation	23	(356)	(237)
Profit for the year from continuing operations		10,914	9,340
Discontinued operation			
Loss from discontinued operation, net of tax	24	–	(101)
Profit for the year	25	10,914	9,239
Other comprehensive income/(loss) after tax:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences on consolidation		113	(493)
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of post-employment benefit obligations		(12)	16
Other comprehensive income/(loss) for the year		101	(477)
Total comprehensive income for the year		11,015	8,762
Profit/(Loss) attributable to:			
Owners of the Company			
- Profit from continuing operations		10,912	9,340
- Loss from discontinued operation		–	(101)
		10,912	9,239
Non-controlling interest			
- Profit from continuing operations		2	–
Profit for the year		10,914	9,239

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

for the financial year ended 31 March 2024

	NOTE	2024 S$'000	2023 S$'000
Total comprehensive income/(loss) attributable to:			
Owners of the Company			
- Total comprehensive income from continuing operations		11,013	8,863
- Total comprehensive loss from discontinued operation		–	(101)
		11,013	8,762
Non-controlling interest			
- Total comprehensive income from continuing operations		2	–
Total comprehensive income for the year		11,015	8,762
Earnings/(Loss) per share attributable to owners of the Company (Singapore cent)			
Basic and diluted			
- From continuing and discontinued operations	26	0.725	0.613
- From continuing operations	26	0.725	0.620
- From discontinued operation	26	–	(0.007)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2024

	SHARE CAPITAL S$'000	ACCUMULATED LOSSES S$'000	FOREIGN CURRENCY TRANSLATION RESERVE S$'000	OTHER RESERVE S$'000	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY S$'000	NON-CONTROLLING INTEREST S$'000	TOTAL EQUITY S$'000
Balance at 1 April 2022	97,889	(56,323)	(1,060)	(49)	40,457	–	40,457
Profit for the year	–	9,239	–	–	9,239	–	9,239
Other comprehensive (loss)/ income for the year							
- Foreign currency translation differences	–	–	(493)	–	(493)	–	(493)
- Remeasurement of post-employment benefit obligations	–	–	–	16	16	–	16
Other comprehensive (loss)/ income for the year	–	–	(493)	16	(477)	–	(477)
Total comprehensive income/ (loss) for the year	–	9,239	(493)	16	8,762	–	8,762
Balance at 31 March 2023	97,889	(47,084)	(1,553)	(33)	49,219	–	49,219
Balance at 1 April 2023	97,889	(47,084)	(1,553)	(33)	49,219	–	49,219
Profit for the year	–	10,912	–	–	10,912	2	10,914
Other comprehensive income/ (loss) for the year							
- Foreign currency translation differences	–	–	113	–	113	–	113
- Remeasurement of post-employment benefit obligations	–	–	–	(12)	(12)	–	(12)
Other comprehensive income/ (loss) for the year	–	–	113	(12)	101	–	101
Total comprehensive income/ (loss) for the year	–	10,912	113	(12)	11,013	2	11,015
Balance at 31 March 2024	97,889	(36,172)	(1,440)	(45)	60,232	2	60,234

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2024

	NOTE	2024 S$'000	2023 S$'000
Cash Flows from Operating Activities			
Profit/(Loss) before taxation			
- Continuing operations		11,270	9,577
- Discontinued operation	24	–	(101)
Profit before taxation		11,270	9,476
Adjustments for:			
Depreciation of property, plant and equipment	3	6,215	6,315
Depreciation of right-of-use assets	4	2,456	2,839
Fair value gain on other investments	20	(5)	(2)
Gain on derecognition of leases	20	(1)	(5)
(Gain)/Loss on disposal of property, plant and equipment	20/21	(718)	20
Impairment losses on property, plant and equipment reversed	3	–	(582)
Impairment losses on right-of-use assets reversed	4	–	(62)
Impairment losses on trade receivables	9	123	–
Interest expense	22	1,156	1,633
Interest income	20	(50)	(5)
Inventories written off	21	44	–
Loss on disposal of associate	24	–	101
Provision for onerous contracts	25	257	–
Sundry income	20	–	(2,245)
Operating profit before working capital changes		20,747	17,483
Changes in inventories		1,266	1,520
Changes in contract assets		2,341	(2,519)
Changes in trade and other receivables		5,212	(5,221)
Changes in prepayments		(287)	(752)
Changes in provisions		(22)	(15)
Changes in trade and other payables		(1,866)	3,704
Net cash generated from operating activities		27,391	14,200
Cash Flows from Investing Activities			
Interest received		50	5
Purchase of property, plant and equipment and right-of-use assets	A	(4,198)	(1,855)
Proceeds from disposal of property, plant and equipment		3,075	687
Proceeds from disposal of associate	B	–	3,082
Net cash (used in)/generated from investing activities		(1,073)	1,919
Cash Flows from Financing Activities			
Fixed deposits pledged with banks		507	66
Interest paid		(1,156)	(1,633)
Repayment of lease liabilities		(3,591)	(3,649)
Repayment of loans from financial institutions		(19,858)	(8,077)
Net cash used in financing activities		(24,098)	(13,293)
Net increase in cash and cash equivalents		2,220	2,826
Cash and cash equivalents at beginning of year		7,124	4,334
Exchange differences on translation of cash and cash equivalents		27	(36)
Cash and cash equivalents at end of year	12	9,371	7,124

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

for the financial year ended 31 March 2024

NOTE A

During the financial year ended 31 March 2024, the Group made cash payments of S$3,771,000 (2023: S$1,545,000) and S$427,000 (2023: S$310,000) to acquire property, plant and equipment and right-of-use assets, respectively, amounting to S$4,198,000 (2023: S$1,855,000). There were non-cash additions to right-of-use assets of S$3,825,000 (2023: S$4,625,000).

NOTE B

On 29 December 2022, the Company had completed the disposal of its 40% equity interest in Ley Choon (Yantai) Eco-Green Construction Materials Ltd. ("LCYT"), upon the receipt of the third instalment of RMB 5 million and the collection of the disposal proceeds of RMB 16 million (S$3,082,000) in full by the Company (Note 24). The effects of the disposal on the cash flows of the Group are as follows:

	2023 S$'000
Carrying amount of associate	3,183
Loss on disposal of associate (Note 24)	(101)
Net cash inflow arising from disposal	3,082

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

for the financial year ended 31 March 2024

RECONCILIATION OF MOVEMENTS OF (ASSETS)/LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	FIXED DEPOSITS PLEDGED (NOTE 12) S$'000	LOANS FROM FINANCIAL INSTITUTIONS (NOTE 16) S$'000	LEASE LIABILITIES (NOTE 15) S$'000	TOTAL S$'000
Balance at 1 April 2022	(573)	27,935	4,586	31,948
Changes from financing cash flows				
- Fixed deposits pledged with banks	66	–	–	66
- Interest paid	–	(1,373)	(260)	(1,633)
- Repayment of lease liabilities	–	–	(3,649)	(3,649)
- Repayment of loans from financial institutions	–	(8,077)	–	(8,077)
Total changes from financing cash flows	66	(9,450)	(3,909)	(13,293)
Effect of changes in foreign exchange rates	–	–	(10)	(10)
Other changes				
- Interest expense	–	1,373	260	1,633
- Derecognition of leases	–	–	(109)	(109)
- Lease modification	–	–	25	25
- New leases	–	–	4,625	4,625
Total liability-related other changes	–	1,373	4,801	6,174
Balance at 31 March 2023	(507)	19,858	5,468	24,819
Balance at 1 April 2023	(507)	19,858	5,468	24,819
Changes from financing cash flows				
- Fixed deposits pledged with banks	507	–	–	507
- Interest paid	–	(779)	(377)	(1,156)
- Repayment of lease liabilities	–	–	(3,591)	(3,591)
- Repayment of loans from financial institutions	–	(19,858)	–	(19,858)
Total changes from financing cash flows	507	(20,637)	(3,968)	(24,098)
Effect of changes in foreign exchange rates	–	–	8	8
Other changes				
- Interest expense	–	779	377	1,156
- Derecognition of leases	–	–	(28)	(28)
- Lease modification	–	–	17	17
- New leases	–	–	3,825	3,825
Total liability-related other changes	–	779	4,191	4,970
Balance at 31 March 2024	–	–	5,699	5,699

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2024

1 GENERAL INFORMATION

The financial statements of Ley Choon Group Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated as a limited liability company and is domiciled in Singapore.

The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at No. 3 Sungei Kadut Drive, Singapore 729556.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

The immediate and ultimate holding company is Zheng Choon Holding Pte. Ltd., a company incorporated in Singapore.

2(A) BASIS OF PREPARATION

The financial statements are prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The financial statements have been prepared under the historical cost convention except as otherwise described in the notes below.

The financial statements are presented in Singapore dollar ("S$") which is the Company's functional currency. All financial information is presented in Singapore dollar and rounded to the nearest thousand, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I)s requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

2(A) BASIS OF PREPARATION (CONT'D)

Significant judgements in applying accounting policies

Determination of functional currencies

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the entities operate and the respective entities' process of determining sales prices.

Control over a partnership

The Group determines if it has control, or not, over an investee based on whether the Group has power over the investee, exposure or rights to variable returns from its involvement with the investee, and ability to use its power over the investee to affect its returns. As disclosed in Note 5 to the financial statements, the Company's wholly-owned subsidiary, Ley Choon Constructions and Engineering Pte Ltd ("LCCE"), had entered into a limited liability partnership agreement with Gim Tian Civil Engineering Pte Ltd ("GTCE") to register a limited liability partnership, Ley Choon Gim Tian Joint Venture LLP ("LCGTLLP"), in Singapore on 30 December 2022. LCCE and GTCE are the sole partners of LCGTLLP and each holds 51% and 49% equity interest, respectively, in LCGTLLP. Under the limited liability partnership agreement, any matter or issue relating to LCGTLLP must be decided by resolution passed by a majority of the votes, and for this purpose, LCCE shall have 51 votes and GTCE shall have 49 votes. The Group has determined that it has control over LCGTLLP on the basis that it holds the majority voting rights and is able to direct the relevant activities of LCGTLLP to significantly affect its returns.

Income taxes

The Group has exposure to income taxes in various jurisdictions. Significant judgement and estimates are involved in determining group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected 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 recognised, such differences will affect the current tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's deferred taxation at the end of the reporting period and the Group's income taxes for the year are disclosed in Note 6 and Note 23, respectively, to the financial statements.

2(A) BASIS OF PREPARATION (CONT'D)

Significant assumptions used and accounting estimates in applying accounting policies

Depreciation of property, plant and equipment and right-of-use assets

The costs of property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over the estimated economic useful lives of the assets or based on the shorter period of lease term and useful life of the right-of-use asset. The Group's business is capital intensive and the annual depreciation of property, plant and equipment and right-of-use assets form a significant component of total costs charged to profit or loss. Management estimates the useful lives of property, plant and equipment and right-of-use assets to be 2 to 20 years and 1 to 13 years, respectively. The carrying amount of the Group's property, plant and equipment and right-of-use assets at the end of the reporting period is disclosed in Note 3 and Note 4, respectively, to the financial statements. The estimation of useful lives is based on assumptions about wear and tear, ageing, changes in demand and the Group's historical experience with similar assets. The Group performs annual reviews on whether the assumptions made on useful lives continue to be valid. As changes in the expected level of usage, maintenance programmes and technological developments could affect the economic useful lives and the residual values of these assets, future depreciation charges could be revised. If depreciation on the Group's property, plant and equipment and right-of-use assets increases/decreases by 10% from management's estimates, the Group's profit for the year will decrease/increase by S$622,000 (2023: S$632,000) and S$246,000 (2023: S$284,000), respectively.

Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are assessed at the end of each reporting period whether there is any indication of impairment or that an impairment loss recognised in prior periods no longer exists or has decreased. If any such indication exists, the recoverable amounts of the assets are estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Such impairment loss is recognised in profit or loss.

Significant judgement and estimates by management are required in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying amount of an asset can be supported by its market value based on comparable assets or the net present value of future cash flows which are estimated based on the continued use of the asset in the business; and (iii) the appropriate valuation techniques and inputs used in fair value measurement and the key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are extrapolated using a suitable growth rate and then discounted using an appropriate discount rate. Changing the assumptions selected by management to determine the level of impairment could materially affect the recoverable amount determined in the impairment test and as a result may potentially affect the Group's results. The carrying amount of the Group's property, plant and equipment and right-of-use assets as at 31 March 2023 and the basis used to determine value in use and fair value less costs of disposal are disclosed in Note 3 and Note 4, respectively, to the financial statements.

2(A) BASIS OF PREPARATION (CONT'D)

Significant assumptions used and accounting estimates in applying accounting policies (cont'd)

Impairment of investments in subsidiaries

The Company assesses at the end of each reporting period whether there is any indication that an investment in subsidiary is impaired or that an impairment loss recognised in prior periods no longer exists or has decreased. If any indication exists, the investment in subsidiary is tested for impairment. The determination of the recoverable amount requires an estimation of the fair value less costs of disposal of the underlying assets or the value in use of the cash-generating units. Estimating the fair value less costs of disposal requires the Company to make an estimate of the expected selling prices or realisable amounts of the underlying assets and the estimated cash outflows to settle the obligations in respect of the underlying liabilities. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash-generating units, a suitable growth rate to extrapolate the future cash flows, and an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amount of the Company's investments in subsidiaries as at 31 March 2023 and the basis used to determine value in use and fair value less costs of disposal as the recoverable amount are disclosed in Note 5 to the financial statements.

Allowance for inventory obsolescence

The Group reviews the ageing analysis of inventories at the end of each reporting period and applies judgement and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The net realisable values for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 7 to the financial statements. If the net realisable values of the inventories decrease by 10% below cost from management's estimates, the Group's profit for the year will decrease by S$641,000 (2023: S$771,000).

Revenue recognition over time

For the long-term projects where the Group satisfies its performance obligations over time, management has determined that the cost-based input method provides a faithful depiction of the Group's performance in transferring control to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred on the projects. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the projects. Significant judgement is required in determining the estimated total contract costs, as well as the recoverability of the contract costs incurred.

The estimation of total contract costs is based on historical experience and contractual arrangements with contractors/suppliers. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Where the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. The estimated total costs for each project are reviewed on a regular basis by the Group in order to determine the costs to be recognised in profit or loss at the end of each reporting period and to assess whether any provision for onerous contracts is required. Actual costs could differ from the estimates.

The carrying amount of the Group's contract assets at the end of the reporting period and the Group's contract revenue for the year are disclosed in Note 8 and Note 19, respectively, to the financial statements. If the contract costs of uncompleted contracts to be incurred had been higher/lower by 5% from management's estimates, the Group's profit for the year would have been lower/higher by S$1,862,000 (2023: S$319,000) and S$1,984,000 (2023: S$324,000), respectively.

2(A) BASIS OF PREPARATION (CONT'D)

Significant assumptions used and accounting estimates in applying accounting policies (cont'd)

Allowance for expected credit losses of trade and other receivables and contract assets

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar risk characteristics, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company apply the 3-stage general approach to determine ECLs for other receivables. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

The assessment of the correlation between historical observed default rates, forecast of economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information relating to ECLs on the Group's trade and other receivables and contract assets is disclosed in Note 31.1. If the loss rates on the respective ageing categories of trade receivables increase by 10% from management's estimates, the Group's allowance for impairment of trade receivables will increase by S$1,120,000 (2023: S$1,175,000).

2(B) ADOPTION OF NEW OR AMENDED SFRS(I)S EFFECTIVE IN 2024

On 1 April 2023, the Group adopted the following new or amended SFRS(I)s that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s.

REFERENCE	DESCRIPTION
SFRS(I) 17	Insurance Contracts
Amendments to SFRS(I) 17	Insurance Contracts
Amendments to SFRS(I) 4	Extension of the Temporary Exemption from Applying SFRS(I) 9
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	Disclosure of Accounting Policies
Amendments to SFRS(I) 1-8	Definition of Accounting Estimates
Amendments to SFRS(I) 1-12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to SFRS(I) 17	Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information
Amendments to SFRS(I) 1-12	International Tax Reform – Pillar Two Model Rules

The adoption of these new or amended SFRS(I)s did not result in substantial changes to the Group's accounting policies or have any significant impact on these financial statements.

2(B) ADOPTION OF NEW OR AMENDED SFRS(I)S EFFECTIVE IN 2024 (CONT'D)

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

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, a reporting entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

The amendments are effective for annual periods beginning on or after 1 January 2023. Early application is permitted. The amendments shall be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, deferred tax asset and deferred tax liability shall be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

There is no material financial impact on the financial statements on adoption of the amendments.

2(C) NEW OR AMENDED SFRS(I)S NOT YET ADOPTED

The following are the new or amended SFRS(I)s issued that are not yet effective but may be early adopted for the current financial year. However, the Group has not early adopted the new or amended SFRS(I)s in preparing these financial statements:

REFERENCE	DESCRIPTION	EFFECTIVE DATE (ANNUAL PERIODS BEGINNING ON OR AFTER)
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be determined
Amendments to SFRS(I) 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1	Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21	Lack of Exchangeability	1 January 2025

Management does not anticipate that the adoption of the above new or amended SFRS(I)s in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

2(C) NEW OR AMENDED SFRS(I)S NOT YET ADOPTED (CONT'D)

Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

2(D) MATERIAL ACCOUNTING POLICY INFORMATION

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive losses are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if, and only if, the Group has all of the following:

(i) power over the investee;
(ii) exposure, or rights or variable returns from its involvement with the investee; and
(iii) the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Non-controlling interest represents the equity in a subsidiary not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

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

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives, as follows:

Property on leasehold land	Over the lease term of 11 years
Plant and equipment	2 to 20 years
Office equipment, furniture and fittings	3 to 10 years
Motor vehicles	5 to 10 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the period in which it is incurred.

For acquisitions and disposals during the period, depreciation is recognised in profit or loss from the month that the property, plant and equipment are installed and are available for use, and to the month of disposal, respectively. Fully depreciated property, plant and equipment are retained in the accounts until they are no longer in use.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period as a change in estimates.

Subsidiaries

In the Company's separate statement of financial position, subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Club membership

Club membership represents transferable membership in recreational club. The club membership is assessed as having an indefinite useful life as it entitles the members to enjoy the club facilities for its lifetime, and there is no foreseeable limit to the period over which the membership is expected to be used by the Group. Since it is with an indefinite useful life, it is tested for impairment annually or more frequently if the events and circumstances indicate that its carrying amount may be impaired either individually or at the cash-generating unit level. The useful life of the club membership with an indefinite life is reviewed annually to determine whether the assessment of useful life continues to be supportable.

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

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes party to the contractual provisions of the financial instruments. Financial assets are classified at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at FVTPL, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition. Refer to the accounting policy on "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Group does not hold any financial assets at FVOCI.

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

Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at amortised cost (debt instruments)

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group's financial assets at amortised cost comprise trade and other receivables (excluding net input taxes) and cash and bank balances and fixed deposits.

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Financial assets at FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity instruments are also recognised as other income in profit or loss when the right of payment has been established.

Derecognition

A financial asset is derecognised when the contractual rights to receive cash flows from the asset expire. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

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

Financial assets (cont'd)

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its debt instrument financial assets carried at amortised cost and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECLs).

For trade receivables and contract assets, the Group measures the loss allowance at an amount equal to lifetime ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables, loss allowance is measured at an amount equal to 12-month ECLs. The 12-month ECLs are estimated by reference to the track record of the counterparties and their businesses and financial conditions.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

At the end of each reporting period, 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- 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 borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

The Group's financial liabilities comprise borrowings, lease liabilities and trade and other payables (excluding net output taxes).

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVTPL, such as interest-bearing borrowings, are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Borrowings

Borrowings which are due to be settled more than 12 months after the reporting period are included in current borrowings in the statements of financial position if the loan facility agreements include an overriding repayment on demand clause which gives the lender the right to demand repayment at any time at its sole discretion and irrespective of whether a default event has occurred, or when the Group has defaulted or breached a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the borrowings become payable on demand, even if the lender agreed after the reporting period and before the authorisation of the financial statements for issue not to demand payment as a consequence of the breach. These borrowings are classified as current because, at the end of the reporting period, the Group does not have an unconditional right to defer its settlement for at least 12 months after that date.

However, those borrowings with breaches or defaults of loan agreement terms are classified as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the Group can rectify the breach and during which the lender cannot demand immediate repayment. Other borrowings due to be settled more than 12 months after the reporting period are included in non-current borrowings in the statements of financial position.

Borrowing costs are recognised in profit or loss using the effective interest method.

Financial guarantees

The Company had issued corporate guarantees to financial institutions for the borrowings of its subsidiaries. A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantees. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of the loss allowance determined in accordance with the impairment model under SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

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

Financial liabilities (cont'd)

Derecognition

A financial liability is derecognised when the obligation under the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from a customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability is recognised as revenue when the Group performs under the contract.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity.

Allowance is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude fixed deposits which are pledged or have maturity of more than three months.

Share capital

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2024

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

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Provision

Provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Present obligations arising from onerous contracts are recognised as provision.

Provision is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, the provision is discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Provision for onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. A provision for onerous contracts 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 the incremental costs of fulfilling 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.

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease (including extension option) unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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

Leases (cont'd)

The Group as a lessee (cont'd)

Lease liability (cont'd)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liabilities are presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

Leases (cont'd)

The Group as a lessee (cont'd)

Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and any impairment loss.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Leasehold land	Lease term of 1 to 13 years
Plant and equipment	Lease term of 1 to 10 years
Motor vehicles	Lease term of 2 to 5 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the consolidated statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

The Group as a lessor

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, the lease is a finance lease; if not, it is an operating lease. As part of this assessment, the Group considers certain indications such as whether the lease is for a major part of the economic life of the asset.

Operating lease

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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

Leases (cont'd)

The Group as a lessor (cont'd)

Intermediate lessor in sublease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies recognition exemption, it classifies the sublease as an operating lease.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities provided they intend to settle current tax liabilities and assets on a net basis or the assets will be realised and the liabilities will be settled simultaneously.

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

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

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity.

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

Valued-added taxes

Revenues, expenses and assets are recognised net of the amount of value-added tax ("VAT"), except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authorities, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and except that trade receivables and trade payables are recorded with the amount of VAT included. The net amount of VAT recoverable from or payable to the taxation authorities are included as part of other receivables or other payables in the statements of financial position.

Employee benefits

Defined contribution plans

The Group participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. The Company and its Singapore-incorporated subsidiaries make contributions to the Central Provident Fund, a defined contribution pension scheme regulated and managed by the Government of Singapore.

A defined contribution national pension scheme is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions to national pension schemes are charged to profit or loss in the period to which the contributions relate.

Defined benefit plan

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The Group's branch office in Sri Lanka operates an unfunded defined benefit plan. The liability in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period together with adjustments for actuarial gains/losses and past service cost. The Group determines the present value of the defined benefit obligation with sufficient regularity such that the amounts recognised in the consolidated financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

The defined benefit obligation, calculated using the projected unit credit method, is determined by considering the estimated future cash outflows using market yields at the end of the reporting period of government securities which have currency and terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arise from experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and changes in actuarial assumptions. The amount of net actuarial gains and losses is charged or credited to profit or loss over the average remaining service lives of the related employees participating in the defined benefit plan.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plan in profit or loss.

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

Employee benefits (cont'd)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Related parties

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Group and the Company if that person:

   (i) has control or joint control over the Company;

   (ii) has significant influence over the Company; or

   (iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.

b) An entity is related to the Group and the Company if any of the following conditions applies:

   (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   (iii) both entities are joint ventures of the same third party.

   (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

   (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

   (vi) the entity is controlled or jointly controlled by a person identified in (a).

   (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

   (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

Related parties (cont'd)

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. Directors and certain management executives are considered key management personnel.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use, based on an internal discounted cash flow evaluation. Impairment loss recognised for a cash-generating unit is charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist or may have decreased.

Any impairment loss is charged to profit or loss.

An impairment loss is reversed if there is an indication that the impairment loss previously recognised for an asset may no longer exist or may have decreased, and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that an asset's or cash-generating unit's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as income in profit or loss.

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

Revenue from contracts with customers

Revenue from the sale of goods and rendering 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 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 amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

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. 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.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The Group performs laying of pipes and roads on long-term contracts. The Group has assessed that these construction contracts qualify for recognition of revenue over time as (i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (ii) the Group's performance creates or enhances an asset (work in progress) that the customer controls as the asset is created or enhanced; and (iii) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The stage of completion is assessed by reference to the contract costs incurred till date in proportion to the total estimated contract costs of each contract.

For such construction contracts, the customer is invoiced on a milestone payment schedule. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date, the Group recognises a contract liability for the difference.

Revenue from short-term projects and maintenance services is recognised at a point in time when the services have been rendered.

Revenue from the sale of construction materials is recognised by the Group at a point in time when the goods are delivered to the customer, all criteria for acceptance have been satisfied, and the customer obtains control of the goods.

Rental income

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease.

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

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

Dividend income

Dividend income is recognised on the date that the Group's right to receive payment is established.

Income from training services

Income from training services is recognised when the service has been rendered.

Government grants

Government grants are recognised as a receivable at their fair value where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.

Government grants received are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

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

Foreign currency gains and losses are reported on a net basis as either other income or other expenses depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Group entities

The results and financial positions of all the entities (none of which has the currency of a hyperinflationary economy) within the Group that have a functional currency different from the presentation currency are translated into the presentation currency, as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of each reporting period;

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised as other comprehensive income in the foreign currency translation reserve in equity.

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

Conversion of foreign currencies (cont'd)

Group entities (cont'd)

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

Operating segments

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 Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are shown in Note 30 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

Discontinued operation

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and:

(i) represents a separate major line of business or geographical area of operations;

(ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(iii) is a subsidiary acquired exclusively with a view to resale.

Earnings per share

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 period.

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 during the period for the effects of any dilutive potential ordinary shares.

3 PROPERTY, PLANT AND EQUIPMENT

THE GROUP	PROPERTY ON LEASEHOLD LAND S$'000	PLANT AND EQUIPMENT S$'000	OFFICE EQUIPMENT, FURNITURE AND FITTINGS S$'000	MOTOR VEHICLES S$'000	TOTAL S$'000
Cost					
At 1 April 2022	24,353	50,097	536	12,477	87,463
Additions	–	1,155	133	257	1,545
Disposals/Write-offs	–	(2,733)	(22)	(286)	(3,041)
Transfer from right-of-use assets (Note 4)	–	6,326	–	454	6,780
Exchange difference on translation	–	(186)	(7)	(18)	(211)
At 31 March 2023	24,353	54,659	640	12,884	92,536
Additions	–	2,556	136	1,079	3,771
Disposals/Write-offs	–	(7,078)	(57)	(2,316)	(9,451)
Transfer from right-of-use assets (Note 4)	–	1,983	–	606	2,589
Exchange difference on translation	–	132	6	15	153
At 31 March 2024	24,353	52,252	725	12,268	89,598
Accumulated depreciation					
At 1 April 2022	17,046	38,060	420	11,787	67,313
Depreciation (Note 25)	2,138	3,609	80	488	6,315
Disposals/Write-offs	–	(2,038)	(14)	(282)	(2,334)
Impairment losses reversed (Note 20)	–	(559)	(7)	(16)	(582)
Transfer from right-of-use assets (Note 4)	–	2,529	–	265	2,794
Exchange difference on translation	–	(134)	(5)	(19)	(158)
At 31 March 2023	19,184	41,467	474	12,223	73,348
Depreciation (Note 25)	2,138	3,445	133	499	6,215
Disposals/Write-offs	–	(4,753)	(57)	(2,284)	(7,094)
Transfer from right-of-use assets (Note 4)	–	1,491	–	410	1,901
Exchange difference on translation	–	113	5	15	133
At 31 March 2024	21,322	41,763	555	10,863	74,503
Carrying amount					
At 31 March 2024	3,031	10,489	170	1,405	15,095
At 31 March 2023	5,169	13,192	166	661	19,188

As at 31 March 2023, the Group's property, plant and equipment, comprising property on leasehold land, plant and equipment, office equipment, furniture and fittings and motor vehicles, were all mortgaged or pledged to financial institutions to secure loans under the debt restructuring agreement (Note 16).

The loans were fully repaid on 14 March 2024. Subsequent to 31 March 2024, the discharge of the security over the assets was completed.

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Testing of reversal of impairment of property, plant and equipment and right-of-use assets

In view of the profits and net operating cash inflows generated by the Group for the financial year ended 31 March 2023, management had assessed that there were indications that impairment losses recognised in prior years no longer existed or had decreased in respect of the Group's property, plant and equipment and right-of-use assets. Accordingly, the assets were tested for reversal of impairment. The recoverable amounts were determined based on the higher of value in use and fair value less costs of disposal.

The recoverable amounts were determined by management from value in use calculations based on cash flow projections from formally approved financial budgets and forecasts covering a five-year period. The remaining useful life for the cash-generating units is estimated by management to be five years, based on the weighted average remaining useful lives of the assets in the cash-generating units. The cash flows were discounted using a pre-tax discount rate of 10.7%. The discount rate reflected current market assessments of the time value of money and the risks specific to the cash-generating units.

Accordingly, impairment losses of S$582,000 and S$62,000 were reversed for property, plant and equipment and right-of-use assets, respectively, for the financial year ended 31 March 2023.

4 RIGHT-OF-USE ASSETS

THE GROUP	LEASEHOLD LAND S$'000	PLANT AND EQUIPMENT S$'000	MOTOR VEHICLES S$'000	TOTAL S$'000
Cost				
At 1 April 2022	4,006	6,963	3,115	14,084
Additions	330	2,405	2,200	4,935
Derecognition	(915)	–	–	(915)
Lease modification	25	–	–	25
Transfer to property, plant and equipment (Note 3)	–	(6,326)	(454)	(6,780)
Exchange difference on translation	(18)	–	–	(18)
At 31 March 2023	3,428	3,042	4,861	11,331
Additions	417	2,185	1,650	4,252
Derecognition	(860)	–	–	(860)
Lease modification	17	–	–	17
Transfer to property, plant and equipment (Note 3)	–	(1,983)	(606)	(2,589)
Exchange difference on translation	11	–	–	11
At 31 March 2024	3,013	3,244	5,905	12,162
Accumulated depreciation				
At 1 April 2022	1,748	2,652	967	5,367
Depreciation (Note 25)	1,268	1,026	545	2,839
Impairment losses reversed (Note 20)	–	(9)	(53)	(62)
Derecognition	(811)	–	–	(811)
Transfer to property, plant and equipment (Note 3)	–	(2,529)	(265)	(2,794)
Exchange difference on translation	(4)	–	–	(4)
At 31 March 2023	2,201	1,140	1,194	4,535
Depreciation (Note 25)	997	696	763	2,456
Derecognition	(833)	–	–	(833)
Transfer to property, plant and equipment (Note 3)	–	(1,491)	(410)	(1,901)
Exchange difference on translation	9	–	–	9
At 31 March 2024	2,374	345	1,547	4,266
Carrying amount				
At 31 March 2024	639	2,899	4,358	7,896
At 31 March 2023	1,227	1,902	3,667	6,796

4 RIGHT-OF-USE ASSETS (CONT'D)

Leasehold land comprises 7 parcels (2023: 8 parcels) of land located in Singapore and Sri Lanka at which the Group's operational, office and storage premises are located. Details of the leasehold land are as follows:

LEASEHOLD LAND	GROSS LAND AREA (SQUARE METRE)	TENURE
Leasehold land I	9,370.0	Till 31 May 2025
Leasehold land II	4,006.1	Till 31 May 2024
Leasehold land III	15,000.0	Till 30 June 2024
Leasehold land IV	5,437.9	Till 14 July 2025
Leasehold land V	13,135.5	Till 8 September 2025
Leasehold land VI	4,161.1	Till 8 September 2025
Leasehold land VII	735.08	Till 25 July 2025

Details of the impairment testing performed in respect of the Group's property, plant and equipment and right-of-use assets are disclosed in Note 3 to the financial statements.

5 SUBSIDIARIES

THE COMPANY	2024 S$'000	2023 S$'000
Unquoted equity investments, at cost		
At beginning and end of year	160,100	160,100
Allowance for impairment losses		
At beginning of year	–	112,953
Allowance reversed	–	(112,953)
At end of year	–	–
Carrying amount		
At beginning of year	160,100	47,147
At end of year	160,100	160,100

Testing of reversal of impairment of investments in subsidiaries

In view of the profits and net operating cash inflows generated by the subsidiaries in Singapore for the financial year ended 31 March 2023, management had assessed that there were indications that impairment losses recognised in prior years no longer existed or had decreased in respect of the Company's investments in subsidiaries. Accordingly, the assets were tested for reversal of impairment. The recoverable amount was determined based on the higher of value in use and fair value less costs of disposal.

The recoverable amount was determined by management from value in use calculations based on cash flow projections from formally approved financial budgets and forecasts covering a five-year period. The cash flows for the subsequent years were extrapolated from the fifth-year cash flow using a 1% terminal growth rate, and discounted using a pre-tax discount rate of 10.7%. The discount rate reflected current market assessments of the time value of money and the risks specific to the cash-generating units.

Based on management's assessment, the Company reversed impairment losses of S$112,953,000 for the financial year ended 31 March 2023.

5 SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	PERCENTAGE OF EQUITY HELD 2024 %	2023 %
Held by the Company				
Ley Choon Constructions and Engineering Pte Ltd (1)	Non-building construction and manufacture of asphalt premix	Singapore	100	100
LC International Trading Co Pte. Ltd. (1)	Trading of building materials, consumable tools, machinery and equipment spare parts and accessories	Singapore	100	100
Ley Choon (M) Sdn. Bhd. (3)	Dormant	Malaysia	100	100
Held by Ley Choon Constructions and Engineering Pte Ltd				
Multiform Developments & Construction Pte Ltd (1)	Road construction and mixed construction activities	Singapore	100	100
Chin Kuan Engineering and Contractors Pte Ltd (1)	Mixed construction activities and civil engineering	Singapore	100	100
Teacly (S) Pte. Ltd. (2)	Non-building construction, building cleaning and maintenance services	Singapore	100	100
Ley Choon Gim Tian Joint Venture LLP (4),(5)	Tendering of road construction contracts	Singapore	51	51
Held by Teacly (S) Pte. Ltd.				
Pan Alliance Technology International Pte. Ltd. (1)	Water and gas pipe-line and sewer construction	Singapore	100	100

(1) Audited by Foo Kon Tan LLP, principal member firm of HLB International in Singapore.
(2) Audited by Foo Kon Tan LLP, with the branch office in Sri Lanka audited by Nihal Hettiarachchi & Company, a member firm of HLB International in Sri Lanka.
(3) Audited by other auditor.
(4) Audited for the purpose of the consolidated financial statements.
(5) Registered in Singapore on 30 December 2022, whereby Ley Choon Constructions and Engineering Pte Ltd ("LCCE") and Gim Tian Civil Engineering Pte Ltd ("GTCE") are the sole partners of Ley Choon Gim Tian Joint Venture LLP ("LCGTLLP") and each hold 51% and 49% equity interest, respectively, in LCGTLLP. Under the limited liability partnership agreement, any matter or issue relating to LCGTLLP must be decided by resolution passed by a majority of the votes, and for this purpose, LCCE shall have 51 votes and GTCE shall have 49 votes. The Group has determined that it has control over LCGTLLP on the basis that it holds the majority voting rights and is able to direct the relevant activities of LCGTLLP to significantly affect its returns. The activities of LCGTLLP are insignificant to the Group as at 31 March 2024 and 31 March 2023.

6 DEFERRED TAXATION

THE GROUP	2024 S$'000	2023 S$'000
At beginning of year	433	669
Recognised in profit or loss (Note 23)	(252)	(236)
At end of year	181	433

Deferred taxation comprises the following:

THE GROUP	2024 S$'000	2023 S$'000
Deferred tax assets	229	437
Deferred tax liabilities	(48)	(4)
	181	433

Deferred tax assets/(liabilities) are attributable to the following:

THE GROUP	PROPERTY, PLANT AND EQUIPMENT S$'000	RIGHT-OF-USE ASSETS S$'000	LEASE LIABILITIES S$'000	UNUSED TAX LOSSES S$'000	TOTAL S$'000
At 1 April 2022	(56)	–	–	725	669
Recognised in profit or loss	392	–	–	(628)	(236)
At 31 March 2023	336	–	–	97	433
Recognised in profit or loss	(167)	(117)	129	(97)	(252)
At 31 March 2024	169	(117)	129	–	181

6 DEFERRED TAXATION (CONT'D)

Unrecognised temporary differences

Deferred tax assets have not been recognised in respect of the following temporary differences:

THE GROUP	2024 S$'000	2023 S$'000
Unused tax losses	706	1,977
Unutilised capital allowances	130	802

The unused tax losses and unutilised capital allowances are allowed to be carried forward and used to offset against future taxable profits of the Company and its subsidiaries in which the items arose, subject to agreement by the relevant tax authorities and compliance with the applicable tax regulations in the respective countries in which the Company and its subsidiaries operate. Deferred tax assets have not been recognised in respect of these items due to the uncertainty whether future taxable profits will be available against which the Company and its subsidiaries can utilise the benefits. The unused tax losses and unutilised capital allowances have no expiry date, except for unused tax losses of S$2,354,000 (2023: S$3,074,000) which expire in six years.

7 INVENTORIES

THE GROUP	2024 S$'000	2023 S$'000
Construction materials, at cost	6,409	7,712

The cost of inventories recognised in cost of sales amounted to S$22,123,000 (2023: S$23,670,000) (Note 25) for the financial year ended 31 March 2024.

Inventories amounting to S$44,000 (2023: S$nil) (Note 21) were written off for the financial year ended 31 March 2024.

8 CONTRACT ASSETS

THE GROUP	2024 S$'000	2023 S$'000
Contract assets	28,477	30,807

As at 1 April 2022, the Group's gross contract assets balance amounted to S$28,327,000.

The contract assets relate to the Group's rights to consideration for work completed but are not billed or are held by customers as retention at the end of the reporting period. The contract assets are transferred to trade receivables when the rights become unconditional. This occurs when the Group invoices the customers.

THE GROUP	2024 S$'000	2023 S$'000
Contract assets		
Contract assets recognised during the year	122,837	112,264
Contract assets recognised in trade receivables upon invoicing	(124,939)	(109,909)
Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied as at the end of the financial year	258,512	315,887
Transaction price allocated to unsatisfied performance obligations as at the end of the financial year that may be recognised as revenue in the next reporting periods, as follows:		
- 2024	–	161,760
- 2025	168,100	101,017
- 2026	74,793	53,030
- 2027	14,852	80
- 2028	720	–
- 2029	47	–

Contract assets include S$332,000 (2023: S$624,000) of retention monies at the end of the reporting period.

Significant judgements are used to estimate total contract costs to complete. In making these estimates, the Group has relied on historical experience and contractual arrangements with contractors/suppliers. The estimated total contract costs are reviewed every reporting period and adjusted where necessary, with the corresponding adjustment to the total contact costs being recognised prospectively from the date of change.

9 TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Trade receivables from third parties	11,204	11,752	–	–
Less: Allowance for impairment losses	(170)	(47)	–	–
	11,034	11,705	–	–
Amount due from a subsidiary (non-trade)	–	–	975	1,584
Deposits	5,744	7,514	–	–
Dividend receivable	–	–	5,000	–
Staff loans	190	52	–	–
Other receivables	374	3,352	364	542
Financial assets at amortised cost	17,342	22,623	6,339	2,126
Net input taxes	–	36	–	–
Total trade and other receivables	17,342	22,659	6,339	2,126

As at 1 April 2022, the Group's gross trade receivables from contracts with customers due from third parties amounted to S$6,106,000.

The Group generally extends credit period of 30 to 60 days (2023: 30 to 60 days) to customers, depending on the length of business relationship, payment history, background and financial strength of the customers. The Group actively reviews the trade receivable balances and follows up on outstanding debts with the customers.

The credit risk for net trade receivables based on the information provided to key management team is as follows:

THE GROUP	2024 S$'000	2023 S$'000
By geographical area		
Singapore	11,034	11,644
Sri Lanka	–	61
	11,034	11,705

9 TRADE AND OTHER RECEIVABLES (CONT'D)

The ageing analysis of trade receivables is as follows:

THE GROUP	GROSS 2024 S$'000	ALLOWANCE FOR IMPAIRMENT LOSSES 2024 S$'000	GROSS 2023 S$'000	ALLOWANCE FOR IMPAIRMENT LOSSES 2023 S$'000
Not past due	2,246	–	2,172	–
Past due 0 to 30 days	7,587	–	8,377	–
Past due 31 to 60 days	374	–	542	–
Past due 61 to 90 days	180	–	349	–
Past due over 90 days	817	(170)	312	(47)
	11,204	(170)	11,752	(47)

The movement in allowance for impairment losses in respect of trade receivables is as follows:

THE GROUP	ALLOWANCE FOR IMPAIRMENT LOSSES S$'000
At 1 April 2022 and 31 March 2023	47
Allowance made	123
At 31 March 2024	170

Trade receivables that have been determined to be impaired at the end of the reporting period relate to debtors that are in financial difficulties or have defaulted on payments. These trade receivables are not secured by any collateral or credit enhancements.

9 TRADE AND OTHER RECEIVABLES (CONT'D)

Based on historical default rates, the Group believes that no further impairment allowance is necessary in respect of trade receivables as they mainly arise from customers that have a good credit record with the Group.

The non-trade amount due from a subsidiary, which represent advances to and payments on behalf of the subsidiary, is unsecured, interest-free and repayable on demand.

Deposits mainly relate to deposits placed in respect of performance bonds for projects.

As at 31 March 2023, other receivables of the Group mainly comprised a settlement amount of S$2,600,000 and its corresponding goods and services tax of S$208,000, arising from a settlement agreement entered into on 31 March 2023 relating to legal disputes with a former customer. The amount was fully collected on 28 April 2023.

Trade and other receivables (excluding net input taxes) are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	17,335	22,542	6,339	2,126
Sri Lankan rupee	7	81	–	–
	17,342	22,623	6,339	2,126

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group and the Company.

10 PREPAYMENTS

Prepayments mainly relate to payments made to suppliers in advance for goods and services which have not yet been received at the end of the reporting period, and payments made for insurance in relation to performance bonds and foreign worker immigration bonds.

11 OTHER INVESTMENTS

THE GROUP	2024 S$'000	2023 S$'000
Financial assets at FVTPL:		
At beginning of year	16	14
Fair value gain recognised in profit or loss (Note 20)	5	2
At end of year	21	16
Represented by:		
Quoted equity investments	21	16

The fair value of quoted equity investments is determined by reference to stock exchange quoted bid prices at the end of the reporting period.

The other investments are denominated in Singapore dollar.

12 CASH AND BANK BALANCES AND FIXED DEPOSITS

	THE GROUP		THE COMPANY	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Cash on hand	113	113	–	–
Cash in banks	9,258	7,011	6	3
Cash and bank balances	9,371	7,124	6	3
Fixed deposits	–	507	–	–
	9,371	7,631	6	3

As at 31 March 2023, fixed deposits of S$507,000 for the Group were pledged to financial institutions for bankers' guarantees. The fixed deposits had a weighted-average maturity of 527 days from 31 March 2023 with a weighted-average effective interest rate of 7.79% per annum as at 31 March 2023.

12 CASH AND BANK BALANCES AND FIXED DEPOSITS (CONT'D)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

THE GROUP	2024 S$'000	2023 S$'000
Cash and bank balances	9,371	7,124
Fixed deposits	–	507
	9,371	7,631
Less: Fixed deposits pledged	–	(507)
Cash and cash equivalents as per consolidated statement of cash flows	9,371	7,124

Cash and bank balances and fixed deposits are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Singapore dollar	8,932	7,035	6	3
Malaysian ringgit	19	22	–	–
Sri Lankan rupee	420	574	–	–
	9,371	7,631	6	3

13 SHARE CAPITAL

	THE GROUP		THE COMPANY	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Issued and fully paid, with no par value				
At beginning and end of year	97,889	97,889	164,108	164,108

THE GROUP AND THE COMPANY	2024	2023
Number of ordinary shares		
At beginning and end of year	1,505,767,572	1,505,767,572

The Group's share capital differs from that of the Company as a result of the accounting on the reverse acquisition of Ley Choon Constructions and Engineering Pte Ltd and its subsidiaries (the "LCCE Group") on 25 July 2012 through the issuance of 3,928,571,429 new ordinary shares in the Company to the shareholders of the LCCE Group.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

14 OTHER RESERVES

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000
Foreign currency translation reserve	(1,440)	(1,553)	–	–
Assets distributed to entitled shareholders	–	–	(1,127)	(1,127)
Capital reserve	–	–	29,901	29,901
Other reserve	(45)	(33)	–	–
	(1,485)	(1,586)	28,774	28,774

Foreign currency translation reserve

Foreign currency translation reserve arises from the translation of financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

Assets distributed to entitled shareholders

Entitled shareholders are shareholders of the Company as at 24 July 2012, prior to the completion of the reverse acquisition in 2012. Net assets distributed to entitled shareholders relate to trade and other receivables due to the Company prior to the completion of the reverse acquisition, which were collected and distributed to the entitled shareholders.

Capital reserve

Capital reserve relates to the waiver of non-trade amounts owing by the Company to its subsidiaries which is recorded directly in equity.

Other reserve

Other reserve relates to the remeasurements of net defined benefit obligations recognised in other comprehensive income.

15 LEASE LIABILITIES

THE GROUP	2024 S$'000	2023 S$'000
Undiscounted lease payments due:		
- Year 1	2,824	3,152
- Year 2	1,601	1,599
- Year 3	1,174	603
- Year 4	574	320
- Year 5	117	235
	6,290	5,909
Less: Future interest cost	(591)	(441)
	5,699	5,468
Represented by:		
- Non-current	3,178	2,556
- Current	2,521	2,912
	5,699	5,468

The lease liabilities relate to the Group's leasehold land for operational, office and storage premises, plant and equipment and motor vehicles, which are secured by the lessors' title to the leased assets.

Interest expense on lease liabilities of S$377,000 (2023: S$260,000) is recognised in profit or loss for the financial year ended 31 March 2024 under finance costs (Note 22).

Total cash outflow for leases amounted to S$5,169,000 (2023: S$4,182,000), comprising lease liabilities, short-term leases and leases of low-value assets of S$3,968,000 (2023: S$3,909,000), S$1,185,000 (2023: S$266,000) and S$16,000 (2023: S$7,000), respectively, for the financial year ended 31 March 2024.

Lease payments not included in the measurement of lease liabilities but recognised within administrative expenses in profit or loss are set out below:

THE GROUP	2024 S$'000	2023 S$'000
Short-term leases	1,185	266
Leases of low-value assets	16	7

At the end of the reporting period, the Group's short-term lease commitments are not substantially dissimilar to those giving rise to the Group's short-term lease expenses for the year.

15 LEASE LIABILITIES (CONT'D)

Lease liabilities are denominated in the following currencies:

THE GROUP	2024 S$'000	2023 S$'000
Singapore dollar	5,660	5,429
Sri Lankan rupee	39	39
	5,699	5,468

16 BORROWINGS

	THE GROUP		THE COMPANY	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Current				
Loans from financial institutions	–	19,858	–	–

Terms and debt repayment schedule
The terms and conditions of borrowings as at 31 March 2023 were as follows:

THE GROUP	CURRENCY	NOMINAL INTEREST RATE	YEAR OF MATURITY	CARRYING AMOUNT S$'000
2023				
Loans from financial institutions	SGD	SIBOR + 3%	2024	19,858

As at 31 March 2023, loans from financial institutions were secured by the following:

(a) legal mortgage over the Group's property on leasehold land (Note 3);
(b) charges over the Group's plant and equipment (Note 3);
(c) charges over shares in the Company's subsidiaries;
(d) charges over certain of the Group's bank accounts;
(e) fixed deposits of the Group (Note 12);
(f) floating charges over all other assets; and/or
(g) corporate guarantees by the Company.

16 BORROWINGS (CONT'D)

Debt restructuring agreement

The Group had entered into a Debt Restructuring Agreement ("DRA") on 23 September 2016. The material terms of the DRA include, inter alia, the following:

(a) Eligible Lenders with existing securities over earnings from the Group's ongoing projects shall release current and future Project Proceeds into the Group's operating bank accounts subject to the terms of the DRA;

(b) The DRA provides for a mechanism for the repayment of the Project Proceeds, as well as other amounts owed to the Eligible Lenders;

(c) During the tenure of the DRA, the Group shall repay the principal and interest owing to Eligible Lenders according to a cash sweep mechanism. There will be a bullet repayment for all outstanding amounts due to Eligible Lenders on the final repayment date, being 31 March 2021;

(d) The Group had granted a security package over the Group's operating bank accounts, fixed assets, and shares in the Company's subsidiaries in favour of the Eligible Lenders whose rights over the security are held and will be exercised through a Security Trustee subject to the terms of, inter alia, the DRA;

(e) The Group shall continue to dispose of its non-core assets and utilise the proceeds received to repay the Eligible Lenders with security over such assets subject to the terms of the DRA; and

(f) Interest continues to be payable to the Eligible Lenders until 31 March 2021.

On 18 August 2021, the Group had obtained approvals from the Eligible Lenders on amendments to certain terms in the DRA, including the extension of repayment period from 31 March 2021 to 31 March 2024, fixed quarterly repayments of S$1,200,000 until the final repayment date, revision of financial covenants and change in six-month testing period from 31 December and 30 June to 30 September and 31 March.

On 14 March 2024, the Group made the final bullet repayment and there were no more outstanding amounts due to the Eligible Lenders.

Carrying amounts and fair values

The carrying amounts of borrowings approximate their fair values due to their short-term nature or repricing within three months of the end of the reporting period, where the effect of discounting is immaterial.

17 TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Trade payables to third parties	9,264	14,357	–	–
Accrued operating expenses	6,701	4,374	227	169
Accrued staff costs	5,824	4,787	–	–
Other payables	123	123	123	123
Financial liabilities at amortised cost	21,912	23,641	350	292
Net output taxes	1,435	1,600	–	–
Total trade and other payables	23,347	25,241	350	292

The average credit period taken to settle trade payables is approximately 60 days (2023: 60 days).

Trade and other payables (excluding net output taxes) are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Singapore dollar	21,896	23,560	350	292
Malaysian ringgit	1	1	–	–
Sri Lankan rupee	15	80	–	–
	21,912	23,641	350	292

18 PROVISIONS

THE GROUP	2024 S$'000	2023 S$'000
Provision for onerous contracts (Note 18.1)	257	–
Provision for retirement benefits	10	21
	267	21

18 PROVISIONS (CONT'D)

18.1 PROVISION FOR ONEROUS CONTRACTS

The movement in provision for onerous contracts is as follows:

THE GROUP	2024 S$'000	2023 S$'000
At beginning of year	–	–
Provision made (Note 25)	257	–
At end of year	257	–
Represented by:		
- Current	257	–

The provision for onerous contracts represents the costs of fulfilling certain construction contracts with customers, in excess of the economic benefits expected to be received under the contracts.

19 REVENUE

Significant categories of revenue, excluding intra-group transactions and applicable value-added taxes, are detailed as follows:

THE GROUP	2024 S$'000	2023 S$'000
Revenue from contracts with customers		
- Rendering of services	126,818	120,173
- Sale of construction materials	1,864	2,425
	128,682	122,598
Rental of motor vehicles and machinery	458	1,323
	129,140	123,921
Timing of transfer of goods and services in respect of revenue from contracts with customers		
- Over time	55,499	40,167
- At a point in time	73,183	82,431
	128,682	122,598

20 OTHER INCOME

THE GROUP	2024 S$'000	2023 S$'000
Fair value gain on other investments (Note 11)	5	2
Foreign exchange gain, net	674	1,527
Gain on disposal of property, plant and equipment	718	–
Gain on derecognition of leases	1	5
Government grants	184	699
Impairment losses on property, plant and equipment reversed (Note 3)	–	582
Impairment losses on right-of-use assets reversed (Note 4)	–	62
Income from training services	283	30
Insurance compensation received	153	217
Interest income	50	5
Other rental income	–	11
Sale of scrap materials	1,036	492
Sundry income	145	2,288
	3,249	5,920

Government grants mainly relate to Progressive Wage Credit Scheme from the Singapore Government to help employers to provide transitional wage support for employers to adjust to mandatory wage increases for lower-wage workers and voluntarily raise wages of lower-wage workers.

Sundry income for the financial year ended 31 March 2023 mainly arose from the settlement agreement entered into on 31 March 2023 relating to legal disputes with a former customer (Note 9).

21 OTHER OPERATING EXPENSES

THE GROUP	2024 S$'000	2023 S$'000
Inventories written off (Note 7)	44	–
Loss on disposal of property, plant and equipment	–	20
Miscellaneous expenses	–	11
	44	31

22 FINANCE COSTS

THE GROUP	2024 S$'000	2023 S$'000
Interest expenses on:		
- loans from financial institutions	779	1,373
- lease liabilities (Note 15)	377	260
	1,156	1,633

23 TAXATION

THE GROUP	2024 S$'000	2023 S$'000
Current taxation		
- current year	158	1
- over provision in respect of prior years	(54)	–
	104	1
Deferred taxation (Note 6)		
- origination and reversal of temporary differences	1,028	893
- recognition of previously unrecognised deferred tax assets	(565)	(657)
- over provision in respect of prior years	(211)	–
	252	236
	356	237

23 TAXATION (CONT'D)

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the applicable rates of income tax on profit/(loss) before taxation as a result of the following:

THE GROUP	2024 S$'000	2023 S$'000
Profit/(Loss) before taxation		
- Continuing operations	11,270	9,577
- Discontinued operation (Note 24)	–	(101)
Profit before taxation	11,270	9,476
Tax at statutory rates applicable to different jurisdictions	2,031	1,620
Tax effect on non-deductible expenses	692	447
Tax effect on non-taxable income	(82)	(64)
Tax exemption and tax incentives	(112)	–
Utilisation of previously unrecognised deferred tax assets	(1,343)	(1,109)
Recognition of previously unrecognised deferred tax assets	(565)	(657)
Over provision of current taxation in respect of prior years	(54)	–
Over provision of deferred taxation in respect of prior years	(211)	–
	356	237

Non-deductible expenses mainly relate to depreciation of non-qualifying property, plant and equipment. Non-taxable income mainly relates to unrealised exchange gain.

Singapore
The corporate income tax rate applicable to the Company and the Singapore-incorporated subsidiaries is 17% (2023: 17%) for the financial year ended 31 March 2024.

Sri Lanka
The corporate income tax rate applicable to Sri Lanka branch office of Teacly (S) Pte. Ltd. in respect of construction works is 30% (2023: 30%) for the financial year ended 31 March 2024.

Malaysia
The corporate income tax rate applicable to Ley Choon (M) Sdn. Bhd. is 24% (2023: 24%) for the financial year ended 31 March 2024.

24 DISCONTINUED OPERATION

On 29 December 2022, the Company had completed the disposal of its 40% equity interest in Ley Choon (Yantai) Eco-Green Construction Materials Ltd. ("LCYT"), upon the receipt of the third instalment of RMB 5 million and the collection of the disposal proceeds of RMB 16 million (S$3,082,000) in full by the Company. Accordingly, LCYT ceased to be an associate of the Company and the Group.

LCYT represented the entirety of the Group's business in the People's Republic of China. The results of LCYT were presented separately on the consolidated statement of profit or loss and other comprehensive income as "loss for the year from discontinued operation".

The results of the discontinued operation were as follows:

THE GROUP	2023 S$'000
Share of results of associate	–
Loss before taxation	–
Taxation	–
Loss after taxation	–
Loss on disposal of associate	(101)
Loss for the year from discontinued operation	(101)

There was no share of results of the associate for the financial year ended 31 March 2023 as the associate had been classified as held for sale as at 31 March 2022.

Loss per share from the discontinued operation is disclosed in the consolidated statement of profit or loss and other comprehensive income.

25 PROFIT FOR THE YEAR

THE GROUP	2024 S$'000	2023 S$'000
Profit for the year has been arrived at after charging:		
Cost of inventories recognised in cost of sales (Note 7)	22,123	23,670
Depreciation of property, plant and equipment (Note 3)	6,215	6,315
Depreciation of right-of-use assets (Note 4)	2,456	2,839
Provision for onerous contracts (Note 18.1)	257	–
Subcontractor costs	23,487	30,868
Audit fees paid/payable to:		
- auditor of the Company	240	235
- other auditors	3	3
Non-audit fees (taxation services)	47	40
Staff costs		
Directors' fees	276	230
Directors' remuneration other than fees		
- salaries and other related costs	797	566
- contributions to defined contribution plans	11	8
	1,084	804
Key management personnel (other than directors)		
- salaries and other related costs	2,309	2,070
- contributions to defined contribution plans	130	119
	2,439	2,189
Total key management personnel compensation	3,523	2,993
Other than key management personnel		
- salaries and other related costs	36,978	29,803
- contributions to defined contribution plans	938	731
	37,916	30,534
	41,439	33,527

25 PROFIT FOR THE YEAR (CONT'D)

Depreciation of property, plant and equipment comprises S$4,638,000 (2023: S$4,809,000) and S$1,577,000 (2023 S$1,506,000) which is classified under cost of sales and administrative expenses, respectively.

Depreciation of right-of-use assets comprises S$2,184,000 (2023: S$2,571,000) and S$272,000 (2023: S$268,000) which is classified under cost of sales and administrative expenses, respectively.

Staff costs comprise S$34,458,000 (2023: S$27,244,000) and S$6,981,000 (2023: S$6,283,000) which is classified under cost of sales and administrative expenses, respectively.

26 EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders of S$10,912,000 (2023: S$9,239,000) and the weighted average number of ordinary shares outstanding of 1,505,768,000 (2023: 1,505,768,000), calculated as follows:

Profit attributable to ordinary shareholders (basic and diluted)

THE GROUP	CONTINUING OPERATIONS S$'000	DISCONTINUED OPERATION S$'000	TOTAL S$'000
2024			
Profit for the year attributable to ordinary shareholders	10,912	–	10,912
2023			
Profit/(Loss) for the year attributable to ordinary shareholders	9,340	(101)	9,239

27 EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

The Ley Choon Performance Share Plan 2018 was approved by the shareholders at the Annual General Meeting held on 30 July 2018.

The objectives of the Ley Choon Performance Share Plan 2018 are as follows:

(a) to give the Company the option and flexibility to pay eligible employees' bonuses in the form of cash, shares or a combination of cash and shares, resulting in a better and more flexible salary and cash-flow management for the Company;

(b) to give the Company the flexibility to impose specific or medium-term performance targets or to impose time-based service conditions, or a combination of both, as a means to reward and steer its executives to better performance and to retain employees with suitable skill sets and talents to drive the growth of the Group;

(c) to incentivise participants of the Ley Choon Performance Share Plan 2018 to excel in their performance and encourage greater dedication and loyalty to the Company;

27 EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (CONT'D)

(d) to recognise and reward past contributions and services and motivate participants of the Ley Choon Performance Share Plan 2018 to continue to strive for the Company's long-term prosperity;

(e) to further strengthen and enhance the Company's competitiveness in attracting and retaining employees with suitable talents; and

(f) to foster an ownership culture within the Company, and align the interests of participants of the Ley Choon Performance Share Plan 2018 with the interests of the shareholders.

The Ley Choon Performance Share Plan 2018 shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of ten years from the date on which the Ley Choon Performance Share Plan 2018 is adopted by shareholders, provided always that the Ley Choon Performance Share Plan 2018 may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

No performance shares have been allotted and issued to any employees or directors of the Company since the commencement of Ley Choon Performance Share Plan 2018.

28 SIGNIFICANT RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the financial statements, transactions with related parties based on terms agreed between parties are as follows:

THE GROUP	2024 S$'000	2023 S$'000
Rental paid to an entity controlled by a director and key management personnel of the Company	–	21

The directors are of the opinion that the transactions above have been entered in normal course of businesses and have been established on terms and conditions that are not materially different from those obtainable in transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2024

29 LEASES

Where the Group is the lessee,

The Group leases land space for operational, office and storage premises. The leases run for a period of 1 to 13 years, with option to renew the leases at the expiry of the lease periods. Lease payments are renegotiated every few years to reflect market rentals. There are no externally imposed covenants on the lease arrangements. In addition, the Group leases plant and equipment and motor vehicles under hire purchase arrangements.

Information about leases for which the Group is a lessee is presented in Note 4 and Note 15 to the financial statements.

Amounts recognised in profit or loss under SFRS(I) 16 are as follows:

THE GROUP	2024 S$'000	2023 S$'000
Interest expense on lease liabilities (Note 22)	377	260

Where the Group is the lessor,

Operating leases, in which the Group is the lessor, relate to short-term leases of motor vehicles and machinery owned by the Group to contractors. The leases do not have option for lessee to purchase the motor vehicles and machinery at the expiry of the lease periods.

These leases are classified as operating lease because the risks and rewards incidental to ownership of the assets are not substantially transferred. The unguaranteed residual values do not represent a significant risk for the Group as the lease periods do not represent a significant portion of the useful lives of the assets.

The Group's revenue from rental income on leases of motor vehicles and machinery is disclosed in Note 19.

30 OPERATING SEGMENTS

The Group has two 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 require different marketing strategies.

For each of the strategic business unit, the Group's CEO, who is the chief operating decision maker, monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. The Group's CEO reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

(i) Pipes and roads segment which comprises underground utilities infrastructure construction and maintenance; sewer pipeline rehabilitation; and road and airfield construction and maintenance.

(ii) Construction materials segment which comprises asphalt pre-mix production; and construction waste recycling.

There are no operating segments that have been aggregated to form the above reportable operating segments.

Other operations relate to general corporate activities.

Information regarding the results of each reportable segment is included in the following tables. Performance is measured based on segment profit before taxation and unallocated expenses, as included in the internal management reports that are reviewed by the Group's CEO, which in certain respects, as explained in the following tables, is different from profit in the consolidated financial statements. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Inter-segment pricing is determined on an arm's length basis.

The Group's income taxes are managed on a group basis and are not allocated to operating segments.

30 OPERATING SEGMENTS (CONT'D)

THE GROUP	CONTINUING OPERATIONS						DISCONTINUED OPERATION			
	PIPES AND ROADS		CONSTRUCTION MATERIALS		OTHERS/ UNALLOCATED		CONSTRUCTION MATERIALS		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
External revenue	127,276	121,786	1,864	2,135	–	–	–	–	129,140	123,921
Inter-segment revenue	54,730	31,710	34,390	7,532	–	–	–	–	89,120	39,242
Total revenue	182,006	153,496	36,254	9,667	–	–	–	–	218,260	163,163
Interest income	–	–	–	–	50	5	–	–	50	5
Interest expense	(377)	(260)	–	–	(779)	(1,373)	–	–	(1,156)	(1,633)
Depreciation of property, plant and equipment	(3,035)	(3,269)	(908)	(827)	(2,272)	(2,219)	–	–	(6,215)	(6,315)
Depreciation for right-of-use assets	(1,825)	(2,212)	(359)	(360)	(272)	(267)	–	–	(2,456)	(2,839)
Impairment losses on property, plant and equipment reversed	–	362	–	213	–	7	–	–	–	582
Impairment losses on right-of-use assets reversed	–	62	–	–	–	–	–	–	–	62
Impairment losses on trade receivables	(3)	–	(120)	–	–	–	–	–	(123)	–
Gain/(Loss) on disposal of property, plant and equipment	718	(7)	–	(3)	–	(10)	–	–	718	(20)
Loss on disposal of associate	–	–	–	–	–	–	–	(101)	–	(101)
Provision for onerous contracts	(257)	–	–	–	–	–	–	–	(257)	–
Reportable segment profit/(loss) before taxation	20,210	15,859	200	(15)	(9,140)	(6,267)	–	(101)	11,270	9,476
Reportable segment assets	59,363	69,753	6,004	3,330	24,385	26,783	–	–	89,752	99,866
Capital expenditure	3,281	1,412	354	–	136	133	–	–	3,771	1,545
Reportable segment liabilities	18,285	21,811	3,199	1,706	8,034	27,130	–	–	29,518	50,647

30 OPERATING SEGMENTS (CONT'D)

Reconciliations of segment amounts to consolidated financial statements

	2024 S$'000	2023 S$'000
Revenue		
Total revenue for reportable segments	218,260	163,163
Less: inter-segment revenue	(89,120)	(39,242)
Consolidated revenue from continuing operations	129,140	123,921
Profit or loss before taxation		
Total profit before taxation for reportable segments (including discontinued operation)	20,410	15,743
Other corporate expenses	(9,140)	(6,267)
Less: loss before taxation from discontinued operation	–	101
Consolidated profit before taxation from continuing operations	11,270	9,577
Assets		
Total assets for reportable segments (including discontinued operation)	65,367	73,083
Unallocated property, plant and equipment	3,544	5,934
Other unallocated assets	20,841	20,849
Consolidated total assets	89,752	99,866
Liabilities		
Total liabilities for reportable segments (including discontinued operation)	21,484	23,517
Unallocated borrowings	–	19,858
Other unallocated liabilities	8,034	7,272
Consolidated total liabilities	29,518	50,647

30 OPERATING SEGMENTS (CONT'D)

Geographical information

The Group operates principally in Singapore and Sri Lanka.

In presenting information on the basis of geographical areas of operations, segment revenue is based on the geographical locations of customers, and segment assets are based on the geographical locations of the assets.

	2024 S$'000	2023 S$'000
Revenue		
Singapore	129,115	121,314
Sri Lanka	25	2,607
Consolidated revenue from continuing operations	129,140	123,921
Non-current assets *		
Singapore	23,034	25,898
Sri Lanka	186	315
Consolidated non-current assets	23,220	26,213

* Non-current assets comprise property, plant and equipment, right-of-use assets and club membership, and exclude deferred tax assets.

Major customers

During the financial year ended 31 March 2024, revenue from three customers (2023: five customers) in respect of the Group's pipes and roads segment amounted to S$100,208,000 (2023: S$99,367,000). The details of these customers which individually contributed ten percent or more of the Group's revenue are as follows:

	2024 S$'000	2024 %	2023 S$'000	2023 %
Customer A	51,088	39	*	*
Customer B	25,751	20	26,448	21
Customer C	23,369	18	19,709	16
Customer D	*	*	21,478	17
Customer E	*	*	19,847	16
Customer F	*	*	11,885	10
Total	100,208	77	99,367	80

* Below ten percent

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

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.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis for interest rate risk (Note 31.3) and foreign currency risk (Note 31.4).

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

31.1 CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables and contract assets. For trade receivables, the Group adopts the practice of dealing only with those customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group has established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group grants credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the directors. Payments will be required to be made upfront by customers which do not meet the Group's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through on-going credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

Amount not paid after the credit period granted will be considered past due. The credit terms granted to customers are based on the Group's assessment of their creditworthiness and in accordance with the Group's policy.

The Group's trade receivables comprise five major debtors (2023: four major debtors) that represented 71% (2023: 67%) of net trade receivables.

The Group and the Company have contract assets, trade and other receivables and cash and bank balances and fixed deposits that are subject to the expected credit loss ("ECL") model. While contract assets, other receivables and cash and bank balances and fixed deposits are subject to the impairment requirements of SFRS(I) 9, the identified impairment loss is insignificant.

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

31.1 CREDIT RISK (CONT'D)

Trade receivables

The Group applies the SFRS(I) 9 simplified approach to measuring ECLs which uses a lifetime ECL allowance for all trade receivables.

To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables. The Group has identified the gross domestic product of the countries in which it operates to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

THE GROUP	CURRENT S$'000	PAST DUE 0 TO 30 DAYS S$'000	PAST DUE 31 TO 60 DAYS S$'000	PAST DUE 61 TO 90 DAYS S$'000	PAST DUE MORE THAN 90 DAYS S$'000	TOTAL S$'000
2024						
Gross carrying amount	2,246	7,587	374	180	817	11,204
ECL rate (%)	–	–	–	–	20.81	
Loss allowance	–	–	–	–	170	170
2023						
Gross carrying amount	2,172	8,377	542	349	312	11,752
ECL rate (%)	–	–	–	–	15.06	
Loss allowance	–	–	–	–	47	47

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group.

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

31.1 CREDIT RISK (CONT'D)

Contract assets

Loss allowance for contract assets is measured at an amount equal to lifetime ECLs which is consistent with the approach adopted for trade receivables. The contract assets relate mainly to contracts where the revenue has been accrued ahead of billings to customers, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. At the end of the reporting period, no loss allowance for contract assets is required.

Other receivables

Loss allowance for other receivables is measured at an amount equal to 12-month ECLs (stage 1 of the general approach). The ECLs on other receivables are estimated by reference to track record of the counterparties, their businesses and financial conditions where information is available, and knowledge of any events or circumstances impeding recovery of the amounts. At the end of the reporting period, no loss allowance for other receivables is required.

Amount due from a subsidiary (non-trade)

The non-trade amount due from a subsidiary is considered to have low credit risk as the Company has control over the operating, investing and financing activities of its subsidiaries. The use of advances to assist with the subsidiaries' cash flow management is in line with the Group's capital management. In determining the ECL, management has taken into account the financial position of the subsidiary and a forward-looking analysis of the financial performance of operations of the subsidiary. In respect of the non-trade amount due from a subsidiary which is repayable on demand, management has considered the availability of accessible and highly liquid assets of the subsidiary for repayment if it is demanded at the end of the reporting period. Management has assessed that the Company is not exposed to significant credit loss in respect of the non-trade amount due from a subsidiary. At the end of the reporting period, no loss allowance is required for the Company's non-trade amount due from a subsidiary.

Cash and bank balances and fixed deposits

Bank balances and fixed deposits are held with banks which are regulated. Loss allowance on cash and bank balances and fixed deposits is measured at an amount equal to 12-month ECLs and reflects the short maturities of the exposures. The Group considers that its bank balances and fixed deposits have low credit risk based on the external credit ratings of the counterparties. The amount of loss allowance on cash and bank balances and fixed deposits is negligible.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except for corporate guarantees issued by the Company on behalf of subsidiaries as at 31 March 2023.

At at 31 March 2023, the Company had issued corporate guarantees to financial institutions for the borrowings undertaken by its subsidiaries (Note 16). These borrowings amounted to S$19,858,000 as at 31 March 2023. The credit risk, being the principal risk to which the Company was exposed, represented the loss that would be recognised upon a default by the subsidiaries.

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

31.1 CREDIT RISK (CONT'D)

Exposure to credit risk (cont'd)

The current interest rates charged by the lenders on the loans to the subsidiaries were at market rates and were consistent with the borrowing costs of the subsidiaries without any corporate guarantees.

As at 31 March 2023, the Company did not consider it probable that a claim will be made against it under the corporate guarantees.

To mitigate credit risk arising from corporate guarantees, management continually monitors the risk and has established processes including performing credit evaluations of the parties for which the Group provides corporate guarantees. Corporate guarantees are only for intra-group financing purposes and given by the Company on behalf of its subsidiaries.

The Group's and the Company's major classes of financial assets are trade and other receivables and cash and bank balances and fixed deposits. Bank balances and fixed deposits are held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 9.

31.2 LIQUIDITY RISK

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

31.2 LIQUIDITY RISK (CONT'D)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

THE GROUP	CARRYING AMOUNT S$'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS S$'000	LESS THAN 1 YEAR S$'000	BETWEEN 2 AND 5 YEARS S$'000
2024				
Non-derivative financial liabilities				
Lease liabilities (Note 15)	5,699	6,290	2,824	3,466
Trade and other payables * (Note 17)	21,912	21,912	21,912	–
	27,611	28,202	24,736	3,466
2023				
Non-derivative financial liabilities				
Lease liabilities (Note 15)	5,468	5,909	3,152	2,757
Borrowings (Note 16)	19,858	21,167	21,167	–
Trade and other payables * (Note 17)	23,641	23,641	23,641	–
	48,967	50,717	47,960	2,757
The Company				
2024				
Non-derivative financial liabilities				
Trade and other payables (Note 17)	350	350	350	–
2023				
Non-derivative financial liabilities				
Trade and other payables (Note 17)	292	292	292	–
Intra-group financial guarantees	19,858	21,167	21,167	–

* Excluding net output taxes

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

31.2 LIQUIDITY RISK (CONT'D)

Except for the Company's cash flows arising from its intra-group corporate guarantees (Note 31.1), it is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

As at 31 March 2023, the Company did not consider it probable that a claim will be made against it under the intra-group corporate guarantees.

There were no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows.

The Group and the Company ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner. The Group and the Company maintain sufficient level of cash and bank balances to meet their working capital requirements.

31.3 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's IBOR exposures to non-derivative financial liabilities as at 31 March 2023 comprised loans from financial institutions indexed to SIBOR. The Group was then in the process of communication with the counterparties for the SIBOR indexed exposures and specific changes were not yet agreed.

The Group's and the Company's exposure to interest rate risk arises primarily from loans from financial institutions at floating rates. Fixed deposits and lease liabilities bear interest at fixed rates. All other financial assets and liabilities are interest-free.

At the end of the reporting period, the carrying amount of the interest-bearing financial instruments is as follows:

	THE GROUP		THE COMPANY	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Fixed rate instruments				
Financial assets				
- fixed deposits	–	507	–	–
Financial liabilities				
- lease liabilities	(5,699)	(5,468)	–	–
	(5,699)	(4,961)	–	–
Variable rate instruments				
Financial liabilities				
- loans from financial institutions	–	(19,858)	–	–

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

31.3 INTEREST RATE RISK (CONT'D)

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets or liabilities at FVTPL. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At the end of the reporting period, if interest rates had been 100 (2023: 100) basis points higher/lower with all other variables held constant, the Group's profit before tax and equity would have been S$nil (2023: S$199,000) lower/higher, arising as a result of higher/lower interest expenses on floating rate loans from financial institutions.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular, foreign currency rates, remain constant.

The Group's and the Company's policy is to obtain the most favourable interest rates available without increasing its interest rate exposure.

31.4 FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when transactions are denominated in foreign currencies.

The Company has no significant transactions that are denominated in a currency other than the functional currency of the Company, Singapore dollar. Hence, the Company is not exposed to any significant foreign currency risk.

The Group has transactional currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of group entities, namely Singapore dollar for the Company and its Singapore-incorporated subsidiaries, and Sri Lankan rupee and Malaysian ringgit for the branch office in Sri Lanka and subsidiary in Malaysia, respectively. The foreign currency in which these transactions are denominated are primarily Singapore dollar for the branch office in Sri Lanka. Consequently, the Group is exposed to movements in foreign currency exchange rates.

The Group's exposures in financial instruments (including intra-group balances) to Singapore dollar (other than the respective functional currencies of group entities) are mainly as follows:

THE GROUP	2024 S$'000	2023 S$'000
Cash and bank balances	255	–
Net exposure	255	–

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

31.4 FOREIGN CURRENCY RISK (CONT'D)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the Singapore dollar ("SGD") exchange rate, with all other variables held constant, of the Group's profit net of tax and equity.

THE GROUP		2024 S$'000	2023 S$'000
SGD	- strengthened 5% (2023: 5%)	13	–
	- weakened 5% (2023: 5%)	(13)	–

31.5 MARKET PRICE RISK

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group is exposed to market price risks arising from its investment in equity securities listed on the SGX-ST. Such investments are designated at FVTPL. The Group does not actively trade the investments.

Market price sensitivity

At the end of the reporting period, if the Straits Times Index had been 5% (2023: 5%) higher/lower with all other variables held constant, the Group's profit before tax would have been S$1,000 (2023: S$1,000) higher/lower, arising as a result of an increase/decrease in the fair value of the quoted equity securities.

32 CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as going concern;
(b) To support the Group's and the Company's stability and growth;
(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
(d) To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company, and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

32 CAPITAL MANAGEMENT (CONT'D)

There were no changes in the Group's and the Company's approach to capital management during the financial year.

Except for the financial covenants to be complied by the Group and the Company as at 31 March 2023 under the terms of the debt restructuring agreement with regards to certain level of debt based on earnings before interest, taxes, depreciation and amortisation, the Group and the Company are not subject to externally imposed capital requirements.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings, lease liabilities and trade and other payables, less cash and bank balances and fixed deposits. Total capital represents equity attributable to owners of the Company.

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000
Lease liabilities (Note 15)	5,699	5,468	–	–
Borrowings (Note 16)	–	19,858	–	–
Trade and other payables (Note 17)	23,347	25,241	350	292
Total debt	29,046	50,567	350	292
Less: Cash and bank balances and fixed deposits (Note 12)	(9,371)	(7,631)	(6)	(3)
Net debt	19,675	42,936	344	289
Equity attributable to owners of the Company	60,232	49,219	166,122	161,967
Total capital	60,232	49,219	166,122	161,967
Total capital and net debt	79,907	92,155	166,466	162,256
Gearing ratio	25%	47%	0.2%	0.2%

33 FINANCIAL INSTRUMENTS

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

THE GROUP	AMORTISED COST S$'000	MANDATORILY AT FVTPL S$'000	OTHER FINANCIAL LIABILITIES AT AMORTISED COST S$'000	TOTAL S$'000
2024				
Financial assets				
Trade and other receivables (Note 9)	17,342	–	–	17,342
Other investments (Note 11)	–	21	–	21
Cash and bank balances (Note 12)	9,371	–	–	9,371
	26,713	21	–	26,734
Financial liabilities				
Lease liabilities (Note 15)	–	–	5,699	5,699
Trade and other payables * (Note 17)	–	–	21,912	21,912
	–	–	27,611	27,611
2023				
Financial assets				
Trade and other receivables # (Note 9)	22,623	–	–	22,623
Other investments (Note 11)	–	16	–	16
Cash and bank balances (Note 12)	7,124	–	–	7,124
Fixed deposits (Note 12)	507	–	–	507
	30,254	16	–	30,270
Financial liabilities				
Lease liabilities (Note 15)	–	–	5,468	5,468
Borrowings (Note 16)	–	–	19,858	19,858
Trade and other payables * (Note 17)	–	–	23,641	23,641
	–	–	48,967	48,967

33 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications of financial assets and financial liabilities (cont'd)

THE COMPANY	AMORTISED COST S$'000	MANDATORILY AT FVTPL S$'000	OTHER FINANCIAL LIABILITIES AT AMORTISED COST S$'000	TOTAL S$'000
2024				
Financial assets				
Trade and other receivables (Note 9)	6,339	–	–	6,339
Cash and bank balances (Note 12)	6	–	–	6
	6,345	–	–	6,345
Financial liabilities				
Trade and other payables (Note 17)	–	–	350	350
2023				
Financial assets				
Trade and other receivables (Note 9)	2,126	–	–	2,126
Cash and bank balances (Note 12)	3	–	–	3
	2,129	–	–	2,129
Financial liabilities				
Trade and other payables (Note 17)	–	–	292	292

Excluding net input taxes
* Excluding net output taxes

33 FINANCIAL INSTRUMENTS (CONT'D)

Fair values

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, comprising trade and other receivables (excluding net input taxes), cash and bank balances and fixed deposits, borrowings (which are short-term or repayable on demand), and trade and other payables (excluding net output taxes), are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group and the Company for similar financial instruments.

The fair value disclosure of lease liabilities is not required.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Financial assets measured at fair value

THE GROUP	LEVEL 1 S$'000	LEVEL 2 S$'000	LEVEL 3 S$'000	TOTAL S$'000
2024				
Quoted equity investments at FVTPL (Note 11)	21	–	–	21
2023				
Quoted equity investments at FVTPL (Note 11)	16	–	–	16

The fair value of financial instruments traded in active markets (quoted equity investments) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

34 EVENTS AFTER THE REPORTING PERIOD

The Company's Board of Directors recommended a final dividend of S$0.0027 per ordinary share amounting to S$4,066,000 in respect of the financial year ended 31 March 2024 to be approved by shareholders at the Annual General Meeting to be held on 30 July 2024.

SHAREHOLDINGS STATISTICS

As at 24 June 2024

No of Issued Shares	:	1,505,767,572
Class of Shares	:	Ordinary shares
Voting Rights	:	1 vote for each ordinary share (excluding treasury shares and subsidiary holdings)

There are no treasury shares held by the Company or subsidiary holdings as at 24 June 2024.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	49	1.64	519	0.00
100 - 1,000	1,328	44.53	682,382	0.05
1,001 - 10,000	704	23.61	2,823,546	0.19
10,001 - 1,000,000	836	28.04	120,488,935	8.00
1,000,001 AND ABOVE	65	2.18	1,381,772,190	91.76
TOTAL	**2,982**	**100.00**	**1,505,767,572**	**100.00**

SHAREHOLDINGS HELD IN THE HAND OF PUBLIC SHAREHOLDERS

As at 26 June 2024, approximately 28% of the shareholdings is held in the hands of the public. At least 10% of the Company's issued ordinary shares are held in the hands of the public at all times and the Company is in compliance with Rule 723 of the Listing Manual Section B: Rules of Catalist.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	SHARES	%
1	ZHENG CHOON HOLDING PTE LTD	902,272,580	59.92
2	RAFFLES NOMINEES (PTE.) LIMITED	186,693,600	12.40
3	DBS NOMINEES (PRIVATE) LIMITED	23,094,301	1.53
4	ANG LAY LEONG	22,250,000	1.48
5	PHILLIP SECURITIES PTE LTD	21,977,853	1.46
6	CITIBANK NOMINEES SINGAPORE PTE LTD	21,386,100	1.42
7	WEE KIAN TIONG	17,893,500	1.19
8	PEH HOCK SIONG	14,545,500	0.97
9	ONG SIEW BOK	10,667,300	0.71
10	PEH KOK WAH @ PEH WAH CHYE	10,386,000	0.69
11	BUHDY BOK SIN SWEE (MO XINGCUI)	10,060,000	0.67
12	TAN TECK WEI	9,211,935	0.61
13	LYE MENG LEONG	7,343,500	0.49
14	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	6,007,600	0.40
15	OCBC SECURITIES PRIVATE LIMITED	5,009,542	0.33
16	DB NOMINEES (SINGAPORE) PTE LTD	4,649,330	0.31
17	IFAST FINANCIAL PTE. LTD.	4,610,600	0.31
18	UOB KAY HIAN PRIVATE LIMITED	4,262,500	0.28
19	TOH KENG HONG	4,208,000	0.28
20	CHAN KOK HIANG	4,000,000	0.27
	TOTAL	**1,290,529,741**	**85.72**

SHAREHOLDINGS STATISTICS

As at 24 June 2024

SUBSTANTIAL SHAREHOLDERS

	NUMBER OF SHARES HELD			
NAME	**DIRECT INTEREST**	**%**	**DEEMED INTEREST**	**%**
Zheng Choon Holding Pte. Ltd.	902,272,580	59.92%	–	–
Toh Choo Huat[(1)]	794,000	0.05%	902,272,580	59.92%
Toh Swee Kim[(2)]	220,000	0.01%	902,272,580	59.92%
Toh Chew Leong[(3)]	–	–	902,272,580	59.92%
Toh Chew Chai[(4)]	–	–	902,272,580	59.92%
Hiap Hoe Investment Pte. Ltd.	176,536,000	11.72%	–	–
Hiap Hoe Limited[(5)]	–	–	176,536,000	11.72%

Notes:

(1) Mr Toh Choo Huat holds 27.2% of the shareholding in Zheng Choon Holding Pte. Ltd. As such, Mr Toh Choo Huat is deemed to be interested in the Shares held by Zheng Choon Holding Pte. Ltd.

(2) Mr Toh Swee Kim holds 23.7% of the shareholding in Zheng Choon Holding Pte. Ltd. As such, Mr Toh Swee Kim is deemed to be interested in the Shares held by Zheng Choon Holding Pte. Ltd.

(3) Mr Toh Chew Leong holds 25.4% of the shareholding in Zheng Choon Holding Pte. Ltd. As such, Mr Toh Chew Leong is deemed to be interested in the Shares held by Zheng Choon Holding Pte. Ltd.

(4) Mr Toh Chew Chai holds 23.7% of the shareholding in Zheng Choon Holding Pte. Ltd. As such, Mr Toh Chew Chai is deemed to be interested in the Shares held by Zheng Choon Holding Pte. Ltd.

(5) Hiap Hoe Investment Pte. Ltd. is 100% owned by Hiap Hoe Limited. As such, Hiap Hoe Limited is deemed to be interested in the Shares held by Hiap Hoe Investment Pte. Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at No. 3 Sungei Kadut Drive, Kranji Industrial Estate, Singapore 729556 on Tuesday, 30 July 2024 at 10.00 a.m. to transact the following businesses as set out below.

This Notice has been made available on SGXNet and the Company's website at the URL https://www.leychoon.com.

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2024 together with the Directors' Statement and the Auditors' Report of the Company. (Resolution 1)

2. To declare a final tax exempt (one-tier) dividend of 0.27 Singapore cents per ordinary share for the financial year ended 31 March 2024. (Resolution 2)

3. To re-elect as a Director, Mr Toh Choo Huat who is retiring under Regulation 107 of the Company's Constitution.

   Mr Toh Choo Huat will, upon re-election as a Director of the Company, remain an Executive Director of the Company.

   [See Explanatory Note (I)] (Resolution 3)

4. To re-elect as a Director, Mr Chua Hock Thak who is retiring under Regulation 107 of the Company's Constitution.

   Mr Chua Hock Thak will, upon re-election as a Director of the Company, remain an Independent Director of the Company.

   [See Explanatory Note (I)] (Resolution 4)

5. To approve the payment of Directors' fees of S$230,000 for the financial year ending 31 March 2025, to be paid quarterly in arrears. (Resolution 5)

6. To re-appoint Messrs Foo Kon Tan LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. (Resolution 6)

7. To transact any other business that may be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

8. To consider and, if thought fit, pass the following Ordinary Resolution with or without any modifications:

"That pursuant to Section 161 of the Companies Act 1967 ("**Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require shares to be issued, including but not limited to the creation or issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions, for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuant to any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided always that:

(I) the aggregate number of shares (including shares to be issued in pursuant of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (II) below), of which the aggregate number of shares to be issued other than on a pro rata basis to the Shareholders of the Company 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 (II) below);

(II) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (I) 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 Company at the time of the passing of this Resolution, after adjusting for:

(aa) new shares arising from the conversion or exercise of any convertible securities;

(bb) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(cc) any subsequent bonus issue, consolidation or subdivision of shares;

NOTICE OF ANNUAL GENERAL MEETING

(III) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(IV) 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 the earlier." (Resolution 7)

[See Explanatory Note (II)]

9. To consider and, if thought fit, pass the following Ordinary Resolution with or without any modifications:

"Resolved that the Board of Directors of the Company be and is hereby authorised to offer and grant awards ("**Awards**") in accordance with the provisions of the Ley Choon Performance Share Plan 2018 (the "**PSP**") and pursuant to Section 161 of the Companies Act 1967, to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be issued pursuant to the vesting of Awards under the PSP, provided always that the total number of new shares to be allotted and issued pursuant to an Award granted under the PSP, when added to the number of shares issued and issuable in respect of all Awards granted under the PSP and any other share scheme, shall not exceed 15% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) on the day preceding the date of the Award." (Resolution 8)

[See Explanatory Note (III)]

By Order of the Board

Ong Beng Hong/Tan Swee Gek
Joint Company Secretaries
15 July 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

I. For details of Mr Toh Choo Huat's and Mr Chua Hock Thak's disclosures pursuant to Rule 720(5) of the Catalist Rules, please refer to pages 100 to 106 of the Company's Annual Report for the financial year ended 31 March 2024.

II. The Ordinary Resolution 7 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting ("**AGM**") of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% 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, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules, and any subsequent bonus issue, consolidation or subdivision of shares.

III. The Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors of the Company, to allot and issue shares in the Company pursuant to the vesting of awards granted under the PSP of up to a number which when added to the number of new shares issued and issuable in respect of all awards granted under the PSP or any other share scheme shall not exceed in total 15% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) from time to time. The PSP was first approved by the shareholders of the Company at the AGM held on 30 July 2018. Please refer to the Company's Letter to Shareholders dated 13 July 2018 for further details.

Notes:

(1) The AGM is being convened and will be held physically at No. 3 Sungei Kadut Drive, Kranji Industrial Estate, Singapore 729556. There will be no option for members to participate virtually.

(2) Live voting will be conducted during the AGM for members and proxies attending the AGM. It is important for members and proxies to bring their own web-browser enabled mobile smartphone capable of scanning QR codes for voting at the AGM. An instructional video on the voting process will be played to shareholders during the AGM.

An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

(3) Save for a member who is a relevant intermediary as defined in Note 4, a member entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies (not more than two) to attend and vote on his/her behalf. A proxy need not be a member of the Company.

(4) A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, 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.

NOTICE OF ANNUAL GENERAL MEETING

(5) The instrument appointing a proxy(ies), together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:

(a) if sent personally or by post, be deposited at the registered office of the Company at No. 3 Sungei Kadut Drive, Kranji Industrial Estate, Singapore 729556; or

(b) if submitted by email, be received by the Company at agmfy24@leychoon.com,

in either case, by no later than 10.00 a.m. on 27 July 2024, being not less than 72 hours before the time for holding the AGM in order to be entitled to attend and to vote at the AGM, and in default the instrument of proxy shall not be treated as valid.

(6) The sending of a Proxy Form by a member does not preclude him from attending and voting in person if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

(7) A Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the AGM in order to be entitled to attend and vote at the AGM.

(8) If sent personally or by post, the instrument appointing the proxy(ies) of an individual must be under the hand of the appointor or of his attorney duly authorised in writing and the instrument appointing the proxy(ies) of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:

(a) by way of the affixation of an electronic signature by the appointer or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

(b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

(9) A member may also submit questions related to the resolutions to be tabled for approval at the AGM either (i) in person at the AGM during the live Q&A session; or (ii) prior to the AGM.

All questions submitted prior to the AGM must be submitted by 10.00 a.m. on 22 July 2024:

(a) in hard copy by sending personally or by post and lodging the same at the registered office of the Company at No. 3 Sungei Kadut Drive, Kranji Industrial Estate, Singapore 729556; or

(b) by email to agmfy24@leychoon.com.

Members will need to identify themselves when posing questions by email or by mail by providing the following details:

(a) the member's full name as it appears on his/her/its CDP/CPF/SRS share records;

(b) the member's NRIC/Passport/UEN number;

(c) the member's contact number and email address; and

(d) the manner in which the member holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members by the cut off date and time of 10.00 am on 22 July 2024. The Company will publish its responses to such queries on SGXNet by 10.00 am on 25 July 2024. The Company will address those substantial and relevant questions which have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself, during the AGM.

NOTICE OF ANNUAL GENERAL MEETING

(10) By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation, compilation and publication of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

(11) The Annual Report for the financial year ended 31 March 2024, Notice of AGM and proxy form may be accessed at the Company's website at the URL https://www.leychoon.com at the menu "Investor Relations" (https://www.leychoon.com/?page_id=2391).The Annual Report, Notice of AGM and proxy form has also been made available on SGXNet. In line with the Group's sustainability efforts, the Company has discontinued the practice of mailing the Annual Report to shareholders. However, shareholders who still wish to receive printed copies of the Annual Report may complete the relevant Request Form, which has been sent to the shareholders by post and is also available on SGXNet, and return it to the Company by post or email no later than 22 July 2024.

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PROXY FORM

LEY CHOON GROUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 198700318G)

This form of proxy has been made available on SGXNet and the Company's website at the URL https://www.leychoon.com.

IMPORTANT:
1. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We________________________(Name)__________________(Registration No./NRIC/Passport No.)
of____(Address)
being a member/members of Ley Choon Group Holdings Limited (the "**Company**") hereby appoint:

NAME	ADDRESS	NRIC/PASSPORT NUMBER	PROPORTION OF SHAREHOLDINGS	
			NO. OF SHARES	%
and/or *				

and/or such other persons as furnished by us in accordance with Note 3 of this proxy form, or failing which, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company, to be held at No. 3 Sungei Kadut Drive, Kranji Industrial Estate, Singapore 729556 on 30 July 2024 at 10 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to the manner of voting, or abstentions from voting, are given or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the proxy(ies) for that Resolution will be treated as invalid.

NO.	RESOLUTIONS RELATING TO:	FOR	AGAINST	ABSTAIN
	ORDINARY BUSINESS			
1.	Adoption of the Audited Financial Statements for the financial year ended 31 March 2024 together with the Directors' Statement and Auditors' Report of the Company			
2.	Declaration of a final tax exempt (one-tier) dividend of 0.27 Singapore cents per ordinary share for the financial year ended 31 March 2024			
3.	Re-election of Mr Toh Choo Huat as a Director of the Company			
4.	Re-election of Mr Chua Hock Thak as a Director of the Company			
5.	Approval of Directors' fees of S$230,000 for the financial year ending 31 March 2025, to be paid quarterly in arrears			
6.	Re-appointment of Messrs Foo Kon Tan LLP as the Company's Auditors and to authorise the Directors to fix their remuneration			
	SPECIAL BUSINESS			
7.	Authority to allot and issue new shares			
8.	Authority to allot and issue shares under the Ley Choon Performance Share Plan 2018			

(Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", or "Abstain" from voting on, the relevant Resolution, please mark a "X" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the "Abstain" box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a poll and your votes will not be counted in computing the required majority on a poll.)

Dated this ________ day of________, 2024.

TOTAL NUMBER OF SHARES HELD:

____
Signature of Shareholder(s) and/or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

*delete as appropriate

Notes:

1. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares registered in 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 held by you.

2. Save for a member who is a relevant intermediary as defined in Note 3, a member entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his stead.

3. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, 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.

4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) 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 second named proxy as an alternate to the first named.

5. A proxy need not be a member of the Company.

6. The instrument appointing a proxy(ies), together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must must:

   (a) if sent personally or by post, be deposited at the Company's Registered Office at No. 3 Sungei Kadut Drive, Kranji Industrial Estate, Singapore 729556; or

   (b) if submitted by email, be received by the Company at agmfy24@leychoon.com;

   in either case, **by no later than 10.00 a.m. on 27 July 2024, being not less than 72 hours before the time for holding the AGM in order to be entitled to attend and to vote at the AGM**, and in default the instrument of proxy shall not be treated as valid.

7. If sent personally or by post, the instrument appointing a proxy(ies) of an individual must be under the hand of the appointor or of his attorney duly authorised in writing and the instrument appointing a proxy(ies) of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

   Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointer or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

8. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.

9. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

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 of Singapore.

11. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him from attending and voting in person at the AGM if he is able to do so.

12. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

13. A Depositor's name must appear in the Depository Register maintained by the Central Depository (Pte) Limited not less than 72 hours before the time appointed for the holding of the AGM in order for him to be entitled to vote at the AGM.

14. By attending the AGM and/or any adjournment thereof or 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 Notice of AGM.

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LEY CHOON

LEY CHOON GROUP HOLDINGS LIMITED

(Company Registration No. 198700318G)
No 3 Sungei Kadut Drive Singapore 729556
Tel: (65) 6757 0900 **Fax:** (65) 6757 0100
Email: www.leychoon.com