SHS HOLDINGS LTD.

Empowering Growth, Elevating Expectations

ANNUAL REPORT 2024

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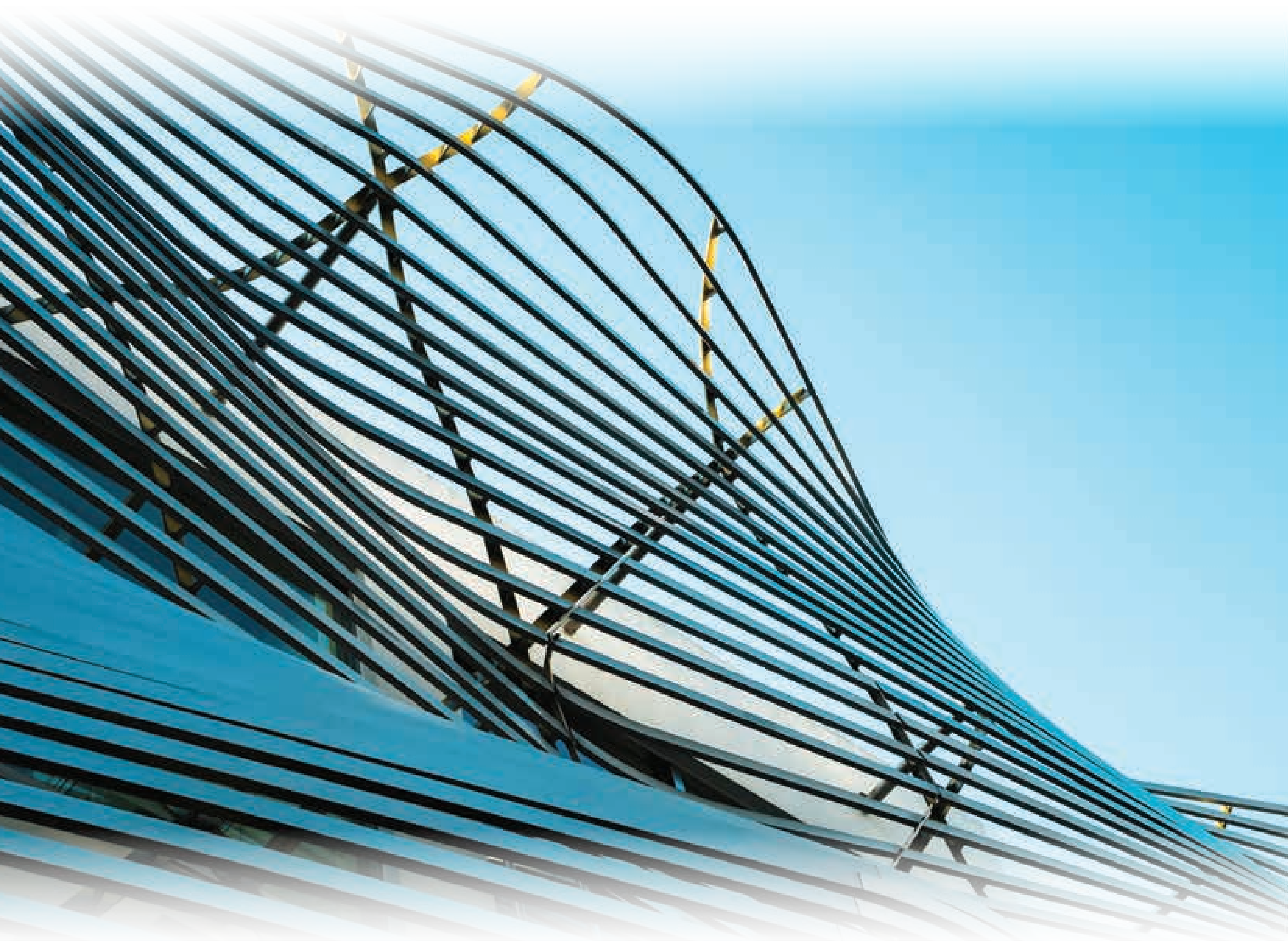


CORPORATE PROFILE

ABOUT SHS HOLDINGS LTD.

Established in 1971, SHS Holdings has evolved into a diversified group with three main businesses involving Engineering & Construction that comprises structural steel & facade and modular construction, Corrosion Prevention and Energy-related businesses.

We are continually strengthening our core businesses to further reinforce our platforms for growth. We are well positioned in our respective industries and are actively expanding our customer base and deepening our geographical network while enlarging our portfolio of products and services.

CORPORATE PROFILE

ENGINEERING & CONSTRUCTION

The Group, through its subsidiary, Hetat Holdings Pte Ltd ("**Hetat**") has a strong track record in the design, engineering and construction of integrated structures created from steel, aluminium and glass materials. We leverage on our strong and tested expertise to serve customers in a wide spectrum of industries and various fields. It is at the forefront of its field and one of a few fabricators with S1 accreditation from the Singapore Structural Steel Society. With several landmark projects under its belt, Hetat is well placed to pursue further structural projects in Singapore, Malaysia and other potential markets.

SOLAR ENERGY

The Group diversified into the solar energy sector in 2016, amidst a growing global commitment to renewable energy and environmental sustainability, and the quest for clean and affordable energy-efficient solutions. Through its subsidiaries, the Group focuses on solar energy development and Engineering, Procurement & Construction ("**EPC**") works. It has successfully installed various roof-top, photovoltaic systems of all scales for domestic and commercial customers in Singapore. It added a new line of business by going into the distribution of solar inverters for the region. It had successfully completed the construction of a 50MW solar power plant in Bangladesh in the last quarter of 2020 following the signing of the Power Purchase and Implementation Agreements with the Bangladesh Power Development Board, the Government of the People's Republic of Bangladesh, and the Power Grid Company of Bangladesh Ltd.

CORPORATE PROFILE

CORROSION PREVENTION

The Group is an established leading provider of corrosion prevention services to the marine, oil and gas, construction and infrastructure industries. It has a special niche in specialised tank coating services and large-scale plant operations in Singapore. Its proven capability in corrosion prevention services is underscored by its status as a resident contractor for premier shipyards in Singapore.

STRATEGIC INVESTMENTS

In addition to its three core businesses, the Group constantly evaluates strategic investment opportunities that generate shareholder value. It currently has a stake in Energy Drilling Pte Ltd, a Singapore-incorporated company primarily engaged in owning and operating offshore drilling vessels, and a stake in Aenergy Holdings Company Limited, an investment holding company with subsidiaries engaged in the business of developing mini-hydropower projects in Indonesia.

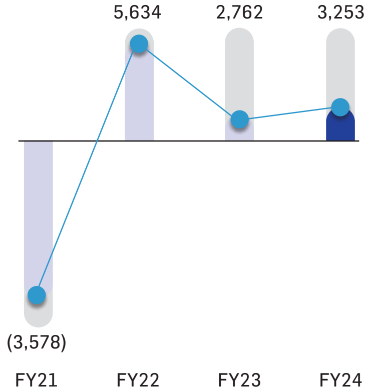
FINANCIAL HIGHLIGHTS

PROFIT & LOSS ACCOUNT (S$'000)	FY2024	FY2023	FY2022	FY2021
Revenue	82,977	82,204	87,222	55,200
Gross Profit	11,838	12,934	19,065	9,319
Profit /(Loss) before tax	2,826	3,366	5,748	(3,623)
Profit /(Loss) after tax				
– Continuing Operations	3,253	2,762	5,634	(3,578)
– Discontinued Operations	–	–	–	(2,326)
Profit/(Loss) Attributable to Owners of the Company				
– Continuing Operations	3,202	2,495	5,056	(3,359)
– Discontinued Operations	–	–	–	611
Per Share Data (Cents):				
Profit /(Loss) Per Share – Basic and Diluted (Continuing Operations)	0.50	0.40	0.80	(0.49)
Net Asset Backing	22.94	22.37	21.50	20.27
Dividends Proposed/Paid	1,400	1,736	2,136	–

STATEMENT OF FINANCIAL POSITION (S$'000)	FY2024	FY2023	FY2022	FY2021
Total Assets	177,386	184,794	166,964	176,348
Total Liabilities	37,341	48,236	35,525	38,055
Shareholders' Equity	139,583	136,161	131,126	138,403
Non-Controlling Interests	462	397	313	(110)
Total Equity	140,045	136,558	131,439	138,293

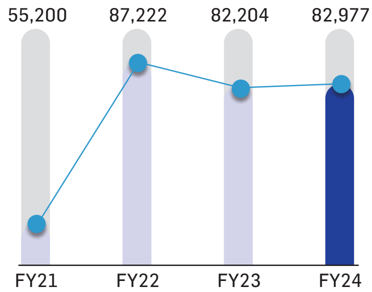
REVENUE BY BUSINESS SEGMENTS (Continuing Operations) (S$'000)	FY2024	FY2023	FY2022	FY2021
Corrosion Prevention	14,539	16,679	16,368	15,952
Engineering & Construction	35,974	33,134	60,348	28,966
Solar Energy	23,095	18,865	10,506	10,281
Others	9,369	13,526	–	–

PROFIT/(LOSS) (S$'000)



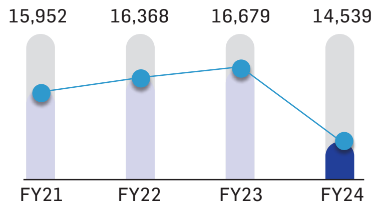
Net Profit/(Loss) from Continuing Operations

REVENUE (S$'000)

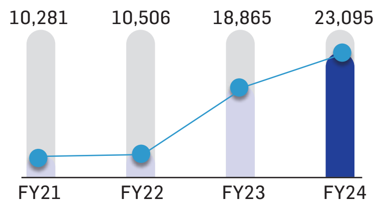


Group Revenue

REVENUE BY BUSINESS SEGMENTS (S$'000)



Corrosion Prevention



Solar Energy

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

The geopolitical and macroeconomic landscape has been increasingly unpredictable, largely affected by factors such as the Trump administration's tariff threats. These circumstances have led to diminished visibility and predictability in the global market. Furthermore, ongoing trade tensions among major economies complicate the situation, increasing production costs and disrupting supply chains, investment, and trade. We are looking at the situation and addressing these challenges with strategic measures to mitigate risks and sustain growth.

FINANCIAL HIGHLIGHTS

In the year just ended 31 December 2024, the Group's net profit attributable to shareholders rose 28.3% to S$3.2 million.

Group revenue reached nearly S$83.0 million due to increased project revenue from the Engineering & Construction ("EC") and Solar Energy ("SE") segments, especially in the second half of 2024, driven by a strong pipeline of completed work.

Revenue decreased in the Corrosion Prevention ("CP") and Trading of Commodities ("TC") segments due to a more selective approach in accepting orders, influenced by increased inflationary pressures and price fluctuations in site and blasting jobs.

As of 31 December 2024, the Group's total equity rose by 2.6% to S$140.0 million, due to profits generated during the year and a fair value gain on non-current other financial assets. The cash position rose to S$38.3 million, providing sufficient headroom to meet the Group's obligations and operational needs.

As of 31 December 2024, the Group's total equity rose by 2.6% to S$140.0 million, due to profits generated during the year and a fair value gain on non-current other financial assets. The cash position improved to S$38.3 million, providing sufficient headroom to meet the Group's obligations and operational needs.

DIVIDEND

The Directors have proposed a first and final cash dividend of 0.229 Singapore cent per ordinary share. If approved at the Annual General Meeting, this dividend will be paid on a date to be announced later.

BUSINESS PROSPECTS

Global growth is expected to slow in 2025 due to geopolitical tensions, increasing risks to the global outlook. Trade tensions among major economies may push production costs higher, disrupting supply chains, investment, and trade.

CHAIRMAN'S STATEMENT

The Group sees business opportunities in the E&C & Solar Energy segment, driven by major government projects for MRT network expansion and the government's emphasis on sustainability. The Group is actively pursuing regional collaborations to enhance its renewable energy supply. This has led to stricter environmental regulations, impacting the demand for eco-friendly corrosion prevention solutions. To navigate these challenges, the Group will focus on balancing cost control with competitive pricing to maintain competitiveness and sustain growth.

PROPOSED ACQUISITION

On 4 September 2024, the Group announced its plan to acquire Guangxi Tidal Precision Technology Co., Ltd and Nanning Tidal Aluminium Co., Ltd in China. This acquisition allows the Group to diversify into precision aluminium manufacturing and recycling for the automotive electric vehicle ("EV") industry. Guangxi TPT produces cast-rolled and cold-rolled aluminium coils, selling to aluminium foil manufacturers who supply EV battery makers. Nanning Tidal Aluminium recycles aluminium waste into ingots.

The Board believes this acquisition facilitates the Group's entry into the growing precision aluminium market with minimal start-up risks as production lines are already operational and sales have begun. The target companies' main customers are in the EV battery market, which is expected to grow rapidly with China's expanding EV market.

APPRECIATION

The path forward will undoubtedly present numerous uncertainties, requiring directors, management, and staff within the Group to adopt agile and strategic approaches to address the significant challenges that lie ahead.

As we advance with determination, I would like to express my sincere appreciation to my fellow Board members, our management, and staff for their dedication and commitment. On behalf of the Board, we also extend our heartfelt gratitude to our business partners, customers, and other stakeholders for their unwavering cooperation and support.

We anticipate another rewarding year in our continued efforts.

MR TENG CHOON KIAT
Executive Chairman

GROUP CEO'S OPERATIONS AND FINANCIAL REVIEW

DEAR SHAREHOLDERS,

S$'000	FY24	FY23	Change (%)
Revenue	82,977	82,204	0.9
Gross Profit	11,838	12,934	(8.5)
Other Income	3,100	3,207	(3.3)
Total Operating Expenses (OPEX)	(12,219)	(11,712)	4.3
Finance Costs	(822)	(1,099)	(25.2)
Net Profit Attributable to Shareholders	3,202	2,495	28.3

Group revenue in FY2024 increased marginally to S$83.0 million, driven by a robust pipeline of completed projects in the Engineering and Construction ("EC") and Solar Energy ("SE") segments, especially in the latter half of the year but was offset by the decrease in Revenue in the Corrosion Prevention ("CP") segment

Gross profit dipped by 8.5% to $11.8 million, primarily due to project delays and inflationary pressures within the EC segment. Despite this decline, the EC segment continued to be the primary contributor to gross profit, with SE as the secondary contributor. Other Income experienced a reduction of 3.3%, amounting to $3.1 million, attributed to lower bank interest from fixed deposits.

Total operating expenses (OPEX) rose by 4.3% compared to the previous corresponding period, due to marginally higher costs in selling and distribution, as well as administrative expenses in FY2024. This was aligned with the Group's strategic cost-cutting measures implemented in the latter half of the year.

Finance costs decreased by 25.2% to $822,000, driven by reductions in the utilization of trust receipts and bills payable.

The Group subsequently recorded a 28.3% increase in net profit attributable to shareholders, amounting to $3.2 million.

As of 31 December 2024, the Group's earnings per ordinary share increased by 25.0% to 0.5 Singapore cents, while its net asset per ordinary share improved by 2.5% to 22.94 Singapore cents.

During the review year, the Group posted a net cash inflow of S$1.8 million, primarily attributed to:

- Net cash generated from operating activities amounting to S$3.5 million, as a result of improvements in working capital management.
- Net cash generated from investing activities totalling S$3.5 million, derived from proceeds from the disposal of land held for sale, partially offset by acquisitions of plant and equipment during the year.
- Net cash used in financing activities amounting to S$5.2 million, comprising dividend payouts of S$1.7 million, net repayments of trust receipts amounting to S$3.3 million, and lease liability repayments of S$0.3 million.

As of the end of FY2024, the Group's cash and cash equivalents increased by 5.2% to S$38.3 million.

SEGMENTAL RESULTS

S$'000	FY24	FY23	Change (%)
Corrosion Prevention ("CP")			
Revenue	14,539	16,680	(12.8)
Gross Profit	2,627	2,152	22.1
Gross Profit Margin	18.1%	12.9%	5.2pp
Engineering & Construction ("EC")			
Revenue	35,974	33,134	8.6
Gross Profit	5,121	7,719	(33.7)
Gross Profit Margin	14.2%	23.3%	(9.1)pp
Solar Energy ("SE")			
Revenue	23,095	18,864	22.4
Gross Profit	3,916	2,902	35.0
Gross Profit Margin	17.0%	23.3%	(6.3)pp
T Trading of Commodities ("TC")			
Revenue	9,369	13,526	(30.7)
Gross Profit	174	161	8.1
Gross Profit Margin	1.9	1.2	0.7pp

NM – Not Meaningful
Pp – percentage point

GROUP CEO'S OPERATIONS AND FINANCIAL REVIEW

CORROSION PREVENTION

In FY2024, the CP segment generated S$14.5 million in revenue, a 12.8% decline year-on-year due to the Company's strategic focus on favourable orders amidst price volatility and inflation. This strategy increased gross profit by 22.1% to S$2.6 million, raising the gross profit margin by 5.2 percentage points to 18.1%.

ENGINEERING & CONSTRUCTION

Revenue from the EC segment rose by 8.6% to approximately S$36.0 million, driven by the substantial progression of work completed throughout the year. However, the gross profit dipped 33.7% to S$5.1 million, accompanied by a decline of 6.3 percentage points in the gross profit margin.

SOLAR ENERGY

The Group's Solar Energy (SE) segment contributed positively to revenue alongside the EC segment. The SE segment's FY2024 revenue increased by 22.4% to S$23.1 million, driven by significant advancements in solar EPC contracts and inverter sales. Furthermore, its gross profit rose by 34.9% to S$3.9 million, although the gross profit margin retreated by 6.3 percentage points to 17.0%.

OUTLOOK

Amidst the macroeconomic volatility and geopolitical conflicts, the Group is judiciously assessing decisions and managing pressures impacting our businesses. Despite the lack of visibility, there remains a sense of optimism in Singapore and the region.

The Group foresees potential business opportunities within the Engineering & Construction (E&C) and Solar Energy segment, propelled by significant government initiatives for MRT network expansion and an increased focus on sustainability. Our pursuit of regional collaborations aims to enhance the renewable energy supply, which also results in stricter environmental regulations, thereby affecting the demand for eco-friendly corrosion prevention solutions. The Group will prioritize balancing cost control with competitive pricing to sustain competitiveness and drive growth.

Given the global uncertainties, we are exercising caution in our operations and strategic decisions. Despite challenging conditions, the Group has performed commendably due to the dedicated efforts of our management and staff. Let us remain nimble and responsive as we strive to manage the extreme challenges ahead.

NG HAN KOK, HENRY
Group Chief Executive Officer

BOARD OF DIRECTORS

MR TENG CHOON KIAT
EXECUTIVE CHAIRMAN

Mr Teng Choon Kiat was appointed as Non-Executive and Non-Independent Director of SHS Holdings Ltd. on 14 February 2018 and subsequently appointed Non-Executive and Non-Independent Chairman on 1 March 2018. On 25 October 2018, Mr Teng was designated as Executive Chairman and working closely with Group CEO and key management to implement policies and plans to realize the Group's vision. Mr Teng is a controlling shareholder of the Company and is the Managing Director and shareholder of the Entraco Group whose principal activities include providing both property and offshore asset management, vessel's tank cleaning, corrosion control services, structural steel fabrication, distributorship representing major original equipment manufacturer ("**OEM**") to marine and oil and gas companies in this region, Europe and Brazil. Mr Teng's experience and knowledge will be invaluable to the Board on the Group's business directions and existing business of the Group.

Present Directorship
SHS Holdings Ltd.

Present Principal Commitments
Entraco Group of Companies

Past Directorship held over the preceding five years
Nil

Past Principal Commitment held over the preceding five years
Nil

MR NG HAN KOK, HENRY
EXECUTIVE DIRECTOR &
GROUP CHIEF EXECUTIVE OFFICER

Mr Henry Ng was appointed as Executive Director of SHS Holdings Ltd. on 3 January 2014 and Group Chief Executive Officer on 28 February 2014. As Group Chief Executive Officer ("**CEO**"), Mr Ng is responsible for making strategic proposals to the Board and implementing the Group's strategies, policies and Board's decisions. The Group CEO assumes the executive responsibility for the day-to-day management of the Group, with the support of Executive Chairman and key management. He leads the development of the Group's growth strategy including identifying and assessing risks and opportunity of growth of existing business and new businesses and reviewing the performance of its existing businesses. Mr Ng is the founder and Managing Director of Hetat Holdings Pte. Ltd., the Group's structural steel & facade business. He is a veteran in the construction industry and has extensive experience of over 20 years in the related field of steel, aluminium and glass structures. He holds a Bachelor of Science (Building) honours degree from University of Reading, United Kingdom.

Present Directorship
SHS Holdings Ltd.

Present Principal Commitments
SHS Holdings Ltd.

Past Directorship held over the preceding five years
Nil

Past Principal Commitment held over the preceding five years
Nil

BOARD OF DIRECTORS

MR LEE GEE AIK
INDEPENDENT DIRECTOR

Mr Lee Gee Aik was appointed as an Independent Director, Chairman of the Audit Committee and member of the Remuneration Committee on 24 July 2015. On 1 March 2018, he was appointed lead independent director. He was appointed member of the Nominating Committee on 15 March 2019 and subsequently Chairman of the Nominating Committee on 30 September 2022.

Mr Lee is currently the CFO of AlphaRock Family Office Pte Ltd., a multi-family office with a capital market services licence and a director of AlphaRock Signet VCC.

Mr Lee is an accountant with many years of experience in public accounting, finance and taxation having previously worked with both KPMG Singapore and USA and as a practising public accountant in Singapore. He also has had hospitality industry experience with a leading chain of hotels in Asia.

Mr Lee qualified as a Chartered Certified Accountant with the Association of Chartered Certified Accountants, United Kingdom. He also obtained a Master of Business Administration from Henley Management College, United Kingdom. He is currently a Fellow with the Association of Chartered Certified Accountants, United Kingdom and the Institute of Singapore Chartered Accountants.

He presently also serves as an independent director on the board of CH Offshore Ltd and SHS Holdings Limited, and a non-independent non-executive director of Astaka Holdings Limited.

Present Directorship
SHS Holdings Ltd.
Astaka Holdings Limited
CH Offshore Limited

Present Principal Commitments
AlphaRock Family Office Pte Ltd

Past Directorship held over the preceding five years
Anchun International Holdings Limited
Uni Asia Group Limited

Past Principal Commitment held over the preceding five years
Nil

BOARD OF DIRECTORS

MR OONG WEI YUAN, RON
INDEPENDENT DIRECTOR

Mr Ron Oong was appointed as Independent Director of SHS Holdings Ltd. on 30 September 2022. He is currently a member of the Audit, Nominating and chairman of Remuneration Committees.

Mr Oong is a partner in Dentons Rodyk & Davidson LLP's Banking and Finance department as well as Infrastructure and Energy department. Mr Oong focuses his practice in the areas of mergers and acquisition, infrastructure, energy and banking and finance (including project finance). He has handled numerous transactions involving joint venture of project sponsors and construction and operation of infrastructures, including hydroelectric power, solar power, wind power and waste-to-energy power plants.

He has also advised many companies on their energy procurement, including corporate Power Purchase Agreement ("**PPA**") with solar developers, virtual PPAs, private PPAs and electricity retail agreements with electricity retailers.

Mr Oong is recognised in legal directory Legal 500 for both Banking and Finance and Projects and Energy. Mr Oong holds a Bachelor of Law degree (Honours) and a Bachelor of Social Science (Economics) degree (Honours), both from National University of Singapore, and is admitted to the Singapore Bar and the English Bar.

Present Directorship
SHS Holdings Ltd

Present Principal Commitments
Dentons Rodyk & Davidson LLP

Past Directorship held over the preceding five years
Nil

Past Principal Commitments held over the preceding five years
Nil

BOARD OF DIRECTORS

MR CHUA SAN LYE
INDEPENDENT DIRECTOR

Mr Chua San Lye was appointed as an Independent Director, member of the Audit Committee, Nominating Committee and Remuneration Committee on 29 April 2024.

Mr Chua is a corporate leader with 35 years of experience in human resource management, human capital development and organisational transformation in government institutions, MNC and private organisations.

Mr Chua has strong leadership in transform and perform roles. He has led multiple projects and initiatives and created programs to attract and develop talent, developed strategies to build competencies and capabilities of the workforce, fostered and established seamless work processes for efficiency, scalability and productivity to achieve business results.

In addition to his corporate role, Mr Chua was a board member of the Singapore Maritime Foundation, and appointed as director on many subsidiary boards in his past employment. He was the Vice President of the Association of Singapore Maritime Industries and Chaired the Manpower Committee (2015 to 2016). He was awarded the NTUC Medal of commendation in 2017 for his contributions towards Tripartism.

Mr Chua is currently a HR Advisor on Human Capital Strategy, Organisation Design and Transformation, Human Resource Management, Talent Management, Employee, Union and Management Relations and Engagement, Coaching and Mentoring and Change Management. He is also a professional coach for senior leaders.

Mr Chua holds a Bachelor of Business Administration from National University of Singapore, and a Master of Business Administration from University of Leicester, UK. He also obtained the Advance Coaching Skills Certificate from Singapore Management University.

Present Directorship
SHS Holdings Limited

Present Principal Commitments
Leadership coaching and coaching for sustainable high performance for leaders and team

Past Directorship held over the preceding five years
Nil

Past Principal Commitments held over the preceding five years
Nil

GROUP MANAGEMENT AND PERSONNEL

SHS GROUP

Mr. Teng Choon Kiat
Executive Chairman

Mr. Ng Han Kok, Henry
Executive Director & Group Chief Executive Officer

Mr. Goh Seng Huat, Daniel
Group Chief Financial Officer

CORROSION PREVENTION

Mr. Lim Peng Chuan, Terence
General Manager

Mr. Goh Seng Huat, Daniel
Group Chief Financial Officer

Mr. Lim Peng Cheng
Production Manager (Plant Operations)

Mr. Goh Sia Teck
Commercial Manager (Site)

Ms. Ch'ng Sai Lian, Adeline
Human Resource Manager

Mr. Mahalingam Kalimuthu Kumar
Ehs Manager

ENGINEERING & CONSTRUCTION

Mr. Ng Han Kok, Henry
Executive Director & Group Chief Executive Officer

Mr. Goh Seng Huat, Daniel
Group Chief Financial Officer

Mr. Wang Feng Jung, Willie
Contract & Commercial Director (Structural, Steel & Facade)

Ms. Ch'ng Sai Lian, Adeline
Human Resource Manager

Mr. Mahalingam Kalimuthu Kumar
Ehs Manager

Mr. Phang Ching Siong
Deputy Operations Director

SOLAR ENERGY

Mr. Ng Han Kok, Henry
Executive Director & Group Chief Executive Officer

Mr. Goh Seng Huat, Daniel
Group Chief Financial Officer

Mr. Chua Kok Keong, Joseph
Chief Executive Officer (EPC)

Mr. Sng Shie Kiat
General Manager (operation)

Ms. Lim Sim Wah, Sharon
Procurement cum Contract Manager

CORPORATE INFORMATION

BOARD OF DIRECTORS

Teng Choon Kiat
Executive Chairman

Ng Han Kok, Henry
Executive Director & Group Chief Executive Officer

Lee Gee Aik
Lead Independent Director

Chua San Lye
Independent Director

Oong Wei Yuan, Ron
Independent Director

AUDIT COMMITTEE

Lee Gee Aik *(Chairman)*
Oong Wei Yuan, Ron
Chua San Lye

NOMINATING COMMITTEE

Lee Gee Aik *(Chairman)*
Oong Wei Yuan, Ron
Chua San Lye

REMUNERATION COMMITTEE

Oong Wei Yuan, Ron *(Chairman)*
Lee Gee Aik
Chua San Lye

COMPANY SECRETARY

Eunice Hooi Lai Fann
appointed 23 February 2023

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AUDIT PARTNER-IN-CHARGE

Lai Kong Wei

PRINCIPAL BANKER

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12 Marina Boulevard
DBS Asia Centre@Marina Bay
Financial Centre Tower 3
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SUSTAINABILITY REPORT

BOARD STATEMENT

To our stakeholders,
SHS Holdings Ltd. ("SHS" or the "Group") is pleased to present our seventh Sustainability Report which reports on Group's sustainability performance for the financial period 1 January 2024 to 31 December 2024.

The Group's Sustainability Report draws upon the operational performance of the 5 pillars of its Sustainability Strategy.

BUSINESS INTEGRITY

WE ARE COMMITTED TO PRACTISE AND MAINTAIN A HIGH STANDARD OF TRANSPARENCY

Corporate governance is an important core value of the Group. We do not tolerate corruption or fraud and have established policies to address the business conduct expected of all employees.

The Group's zero-tolerance position towards corruption and fraud is reflected in our "Whistle Blowing Policy" and "Code of Conduct Policy".

ENVIRONMENT SUSTAINABILITY

WE RECOGNISE THE NEED TO ADDRESS THE IMPACT OF CLIMATE CHANGE

As we fully acknowledge global warming and climate change, we are committed to minimising our environmental impact in all our business activities. We are also pursuing a strategy of exploring and developing our business in any area of environmental improvement, in which we can harness our sustainable competitive advantages.

HUMAN CAPITAL

WE ARE COMMITTED TO ATTRACT AND RETAIN TALENTS, AND FOCUS ON THE PERSONAL WELL-BEING OF EMPLOYEES

Our employees contribute to the success of the Group. We invest in our employees' skills upgrading and their career development. We adopt merit-based recruitment practices, and our hiring policies ensure that recruitment is based on qualifications, skills and competency of individuals.

HEALTH & SAFETY

WE PLACE THE SAFETY OF OUR EMPLOYEES AS OUR FIRST AND FOREMOST PRIORITY

We are fully cognizant of the fact that there are health and safety risks in running some of our businesses especially at the front-lines, and prioritise worker safety programmes in all our work sites. Now that the world has gone past the COVID-19 pandemic, we continue to practise many health and safety protocols.

Our operations are fully compliant with legislated workplace health and safety standards and we have a Health, Safety & Fire Environment ("HSE") Committee to oversee workplace health and safety matters.

QUALITY

WE ARE DRIVEN BY OUR VISION TO STRIVE TO PROVIDE "PRODUCTS AND SERVICES KNOWN FOR ITS QUALITY"

The Group subscribes to best practices and complies with all relevant legislations and requirements pertaining to the health and safety impacts of products and services, which are the foundations of our product and service quality.

Our products are fully compliant with relevant standards such as the International Organisation for Standardisation ("ISO"), Swedish Standards Institute, British Standards, American Steel Structures Painting Council Standards and the American National Association Corrosion Engineers Standards.

SUSTAINABILITY REPORT

REPORTING FRAMEWORK

In line with new SGX Listing Rules (711A and 711B) on sustainability reporting for the fiscal years from 1 January 2022 till 2024, the Group is incorporating climate reporting into our sustainability report this financial year.

The report covers the Group's strategies, policies, practices, performance and targets on economic, environmental, social and governance ("EESG") issues, with reference to:

a) Global Reporting Initiative's ("GRI") Standards

   GRI Standards were first promulgated in 2000 and become the most widely adopted sustainability reporting framework, and

b) Task Force on Climate-related Financial Disclosures ("TCFD")

   TCFD is a reporting framework created by Financial Stability Board (FSB) with recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing risks related to climate change.

Our GRI-based reporting is focused on 10 material factors that have been shortlisted based on the key considerations of our management and external stakeholders. These material factors are identified and managed through our five sustainability management pillars – Business Integrity, Environmental Sustainability, Human Capital, Health & Safety, and Quality.

Our TCFD-based reporting follows on from surveys with the Board and senior management on the on-going risks and opportunities related to climate change.

LOOKING BACK AND AHEAD

Global politics and artificial intelligence have been major features of 2024, and how they have repercussions on tackling the climate crisis.

In November 2024, Donald Trump was returned to the US Presidency, making history for a president to be re-elected for two non-consecutive terms. As in his first term in 2017, President Trump continued the US's anti-climate action agenda, by withdrawing the US from the Paris Accord. the landmark climate initiative aimed at reducing greenhouse gas emissions, in January 2025. The Trump Administration is also on course to withdraw entirely from the United Nations Framework on Climate Change (UNFCC), an intergovernmental body which facilitates negotiations on climate change. In conjunction, the US President has also declared a national energy emergency, a move that has been followed by a directive to roll back regulations on the oil and gas sector, and accelerate drilling and pipeline development, which will rejuvenate the fossil fuel sector.

Meanwhile, at the 2024 edition of the COP29 climate summit in Baku, Azerbaijan, countries re-affirmed their commitment to limiting greenhouse gas emissions to limit global warming to +1.5°C. and to administer National Adaptation Plans to increase efforts in adaptation and transition finance. It is estimated by the World Economic Forum that the planet will require $4 trillion in transition funding by 2030.

"2024 was the hottest year"

Against this backdrop, World Meteorological Organization confirmed that 2024 as warmest year on record at 1.55°C above pre-industrial levels (1850-1900). The year saw a global average temperature of 15.1°C; 0.12°C higher than the previous highest annual value in 2023. New national record high annual averages were estimated for 104 countries in 2024, including Brazil, Canada, China, Greece, Malaysia, Mexico, and South Korea. In Singapore, the annual mean temperature in 2024 was 28.4°C, 0.6°C above the long-term average and the warmest on record, tying with 2019 and 2016.

Singapore, too, saw a major political event in 2024, when the Prime Ministership passed from Lee Hsien Loong to Lawrence Wong on 15 May 2024, heralding the rise of the fourth generation of leaders. Prime Minister Wong is expected to deliver on the Singapore's Green Plan in the coming years such as in the area of coastal and flood protection, greening the transport sector, including encouraging the households to embrace greener living with "climate vouchers".

"The rise of AI"

Artificial intelligence ("AI"), led by the launch of large language model (LLM) chatbot, ChatGPT in November 2022 by OpenAI an investee of Microsoft Corporation, have surged further ahead in 2024. Multiple new AI models have emerged from the major technology companies including Meta, Google, Amazon. At the end of 2024, Chinese technology giants have also joined the AI race with their own impressive LLM launches, led by breakthrough technologies from Hangzhou-based start-up DeepSeek. Technologists are optimistic that AI can contribute positively to the power, agriculture and mobility sectors, although AI data centres will require massive energy to power and to cool.

SUSTAINABILITY REPORT

"China leads the world in many green technologies and adoption"

We note that despite China's economic challenges of the recent years, it is leading the way in renewable energy adoption. By the first quarter of 2024, China Electricity Council announced that China's total utility-scale solar and wind capacity reached 1,120 GW, accounting for 37% of the total power capacity in the country, and is widely expected to surpass coal capacity, which is 39% of the total right now, during 2024. It is also the world leader in electric vehicles adoption and exports.

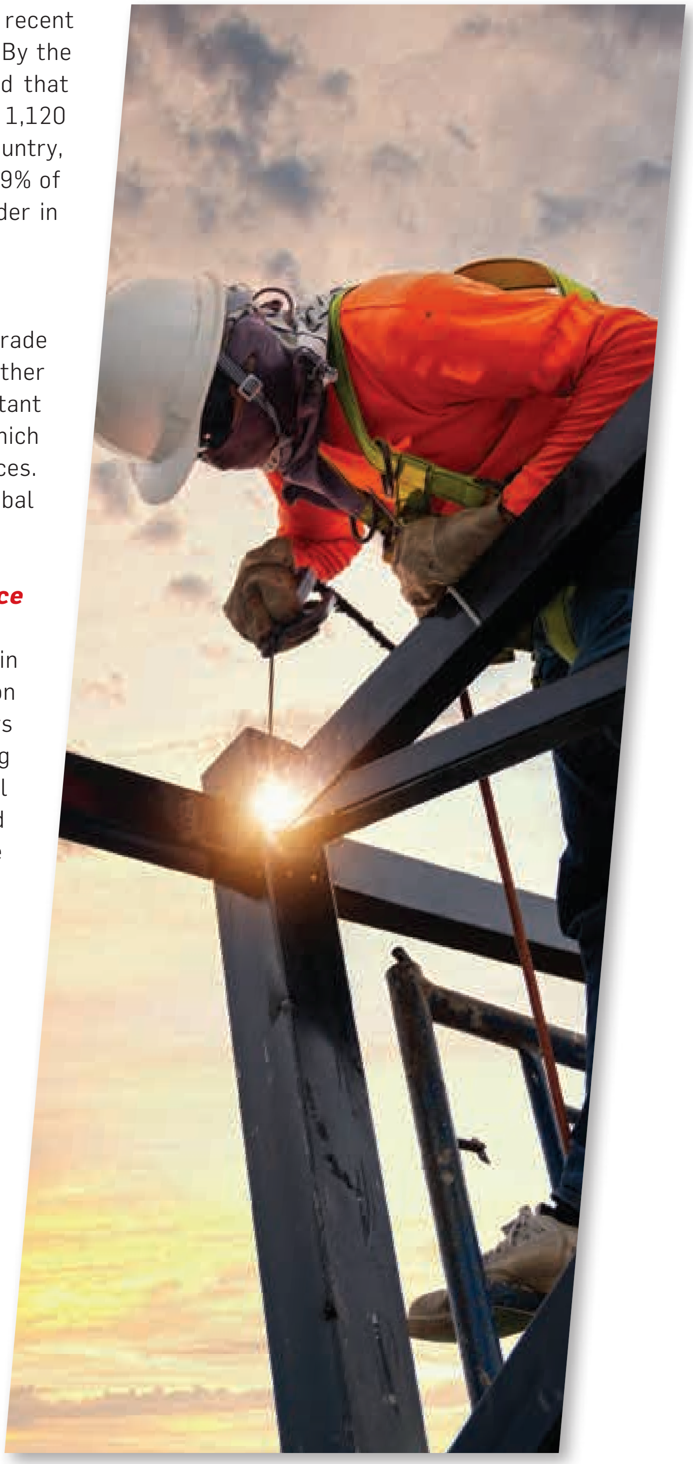
"Trade wars will be challenging"

2025 will also present major geopolitical challenges. The trade war between the US and China and the US against many other nations will create major economic uncertainty. In the resultant economic slowdown, oil prices have been weakening, which may decelerate efforts to adopt alternative energy sources. Furthermore, it is unclear how US tariffs will affect global value chains surrounding renewable energy products.

"Stepping up our ESG management and compliance efforts in 2025"

As we enter 2025, we will be looking at the opportunities in the renewables sector further, in continuation and expansion of our strategic push into the solar business several years ago. On the regulatory compliance side, we will be gearing up for SGX-based mandatory climate reporting which will align with the International Financial Reporting Standard ("IFRS") Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("ISSB") for sustainability reporting in FY2025.

Last but not least, we will continue to strengthen our profitable core business, reinvest in our skills training, health, and safety programs, while maintaining our robust governance framework.



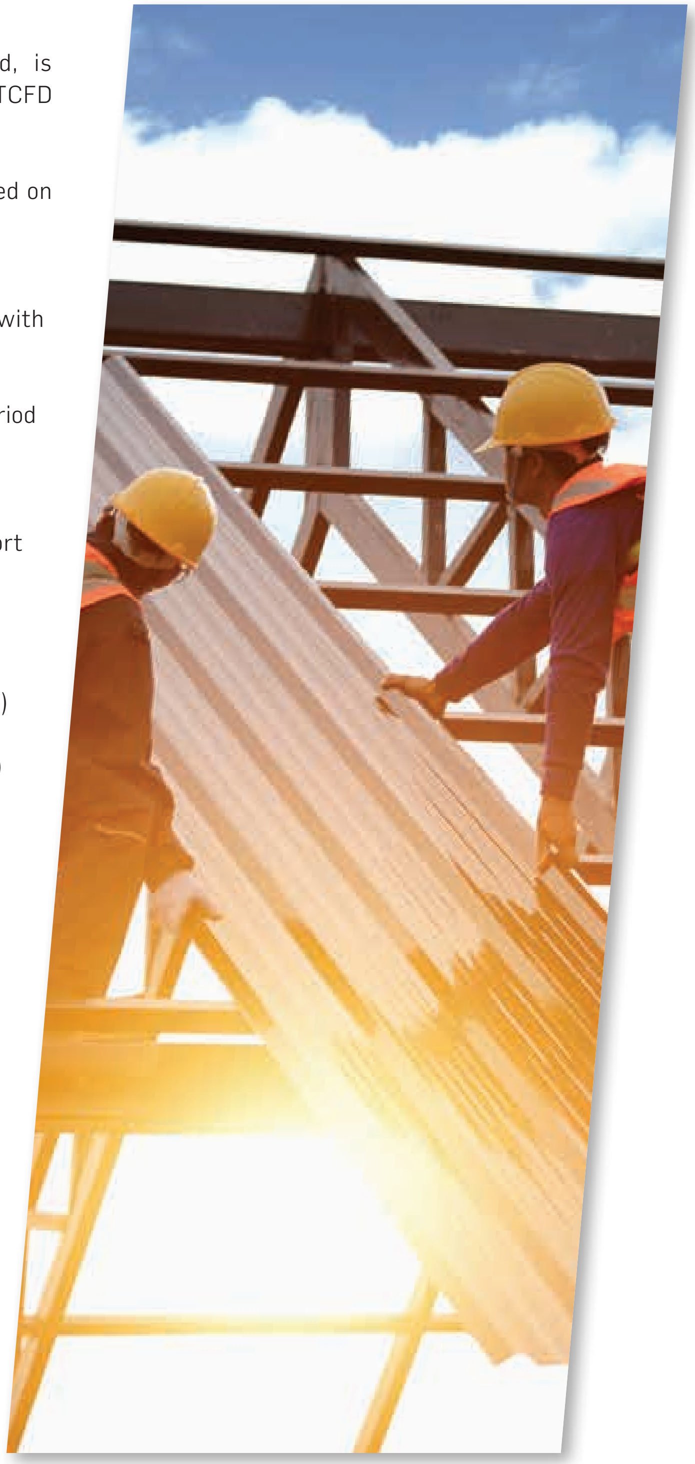
ACKNOWLEDGEMENT

The sustainability-based achievements of the Group can only be made possible by all our employees, business partners, the continued support of our customers as well as shareholders. We extend our heartfelt appreciation to all our stakeholders.

MR. TENG CHOON KIAT
CHAIRMAN, BOARD OF DIRECTORS

SUSTAINABILITY REPORT

ABOUT THIS REPORT



GRI AND TCFD

This Sustainability Report, as approved by the Board, is prepared with reference to the GRI Standards and TCFD Recommendations.

The GRI content index and relevant references are provided on pages 42 to 43 of the report.

REPORTING PERIOD

Our Sustainability Report is published on an annual basis, with this being our seventh report.

This report covers the Financial Year ("FY") 2024, for the period from 1 January 2024 to 31 December 2024.

REPORTING SCOPE

The data, statistics and improvement targets in the report relate to the following operations:

- Corrosion Prevention (See Hup Seng CP Pte Ltd)
- Structural Steel and Facade (Hetat Holdings Pte Ltd)
- Solar Energy (Sinenergy Power International Pte Ltd)

There are no restatements of information in this report. There is no significant change from previous reporting periods in the list of material topics.

AUDIT

We have commenced a preliminary limited scope of internal audit relating to our sustainability reporting processes in FY2023. No internal audit on sustainability reporting was commissioned in FY2024 as the Board and auditors determined that it was not required.

We have not sought external assurance for this reporting period.

FEEDBACK

Your views and opinions are highly valued by us and we welcome any feedback on this report or on any aspect of our sustainability performance.

Kindly provide your feedback to our sustainability team:

Group's CEO (Mr Ng Han Kok Henry) at henry@shsholdings.com.sg.

SUSTAINABILITY REPORT

CORPORATE PROFILE

Established in 1971, SHS Holdings has evolved into a diversified group with three main businesses involving Engineering & Construction that comprises structural steel & facade and modular construction, Corrosion Prevention and Energy-related businesses.

We are continually strengthening our core businesses to further reinforce our platforms for growth. We are well positioned in our respective industries and are actively expanding our customer base and deepening our geographical network while enlarging our portfolio of products and services.

ENGINEERING & CONSTRUCTION

The Group, through its subsidiary, HETAT Holdings Pte Ltd has a strong track record in the design, engineering and construction of integrated structures created from steel, aluminium and glass materials. We leverage on our strong and tested expertise to serve customers in a wide spectrum of industries and various fields. It is at the forefront of its field and one of a few fabricators with S1 accreditation from the Singapore Structural Steel Society. With several landmark projects under its belt, Hetat is well placed to pursue further structural projects in Singapore, Malaysia and other potential markets.

CORROSION PREVENTION

The Group is an established leading provider of corrosion prevention services to the marine, oil and gas, construction and infrastructure industries. It has a special niche in specialised tank coating services and large-scale plant operations in Singapore. Its proven capability in corrosion prevention services is underscored by its status as a resident contractor for premier shipyards in Singapore.

SOLAR ENERGY

The Group diversified into the solar energy sector in 2016, amidst a growing global commitment to renewable energy and environmental sustainability, and the quest for clean and affordable energy-efficient solutions. The Solar business now accounts for one third of the Group's revenues and profits.

"Solar is now one third of the Group's business"

Through its subsidiary, the Group focuses on solar energy development and EPC works. It has successfully installed various roof-top, photovoltaic systems of all scales for domestic and commercial customers in Singapore.

Furthermore, in FY2024, the group executed approximately 20 Engineering, Procurement, and Construction (EPC) projects across Singapore, focusing on the installation of solar systems for customers, including 10 projects in the Solar segment in 2024. These newly established solar systems have enhanced the energy mix of the clients, reducing their reliance on the power grid.

SUSTAINABILITY REPORT

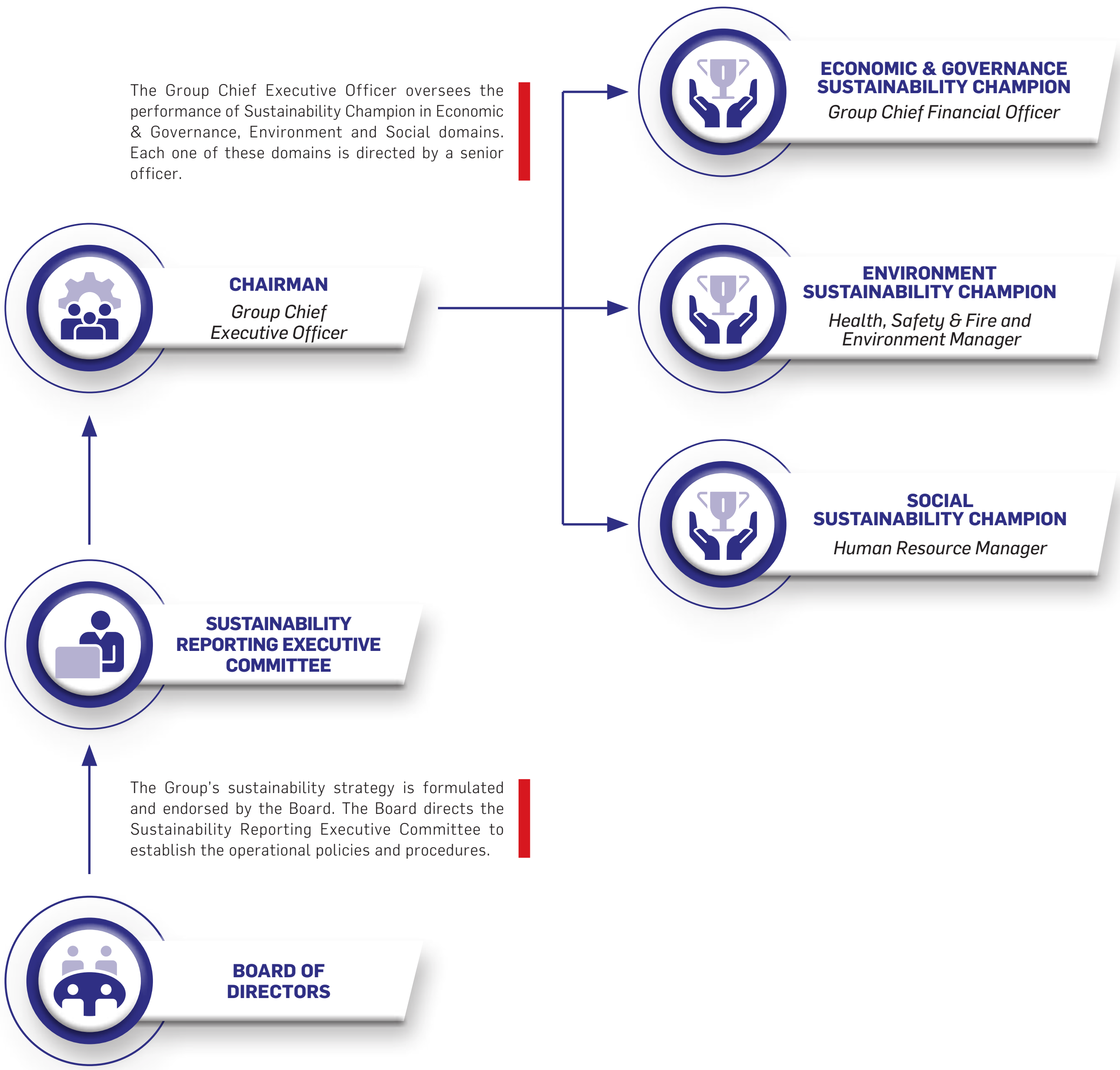
OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

The Board of Directors at SHS is responsible for overseeing the Group's business operations and providing leadership in shaping the overall strategy. The Group's commitment to sustainability is operationalised by the Sustainability Reporting Executive Committee (SREC), which is empowered through a comprehensive and formal TOR, to oversee the development and implementation of sustainability strategies and initiatives across the entire organisation.

In 2024, the SREC focused on target-setting and data collection cross all the material factors. In particular, various areas of operations were considered to augment the target-setting processes. These areas included in Business Integrity, Health & Safety, Human Capital and Environmental Sustainability. The SREC considered various recommendations from the internal auditor, which included periodic ESG performance reporting to Board.

The Board shall be considering all the recommendations of the internal auditors and SREC and will be making the appropriate budgetary and resource allocations.



SUSTAINABILITY REPORT

OUR SUSTAINABILITY STRATEGY

SHS has a vision to be in a market leadership position in each business segment of the Group.

This is aligned with placing sustainability at the core of our operations through focusing on five areas:

OUR VISION

To Be In The Forefront In Each Area Of Our Business, With Products And Services Known For Its Quality And Cost Competitiveness

STRATEGIC FOCUS

- Business Integrity
- Environmental Sustainability
- Human Capital
- Health & Safety
- Quality

STAKEHOLDER ENGAGEMENT

By engaging and collaborating with all our stakeholders, we are better able to address sustainability challenges and opportunities for our business. We engage with our stakeholders regularly and incorporate relevant and appropriate feedback into our planning and actions.

Our various groups of stakeholders (Employees, Customers, Suppliers, Shareholders & Regulators, and Local Communities) are identified based on our respective economic, social and environmental impacts in the context of our value chain.

Key to the success of our sustainability programme is regular engagement with to all our stakeholder groups. Our engagements involve receiving appropriate feedback and escalation mechanisms to our management teams. These engagements will facilitate an effective identification and management of our material ESG factors over the short, medium and longer-term. We see our sustainability report as being a critical component of this continuous cycle of organisational improvement.

STAKEHOLDERS	STAKEHOLDERS' CONCERNS	ENGAGEMENT PLATFORM	FREQUENCY
EMPLOYEES	• Safe and conducive workplace • Fair labour practices and compensation	• Trainings • Grievance/feedback channels • Regular reviews and appraisals • Intranet/VPN/Email platform for policies, news and benefits	At least once a year for appraisal or as when required
CUSTOMERS	• Product quality and innovation • Product compliance to all relevant regulations • Timely follow-up on customer feedback • Ability to offer competitive and cost-efficient solutions which are safe and environmentally responsible	• Feedback channels such as email and telephone communications • Client meetings • Corporate website, email and newsletters	• Continuously for feedback about quality or as when required

STAKEHOLDERS	STAKEHOLDERS' CONCERNS	ENGAGEMENT PLATFORM	FREQUENCY
SUPPLIERS	• Clear two-way communication channels • Timely feedback regarding materials/services provided	• Inspections and quality site visits • Quotations and requests for proposal • Raw material specifications discussion meetings	• Continuously for feedback about quality or as when required
SHAREHOLDERS & REGULATORS	• Business resilience and financial performance • Business strategy and direction • Corporate governance and compliance • Transparent and timely communication of information	• Results announcements and news releases • Corporate website and email • Annual General Meeting (AGM)	• At least 4 times through announcements and AGM or as when required
LOCAL COMMUNITIES	• Mitigation of adverse implications of projects • Communication regarding future developmental planning relating to projects	• Environmental and social impact study	• When required

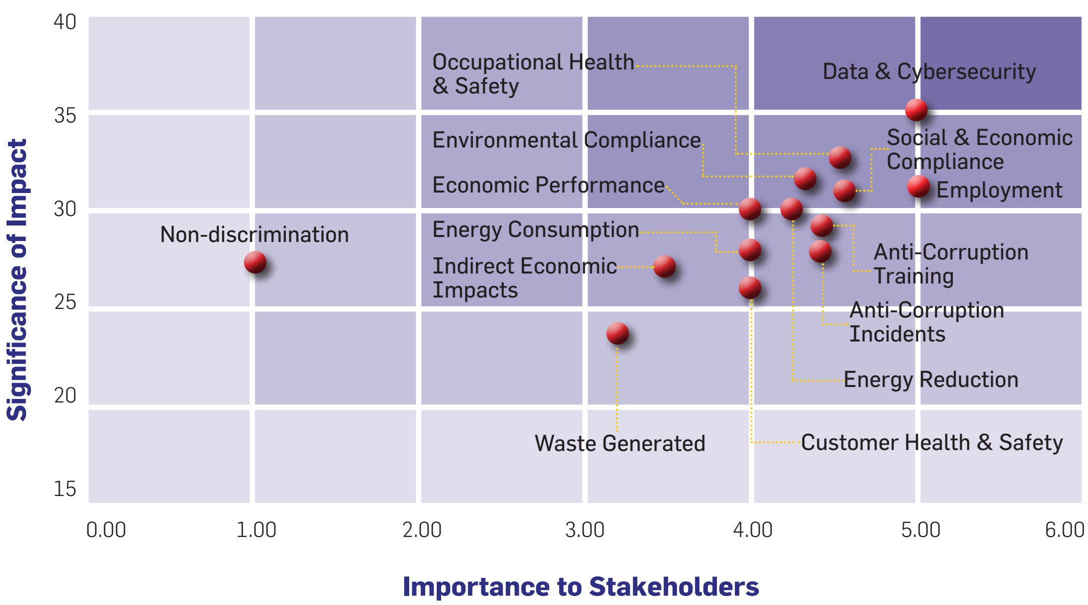
MATERIALITY ASSESSMENT

Our ESG materiality assessment process aligns with the GRI Standards. We derive our list of material ESG factors on an annual basis through a comprehensive stakeholder engagement and evaluation process, both of which are endorsed by the SREC.

Under the guidance of the SREC and in accordance with the GRI Standards reporting principles and our ESG policy, a list of potential ESG factors is identified from various engagement platforms with key stakeholders. In conjunction with the prioritised material factors, the SREC identified the achievable disclosures underlying each material factor.

SUSTAINABILITY STRATEGY	MATERIAL FACTOR	DISCLOSURE
Business Integrity	Anti-Corruption (GRI 205)	Incidents of corruption
		Communication And Training About Anti-Corruption Policies And Procedures
	Compliance With Laws and Regulations (GRI 2-27)	Incidents of violation
	Economic Performance (GRI 201)	Total Revenue
	Data security/Cybersecurity (per SASB*) *GRI Standards do not cover Cybersecurity as a Topic. The Group has elected to follow standards promulgated by Sustainability Accounting Standards Board (SASB). Reference SASB standards are cited as "SV-PS-230a-c.1".	Description of approach to identifying and addressing data security risks. (SV-PS-230a.1)
		Description of policies and practices relating to collection, usage, and retention of customer information. (SV-PS-230b.1)

SUSTAINABILITY STRATEGY	MATERIAL FACTOR	DISCLOSURE
		(1)Number of data breaches, (2) percentage that (a) involve customers' confidential business information and (b) are personal data breaches, (3) number of (a) customers and (b) individuals affected. (SV-PS-230c.1)
Health & Safety	Occupational Health and Safety (GRI 403)	Fatalities
		Accidents
		Accident Severity Rate
		Accident Frequency Rate
Human Capital	Employment (GRI 401)	Total Employees
		Employees Distribution by Region
		Employees Distribution by Gender
		Turn Over
Environmental Sustainability	Water (GRI 303)	Total Water Consumption
	Energy (GRI 302)	Total Electricity Consumption
		Total Liquid Fuels Consumption
	Waste (GRI 306)	Waste Generated
		Waste Diverted From Disposal
		Waste Directed To Disposal
	Emissions (GRI 305)	Scope 1 & 2 Greenhouse Gas Emissions



SUSTAINABILITY REPORT

OUR SUSTAINABILITY STRATEGY: BUSINESS INTEGRITY

SHS is committed to practise and maintain the highest standards integrity in the conduct of our business. Our Board and management ensure that the Group adopts the 2018 Code of Corporate Governance (the "2018 Code") and the accompanying Practice Guidance (published on 14 December 2023), as a comprehensive ethical compass for our entire organisation.

CODE OF CONDUCT

The Group's Code of Conduct establishes guidelines for all employees on how we should conduct our business responsibly, with integrity and with respect.

It also provides guidance on the behaviour expected from all employees in respect of the following areas:

01 RESPECT FOR INDIVIDUAL

02 CONFLICT OF INTEREST

03 CONFIDENTIAL INFORMATION

04 INTEGRITY

05 COMPANY ASSETS

06 REGULATORY COMPLIANCE AND CORPORATE GOVERNANCE

07 GIFTS AND ENTERTAINMENT

08 FINANCIAL & OPERATIONAL INTEGRITY

09 HEALTH, SAFETY AND ENVIRONMENT

10 CYBERSECURITY

A breach of the Code of Conduct will be grounds for disciplinary action against those involved, including dismissal.

ANTI-CORRUPTION GRI 205-2 205-3

Corruption is an inherent risk in the construction sector, especially in lesser develop countries and it can cause serious financial and reputational damage to the Group.

The Group's has a zero-tolerance policy towards corruption and fraud, which is informed by our related policies in this section on Business Integrity.

FY2024 PERFORMANCE

No incidents of corruption

FY2025 TARGET

Zero incidents of corruption

CYBERSECURITY

In an increasingly digitalised world, the Group faces both opportunities and risks in this area. Information technology can help automate many processes in the Group. On the other hand, data and cybersecurity breaches can result in crippling consequences on the organisation. Hence, prioritising data and cybersecurity is fundamental to our Business Integrity.

The Group's policy is to ensure that we have a robust governance structure in place to guide us in our use of information technology, so that our information assets are fully protected.

WHISTLE BLOWING POLICY

The Group's whistle blowing policy has been in place since January 2013 and is a key mechanism in helping the Group conduct business without fraud and corruption, and any breach of the Company's Code of Conduct.

The whistle blowing policy and reporting mechanisms are communicated to all employees on their first day of work. The policy has also been made accessible through the Group's intranet and shared folder, with the latest contact details of the AC.

Employees can raise genuine concerns about possible improprieties* related to financial reporting or other adverse operational matters through the established escalation channels. The AC will then review and investigate the complaints and recommend any remedial or legal action to be taken, where necessary.

All employees have the right to lodge a complaint with any member of the Audit Committee.

* *Possible improprieties are defined as any activity, breach of business conduct and ethics or omission by an employee of the Group or any concerns regarding accounting or auditing matters, internal controls or internal accounting controls and other operational matters that are questionable or not in accordance with generally accepted accounting practices or trade.*

REGULATORY COMPLIANCE GRI 2-27

The Group has maintained full compliance with applicable laws and regulations, with no instances of non-compliance or failure to adhere. These laws and regulations encompass:

- international declarations, conventions, and treaties;
- national, subnational, regional, and local regulations;
- binding voluntary agreements made with regulatory authorities and developed as a substitute for implementing a new regulation; and
- voluntary agreements (or covenants), if the organization directly joins the agreement, or if public agencies make the agreement applicable to organizations in their territory through legislation or regulation.

SUSTAINABILITY REPORT

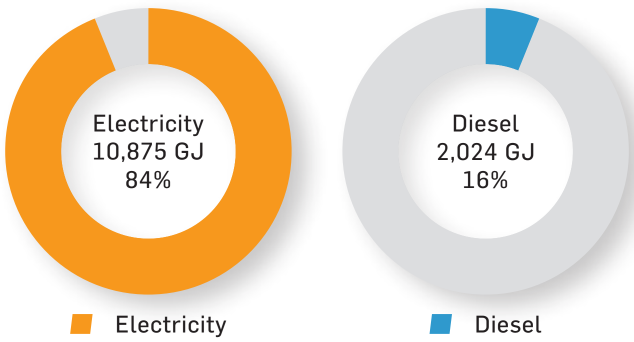
OUR SUSTAINABILITY STRATEGY: ENVIRONMENTAL SUSTAINABILITY

ENERGY GRI 302-1

The Group utilises electricity and liquid fuels for its energy needs. In FY2024, the Group's total energy consumption was approximately 12,899 GJ.

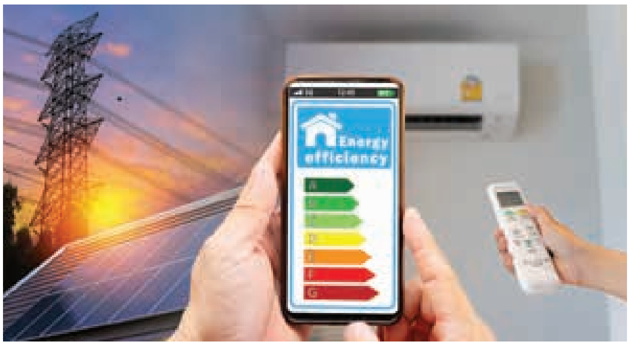
The primary source of energy consumed by the Group is electricity, which accounted for approximately 84% of the total energy consumption. Electricity remains the main form of energy used in the Structural Steel and Façade, and Corrosion Prevention businesses.

Total Energy Consumption



The culture of environmental responsibility is the most effective tool in managing environmental problems. In this regard, the Board and management will continue to inculcate environmental consciousness amongst our people, through training and active reminders to save electricity throughout the organization.

The rooftop of the Hetat office building has been leased out to a 3rd party lessor for the installation of a solar rooftop. The lease term runs till circa 2040. The solar rooftop generates an average of 52,694 kWh per month, of which 24,493 kWh is consumed by SHS while the remaining is exported to the grid. This enables us to meet our energy requirements at a lower cost per kWh compared to the standard tariff rate.



EMISSION GRI 305-1 305-2

Scope 1 GHG emissions

In FY2024, the Group has continued to track its Scope 1 GHG emissions, which is primarily diesel consumption by its fleet of transportation vehicles.

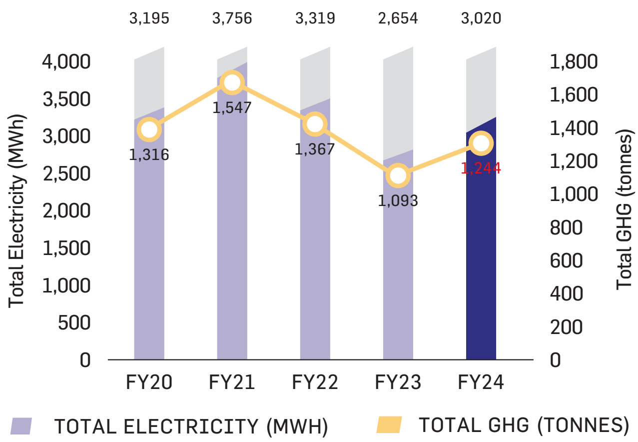
The total diesel consumption was approximately 52,430 litres, which amounted to 514 CO2 tonnes*. This was 44% higher than the previous year due to increased transportation needs, especially to support the growth in the Engineering and Construction sector especially in 2H2024.

(*Derived from GHG Protocol tool for mobile combustion from World Resources Institute.)

Scope 2 GHG emissions

The Group's Scope 2 GHG emissions is based on the group's total electricity usage and the electricity grid emission factors**. There was a 13.8 % annual increase in our Scope 2 GHG emissions in FY2024 in line with an increase in our business activities.

Annual Electricity Consumption & Greenhouse Gas



(**Derived from Grid Emission Factor (GEF) from the Singapore Energy Market Authority.)

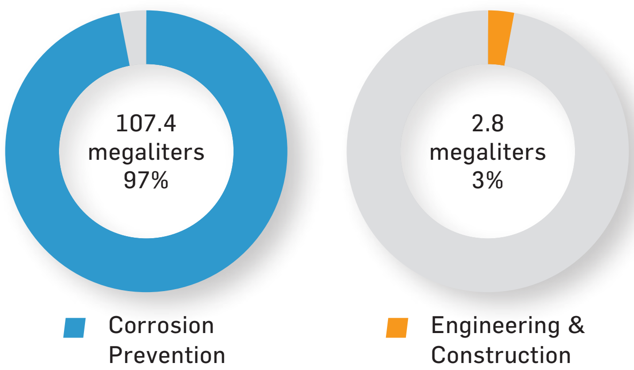
SUSTAINABILITY REPORT

WATER GRI 303-3

The Group's entire usage of water is of potable water, supplied by third-party utility providers. Most of the water usage was attributable to the Corrosion Prevention business.

In FY2024, the total water consumed by the group was approximately 110.3 megaliters, 7% less than in FY2023, due to reduced business volume.

Water Withdrawal By Business Division



WASTE GRI 306-3 GRI 306-4 GRI 306-5

Waste from raw material usage is a natural by-product of any industrial organization. The Group has a process to track its waste from all operations and has programs to manage waste disposal.

The Group also focuses on reducing the cost of wastage in its steel fabrication process through investments in software which helps to increase the efficient use of raw materials. All surplus steel cuts are recycled or sold to recycling yards.

The types of waste generated by the Group include:

- Scrap
- Copper slag, steel grit and paint
- Office consumables

Non-hazardous wastes such as steel, aluminium and steel grit are recycled.

Hazardous wastes such as copper slag and paint are safely incinerated. SHS only works with licensed waste collection vendors to ensure disposal of hazardous wastes are compliant with government regulations.

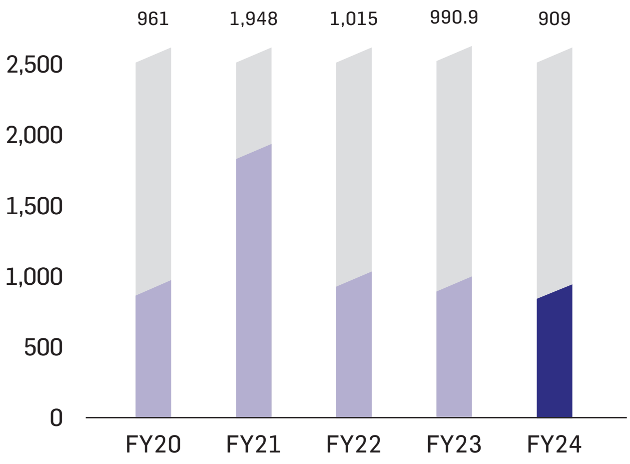
SUSTAINABILITY REPORT

In FY2024, the Group generated a total of 1,216.73 tonnes of waste, of which approximately 25% was diverted or recycled.

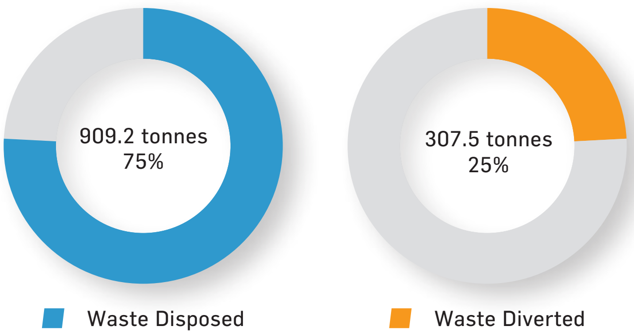
Disposed waste accounted for around 909.24 tonnes (75%), reflecting an improvement in overall waste tracking and inclusion of multiple service providers in waste reporting.

Compared to previous years, this comprehensive reporting highlights the Group's commitment to enhancing transparency and waste segregation practices.

Total Waste Disposal (tonnes)



Waste Diverted and Disposed (tonnes)



In FY2024, a total of 306.7 tonnes of metal were recycled, which accounted for 97% of the total diverted waste.

SUSTAINABILITY REPORT

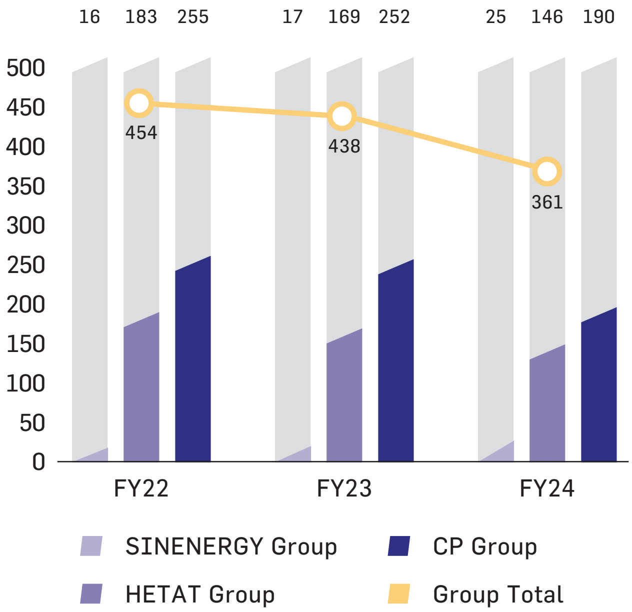
OUR SUSTAINABILITY STRATEGY: HUMAN CAPITAL

WORKFORCE OVERVIEW GRI 402-7

The Group regards human capital as one of its most vital assets. Our employees play a significant role in all our businesses. Their knowledge, skills and dedication to the Group are key to our growth.

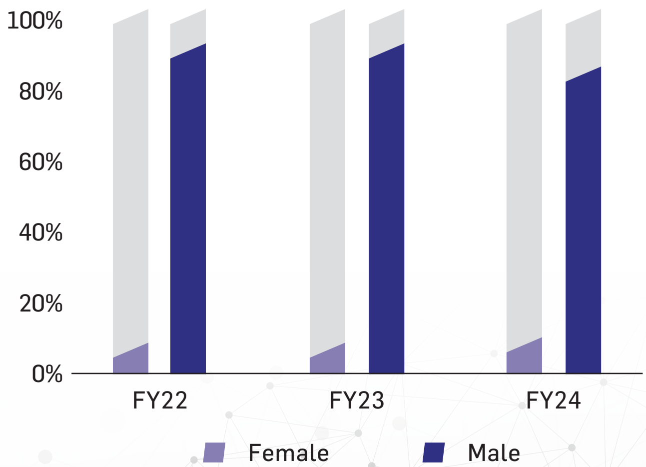
We firmly believe in equal employment opportunities to all regardless of nationality, race, gender, age and religion. Our hiring policies are merit-based whereby recruitment is based on the skills and competency of individuals. Discrimination of any kind is not tolerated.

Employees By Business Division



Our employee profile continues to be male-dominated, and this is a normal characteristic of the marine and construction industry.

Employee Breakdown of Gender



HUMAN RESOURCE POLICY

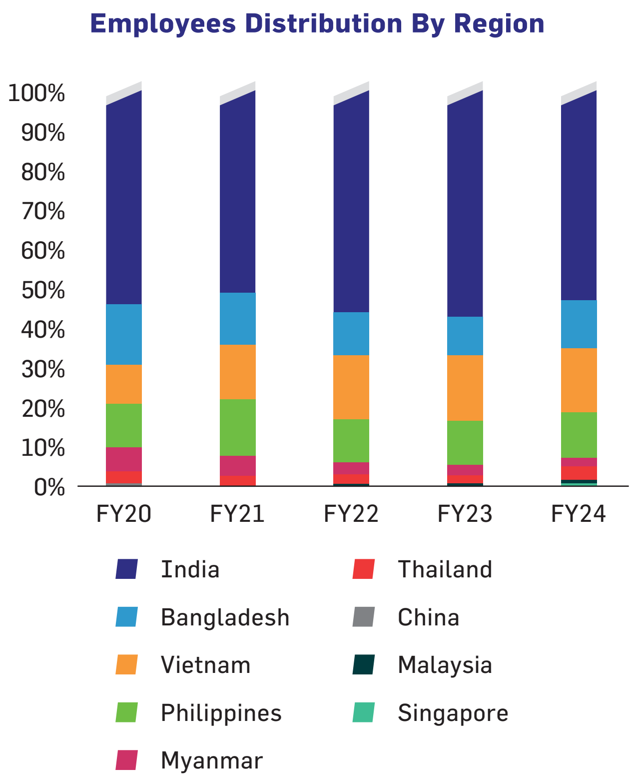
Our Human Resource policy encompasses two key areas: Diversity & Inclusion and Employee Relations.

The Diversity & Inclusion Policy aims to create an environment where every employee can equally participate and contribute to the Group's success, with each employee's unique skills, experiences, and perspectives being valued and respected. Our initiatives in this area include actively identifying and addressing diversity challenges and opportunities, ensuring compliance with legal and regulatory obligations, eliminating discrimination, safeguarding a harassment-free workplace, and fostering an inclusive and empathetic environment where all employees can endeavour to realize their potential both individually and as a team.

The Employee Relations Policy reflects the Group's sustainability through good industrial relations. In line with this policy, the Group has established effective communication channels between all levels of staff and management so that staff concerns and suggestions on operational improvements can be considered by management.

EMPLOYEE DISTRIBUTION BY REGION GRI 402-7

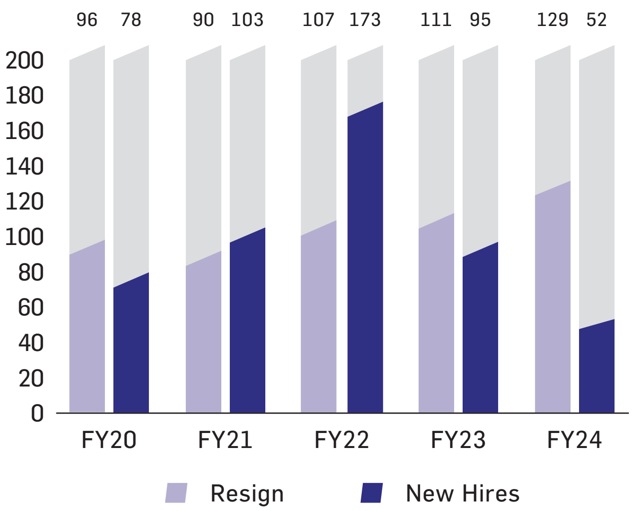
Most of our employees are from India (53%), Bangladesh (16%), Singapore (12%) and Malaysia (12%). The breakdown of the employees are as follows:



EMPLOYMENT GRI 401-1

For FY2024, SHS welcomed 52 new employees to our team as compared to new hires of 95 employees in FY2023. A total of 129 employees left the Group. In 2023, we hired 95 employees in response to increased demand for manpower, driven by the acceleration of projects such as the SGA Project, Singapore Grand Prix (Formula 1) Project and Dyna-mac Project. This surge in hiring coincided with a period when the impact of COVID-19 was less severe and market conditions were improving. However, in fiscal year 2024, our hiring decreased as business activity slowed.

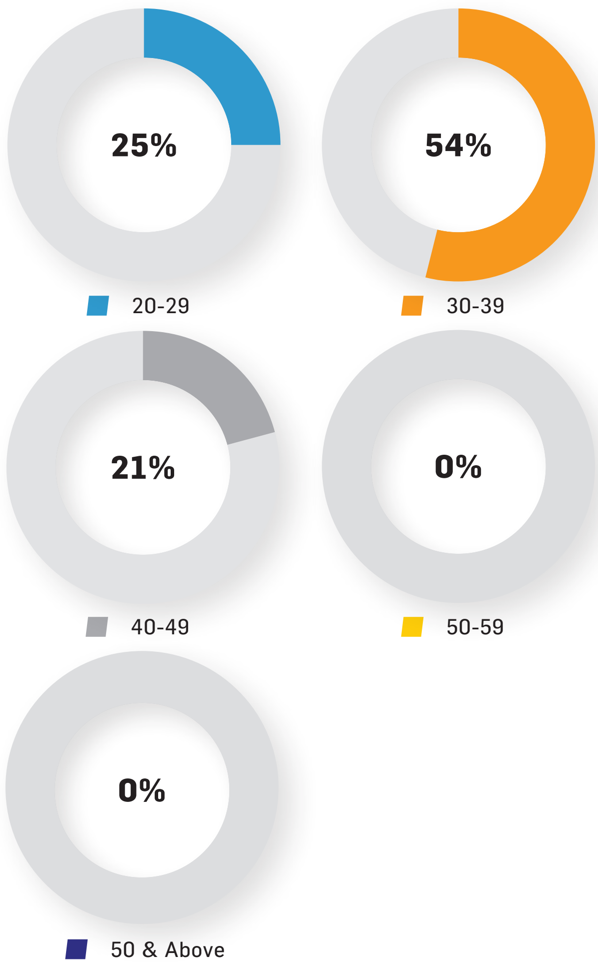
Hire & Resignee



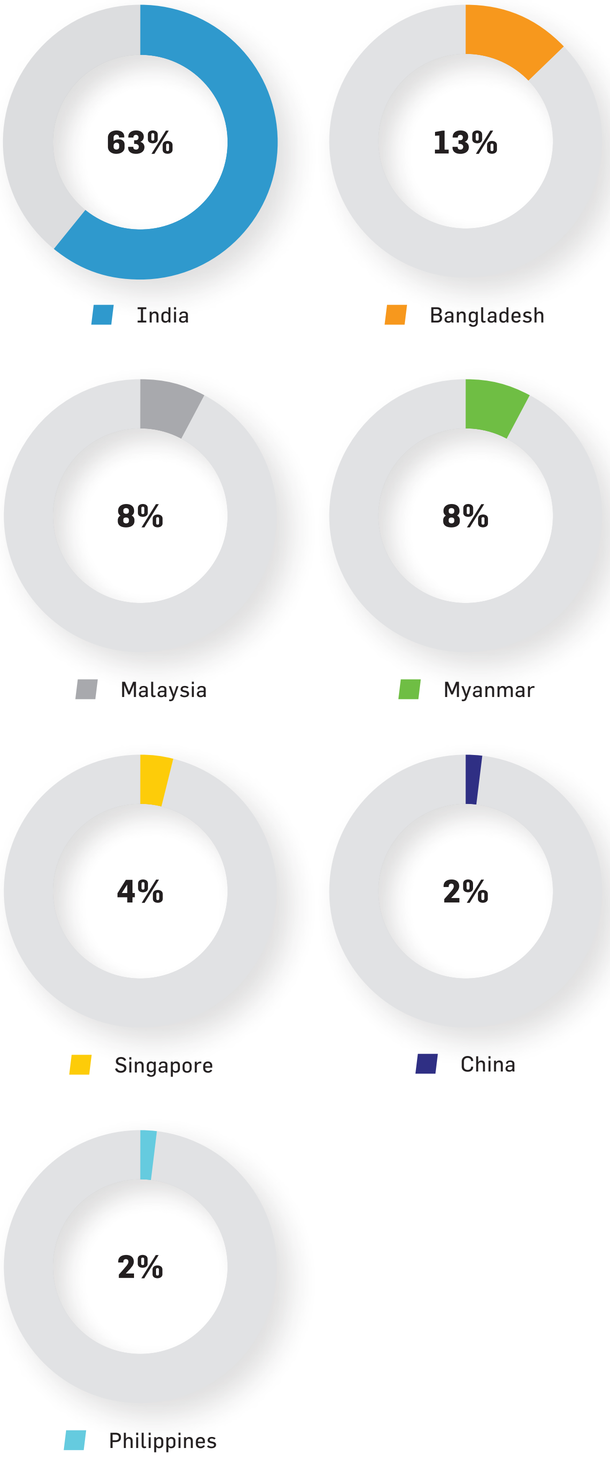
In the fiscal year 2024, of the total of 52 new employees, 38 were foreign workers in Marine and Construction sectors, and 16 were hires in the administrative areas. Among the new hires, 94% are male and the majority are from India, Bangladesh, and Malaysia.

On the age composition of new employees, 25% are in the 20-29 age group, which reflects the demands for onsite marine and construction works. In the 30-39 age bracket, which accounted for another 54% of total hiring, the group employed talent for vacancies at all levels. In the 30-39 age group, which accounted for another 21% of total hiring.

New Employees Distribution By Age



New Employees Distribution By Region



In FY2024, SHS achieved the following human resource targets:

FY2024 PERFORMANCE

- 55% of the employees get proper development and training.
- Establish 3 employee recognition events and incentive recognition programs, such as Festive Celebrations (CNY & Deepavali), Durian Party, BBQ Gathering, and Incentives (Bonus) Build 2 healthy lifestyle programs, such as Cricket Game and Yoga/Fitness Exercise.

In FY2025, our goal is not only to meet regulatory requirements for employee development and training, but also to engage and reward our employees for their hard work and dedication to the Group.

FY2025 TARGET

- To have 50% of the employees get proper development and training.
- Establish 3 employee recognition events and incentive recognition programs.
- Build 2 healthy lifestyle programs.

NON-DISCRIMINATION GRI 406-1

In FY2024, the Group maintained a commendable record of no discrimination incidents, evidencing our strong commitment to equality and respect for all individuals. This achievement underscores our dedication to fostering an environment where diversity is embraced, and every person is treated with fairness. We continue to champion these principles, ensuring our workplace is a model of inclusivity.

FY2024 PERFORMANCE

- No reported incidences of discrimination raised by our employees.

FY2025 TARGET

- Sustain zero discrimination reports.

SUSTAINABILITY REPORT

OUR SUSTAINABILITY STRATEGY: HEALTH & SAFETY

Our Board and senior management unequivocally recognise that health and safety risks are an ever-present risk to our staff in our business operations, especially in construction sites.

The Group's Health, Safety & Fire and Environment ("HSE") Committee oversees workplace health and safety matters. The committee is responsible for identifying and addressing potential operational risks, investigating accidents, as well as providing safety briefings to employees.

In addition, we ensure that our operations adhere to legislated workplace health and safety regulations and industry safety standards.

Some regulations and standards that we subscribe to include, but are not limited to, the Workplace Safety and Health Act 2006 and its subsidiary legislations required by the Ministry of Manpower, the Fire Safety Act by the Singapore Civil Defence Force and its Regulations, SS 679 – a workplace safety and health standard intended for worksites involved in the preparation, supervision and execution of construction works. The Group was also audited by the Building and Construction Authority/MOH and MOM and was compliant in all areas.

SUSTAINABILITY REPORT

INITIATIVES TO ENSURE HEALTH & SAFETY

The Group aims for a zero-accident record in its high-risk operations. As in each year, staff meetings on safety and safety audits were conducted through FY2024.

REGULAR OPERATION MEETS

Daily Toolbox Meeting

To discuss the hazards and risks involved in the daily production activities, as well as preventive measures to be taken while performing daily operations, with the supervisors.

Weekly Mass Briefings

Conducted by the HSE manager to share safe work procedures and risk assessments with employees and contractors, as well as share case studies of accidents with the entire workforce.

Monthly HSE Inspections & Meetings

During the inspections, the HSE members will inspect the work premises and identify potential health and safety hazards. These identified issues will be discussed during the monthly HSE meeting.

Annual HSE Campaign

Includes refresher trainings for forklift and crane operators and HSE quiz.

Fire Safety

Two firefighting drills and a firefighting training and fire drills have been conducted for employees.

SAFETY AUDITS

Annual ISO Surveillance Audit

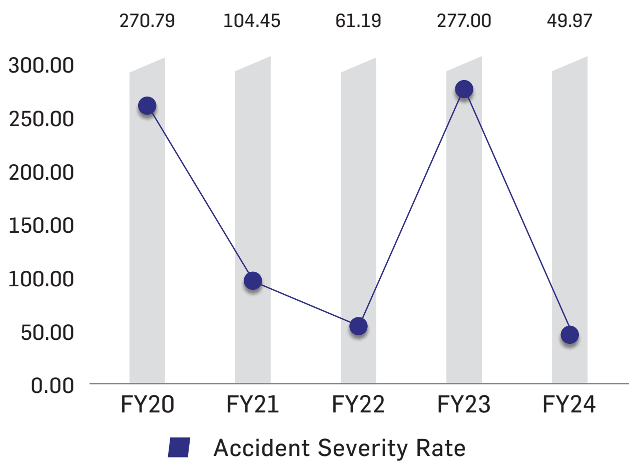
Green and Gracious Builder Scheme Audit

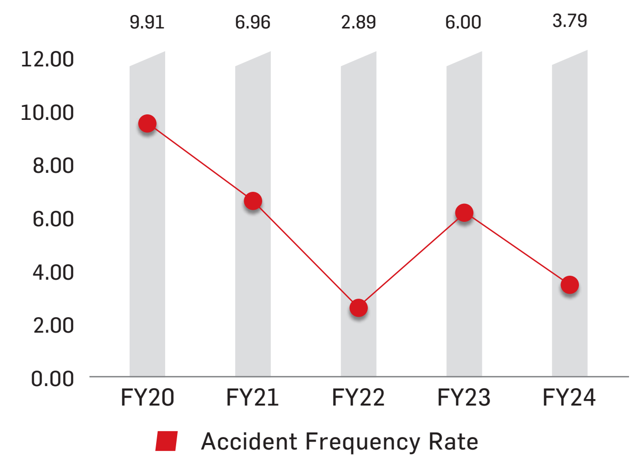
A benchmark of a builder's corporate social responsibility to the environment and public during the construction of projects.

ACCIDENT FREQUENCY RATE & ACCIDENT SEVERITY RATE GRI 403-2

The graphs below present the average Accident Frequency Rate ("AFR") and Accident Severity Rate ("ASR") from 2020 to 2024. Despite a slight rebound in the Accident Frequency Rate in FY2023, both the Accident Frequency Rate and the Accident Severity Rate have generally shown a consistent downward trend over the past five years, including in FY2024, demonstrating our continued efforts and progress in enhancing workplace safety.

Accident Frequency Rate and Accident Severity Rate





FY2024 PERFORMANCE

- Zero fatal accidents.
- Keep low accident frequency and severity.
- No violation of legal and statutory requirements.

FY2025 TARGET

- To Achieve 0 Fatality rate.
- To achieve AFR <3.
- To achieve ASR <250.
- To achieve 0 Environmental incidents.

OUR SUSTAINABILITY STRATEGY: QUALITY

With a vision to strive to provide "products and services known for its quality", the Group adopts best practices and complies with all relevant legislation and requirements pertaining to the health and safety impacts of its products and services.

We ensure that all delivered products are fully compliant with relevant standards such as the International Organisation for Standardisation ("ISO"), Swedish Standards Institute, British Standards, Singapore Building Council Authority, American Steel Structures Painting Council Standards and the American National Association Corrosion Engineers Standards.

In addition, as we work with various suppliers in our supply chain, we have initiatives in place to ensure that the quality of our sourced materials is maintained:

– New suppliers are screened and qualified in accordance with our purchasing policy.

– Suppliers' industry reputation, track records, pricing and relevant certifications are evaluated prior to being qualified as a supplier fit for procurement.

– Suppliers must be qualified before the Group makes any purchase from them.

– Annual reviews of suppliers are also conducted to evaluate the suppliers' performance to ensure continuous quality materials procured.

CERTIFICATE OF REGISTRATION

Certificate No. 742422

The Quality Management Systems of

Hetat Pte. Ltd.

19 Tuas Avenue 20 Singapore 638830

has been audited and found to conform to

ISO 9001:2015

for the following activities

1. Civil Engineering Works
2. General Building Construction Services
3. Design, Fabrication and Installation of Structural and Architectural Steel Works

Date of Issue:	Date of Expiry:	Initial Certification:
01 February 2023	18 December 2025	19 February 2009

Guardian Independent Certification Pte Ltd

Accredited by Member of the IAF MLA

CERTIFICATE OF REGISTRATION

Certificate No. 799745

The Environmental Management Systems of

Hetat Pte. Ltd.

19 Tuas Avenue 20 Singapore 638830

has been audited and found to conform to

ISO 14001:2015

for the following activities

1. Civil Engineering Works
2. General Building Construction Services
3. Design, Fabrication and Installation of Structural and Architectural Steel Works

Date of Issue:	Date of Expiry:	Initial Certification:
01 February 2023	18 December 2025	26 November 2020

Guardian Independent Certification Pte Ltd

Accredited by Member of the IAF MLA

CERTIFICATE OF REGISTRATION

Certificate No. 759328

The Occupational Health and Safety Management Systems of

Hetat Pte. Ltd.

19 Tuas Avenue 20 Singapore 638830

has been audited and found to conform to

ISO 45001:2018

for the following activities

1. Civil Engineering Works
2. General Building Construction Services
3. Design, Fabrication and Installation of Structural and Architectural Steel Works

Date of Issue:	Date of Expiry:	Initial Certification:
01 February 2023	18 December 2025	19 December 2019

Guardian Independent Certification Pte Ltd

Accredited by Member of the IAF MLA

WSH COUNCIL

bizSAFE STAR

CERTIFICATE

The Workplace Safety and Health Council
is pleased to certify that

HETAT PTE. LTD.

has fulfilled the requirements to attain bizSAFE Level Star

This certificate is valid till 18/12/2025

Christopher Koh
General Manager
Workplace Safety and Health Council

SUSTAINABILITY REPORT

QUALITY PROGRAMS FOR EACH BUSINESS

Corrosion Prevention

Our quality approach focuses on three key areas – process, equipment, and people. To ensure our services fulfil the stringent technical requirements of our customers, we have a comprehensive quality management system that covers the entire blasting and painting process.

Quality inspections are carried out after each stage of the surface preparation process and painting process to ensure conformity to the specifications of established international industry standards such as:

– Swedish SIS 05 59 00 1967 blasting standards

– ISO 8501-1:1988

– British BS4232 standards American Steel Structures

– bizSAFE Star level award

– ISO 45001:2018

Structural Steel and Facade

The structural steel and facade business has obtained the following accreditations and certifications:

– ISO 9001:2015.

– ISO 14001:2015.

– ISO 45001: 2018.

– Accredited Structural Steel fabricator under S1 category, the highest grading awarded by Singapore Structural Steel Society

– bizSAFE Star level award.

Solar Energy

SHS only selects tier-1 quality components for use in solar energy projects to ensure that the solar panels manufactured are able to function for a lifespan of 25 years.

COMPLIANCE IN PRODUCTS AND SERVICES SAFETY

GRI 416-2

The Group did not record any violations of laws and regulations in the provision, usage, health and safety of our products and services in FY2024.

FY2024 PERFORMANCE

- Zero violations of legal and statutory requirements.
- Zero customer complaints.
- All projects met timely delivery.

FY2025 TARGET

- To maintain zero violations of legal and statutory requirements.
- To maintain zero customer complaints.
- To continue ensure projects are delivered on time within contractual terms.

Task Force on Climate-related Financial Disclosures (TCFD)

The Group's Board and management have taken note that Singapore Exchange has upgraded its sustainability reporting disclosure rules to align with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations which has been led by Financial Stability Board of the Bank for International Settlements.

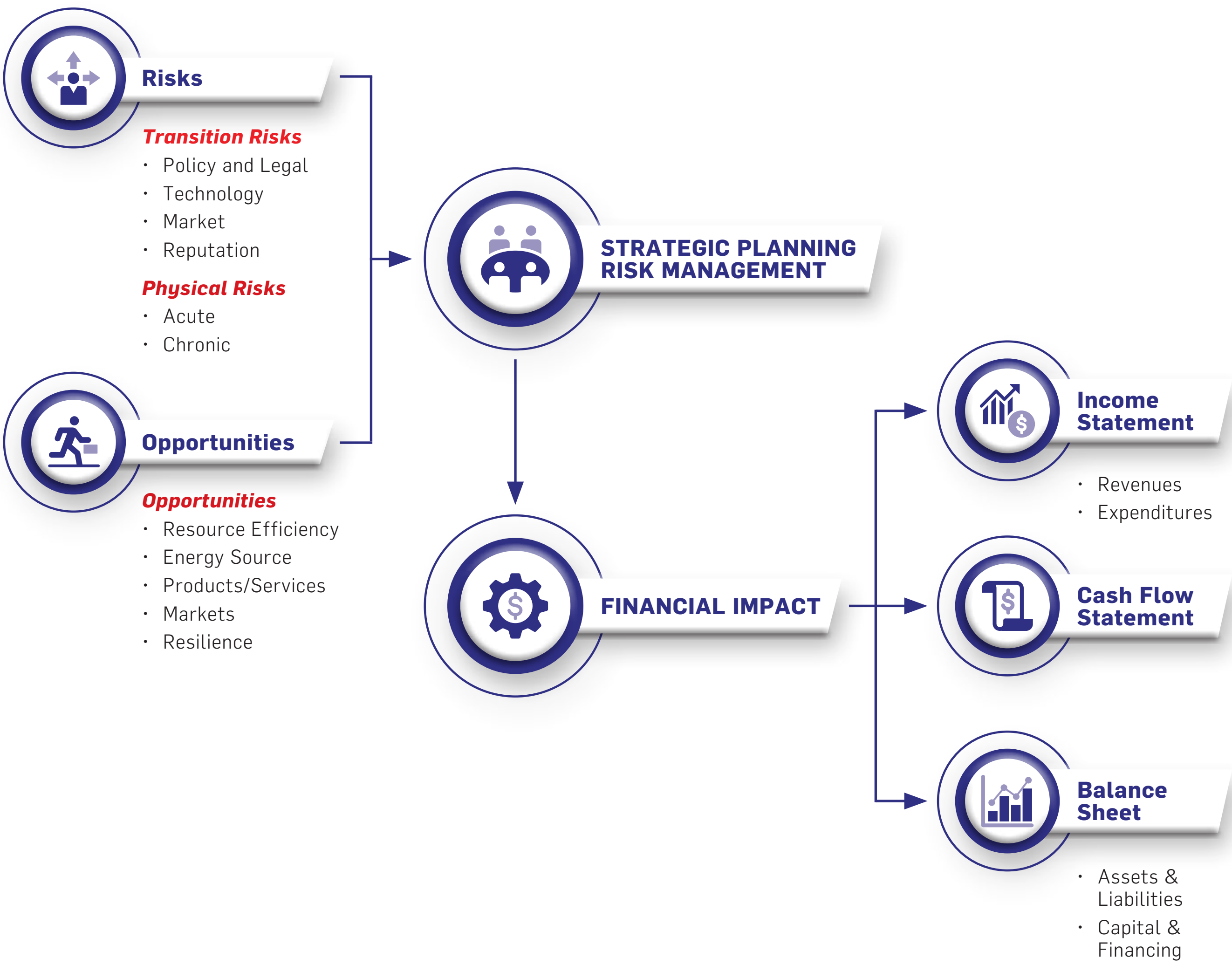
In order to better structure the Group's operating perspective around sustainability and climate impact, the Board has mandated that senior management attend training in sustainability reporting and comprehensive training in climate-reporting. This effort has been followed by senior management participation in discussions and surveys on how climate change will impact the Group's business, using the TCFD framework below as the guide.

The CEO and senior management also gave well-considered inputs on how climate-change will impact the Group and how it should review each business operations to manage the risks as well as to explore and position itself for the opportunities.

Working through the SREC, the Group has commenced various initiatives to implement more energy-efficient and GHG-reducing processes in the organisation, while continuing to explore business opportunities in the green economy locally and abroad.

The extent and implementation of additional future plans around climate-related risks and opportunities will be a function of what the Board and senior management assess to be measurable, substantial and economically viable.

Climate-Related Risks, Opportunities, and Financial Impact



SUSTAINABILITY REPORT

BOARD AND SENIOR MANAGEMENT OPERATIONS AND PLANS RELATED TO CLIMATE RISKS AND OPPORTUNITIES

TCFD Core Elements	Considerations	SHS Actions
1. Governance Disclosure of the organization's governance around climate-related risks and opportunities	Executive Board's oversight of climate-related risks and opportunities Management's role in assessing and managing climate-related risks and opportunities	Although climate change is occasionally discussed at Board and management meetings, there is not yet a formal set of roles and responsibilities established for the oversight, assessment and management of climate-related risks and opportunities yet in 2024. These initiatives will be considered within the next 2 years. It is expected that the CEO, CFO, Business Heads will be assigned leadership roles in the areas of climate-risk governance, with annual reporting to the Board.
2. Strategy Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	The climate-related risks and opportunities that the organization has identified over the short, medium, and long term Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning Resilience of the organizational strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	The senior management has not yet instituted a formal process to assess climate-related risks and opportunities. On the risk side, senior management has informally assessed that while risks exist, there is none that would impact the Group in a material way over the short-to-medium term. Nonetheless, the Group will ensure that at the minimum, resources and processes to meet regulatory compliance will be allocated in this area. On the opportunity side, the Group will be exploring resource efficient technologies and processes, new energy sources including renewables, new markets. As the overall strategic and financial impact from climate change is deemed by management to be not substantial, the Board and senior management have not decided that a formal transition to +1.5 C (or higher) global warming scenario is necessary over the next two years.
3. Risk Management Disclosure of how the organization identifies, assesses, and manages climate-related risks	Organization's processes for identifying and assessing climate-related risks Organization's processes for managing climate-related risks Integration of processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

TCFD Core Elements	Considerations	SHS Actions
4. Metrics & Targets Disclosure the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Metrics used by the organization to assess climate-related risks and opportunities	The Group has not yet established a climate-related target setting process. It is expected to do so over the next two or so years.
	Disclosure of Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions and the related risks	The Group discloses Scope 1 & Scope 2 emissions. The Group shall include the discussion of related risks in later years, if such risks are deemed as material to our business.
	Targets used by the organization to manage climate-related risks and opportunities and performance against targets	The Group has not yet established a climate-related target setting process. It is expected to do so over the next two or so years.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE		PAGE REFERENCE
GENERAL DISCLOSURES			
GRI 1: Foundation 2021			Sustainability Report 2024
GRI 2: General Disclosures 2021	**The organisation and its reporting practices**		
	2-1	Organisational details	1-3
	2-2	Entities included in the organisation's sustainability reporting	18
	2-3	Reporting period, frequency and contact point	18
	2-4	Restatements of information	16 - 17
	2-5	External assurance	16 - 17
	Activities and workers		
	2-6	Activities, value chain and other business relationships	1-3
	2-7	Employees	29 - 30
	Governance		
	2-9	Governance structure and composition	Reference to Corporate Governance Report
	2-10	Nomination and selection of the highest governance body	
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	
	2-16	Communication of critical concerns	
	2-17	Collective knowledge of the highest governance body	
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	

SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE		PAGE REFERENCE
	Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	15 - 17
	2-23	Policy commitments	Reference to Corporate Governance Report
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	
	2-26	Mechanisms for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	23
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	21 - 22
GRI 3: Material Topics 2021	3-1	Process to determine material topics	22 - 23
	3-2	List of material topics	22 - 23
	3-3	Management of material topics	22 - 23
SPECIFIC STANDARD DISCLOSURES			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Reference to Annual Report (Page 4)
GRI 205: Anti-corruption 2016	205-2	Communication And Training About Anti-Corruption Policies And Procedures	24
	205-3	Confirmed incidents of corruption and actions taken	24
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	26
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	27
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	26
	305-2	Energy indirect (Scope 2) GHG emissions	26
GRI 306: Waste 2020	306-3	Waste generated	27
	306-4	Waste Diverted From Disposal	27
	306-5	Waste Directed To Disposal	27
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	31
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment and incident investigation	35
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	33
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	36

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

SHS Holdings Ltd. (the "Company") is committed to maintain a high standard of measures, practices and transparency in the disclosure of material information.

The report sets out the Company's corporate governance practices for the financial year ended 31 December 2024, with specific reference to the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (the "MAS") on 6 August 2018 (the "2018 CG Code"). The Board is pleased to inform that the Company is substantially in compliance with the principles and provisions of the 2018 CG Code and reasons for any deviation are explained below.

A. BOARD MATTERS

The Board's Conduct of its Affairs

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

The Board's primary role is to protect and enhance long-term shareholder value. To fulfil this role, the Board is responsible for setting the Group's corporate governance practices and overall strategic direction, reviewing key management performance, reviewing the operational and financial performance of the Group to enable the Group to meet its objective and maximizing return for shareholders at an acceptable level of risk.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and works with the Management to make objective decisions in the interest of the Group.

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company, as soon as practicable after the relevant facts have come to his knowledge. Where a director has a conflict or potential conflict of interest in relation to any matter, he is required to immediately declare his interest, recuse himself and refrain from participating in discussions regarding a transaction or proposed transaction in which he has an interest or is conflicted, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he would abstain from voting in relation to the conflict-related matters.

<u>Board Approval</u>

In addition to its statutory responsibilities, matters which specifically requires the Board's approval are:

(a) Corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisition and disposal of assets;

(b) Annual Budget and Capital Expenditure;

(c) Board appointments/reappointments taking into consideration the remuneration packages of Executive Directors, Group Chief Executive Officer ("CEO") and Key Management Personnel;

(d) Material acquisition and disposal of assets;

(e) The Group's half-year and full-year financial results announcement;

(f) The Company's annual report and audited financial statements;

(g) Convening of shareholders' meeting;

(h) Interested person transactions of material nature;

(i) Adequacy of internal controls, risk management, financial reporting and compliance;

(j) Assumption of corporate governance responsibilities;

(k) Share issuance, dividends and any other return to shareholders; and

(l) Matters involving a conflict of interests of Directors and substantial shareholders.

The Board has delegated to Management the authority to approve transactions in the ordinary course of business within a set of approval matrix. Transactions falling outside this set of approval matrix would then be approved by the Board.

Board and Board Committees

For more effective and efficient management, the Board has established a number of Board committees to assist in the execution of the Board's responsibilities. Those committees include the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). The duties, authorities and accountabilities of each committee are set out in their respective terms of reference. Further information on the roles and responsibilities as well as a summary of the activities of each of the AC, NC and RC are set out in the Principles throughout this Corporate Governance Report.

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

Name	Date of first appointment	Date of last re-election	Board Appointment whether executive/ non-executive/ independent	Board Committees as Chairman or member	Due to re-election/ re-appointment at forthcoming Annual General Meeting
Teng Choon Kiat	14 February 2018	27 April 2023	Executive Chairman	–	29 May 2025
Ng Han Kok, Henry	3 January 2014	29 April 2024	Executive Director	–	N/A
Lee Gee Aik	24 July 2015	29 April 2024	Lead Independent Director	Chairman of AC and NC and member of RC	N/A
Oong Wei Yuan, Ron	30 September 2022	27 April 2023	Independent Director	Chairman of RC and member of AC and NC	29 May 2025
Chua San Lye	29 April 2024	N/A	Independent Director	Member of AC, NC and RC	29 May 2025

Board Meetings

The Board meets regularly to oversee the business and affairs of the Group. The schedule of all the Board and the Board Committee meetings for the calendar year is provided to all the Directors in advance. Besides the scheduled meetings, ad-hoc meetings are convened as and when warranted by specific circumstances, and as deemed appropriate by the Board members. The Board also ensures that the structure of the practices of the Board provide for sound corporate governance.

The Constitution of the Company allows Board meetings to be conducted by way of a teleconference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear each other.

The number of Board and Board committee meetings held in the financial year ended 31 December 2024 ("FY2024") and the attendance of each Director are as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee	General Meeting
No. of meetings held	3	4	2	1	1
Directors	No. of meetings attended				
Teng Choon Kiat	3	4*	2*	1*	1
Ng Han Kok, Henry	3	4*	1*	1*	1
Lee Gee Aik	3	4	2	1	1
Oong Wei Yuan, Ron(1)	3	4	2	1	1
Oh Eng Bin, Kenneth(2)	1	1	1	1	1
Chua San Lye(3)	2	3	Nil	Nil	Nil

(1) Mr Oong Wei Yuan, Ron was re-designated as the Chairman of the RC on 29 April 2024. He was previously a member of RC.

(2) Mr Oh Eng Bin, Kenneth resigned as an Independent Director on 29 April 2024.

(3) Mr Chua San Lye was appointed as an Independent Director on 29 April 2024 and a member of the RC, NC and RC on 29 April 2024.

* Attendance by invitation.

Directors' Induction, Training and Development

All Directors receive appropriate training to develop their individual skills, knowledge and competence necessary to be effective in their roles. It is our policy to provide new Directors with a detailed and thorough induction to familiarize them with the business, operations and financial performance; meeting with key management personnel and an overview of their responsibility; briefed on governance practices, including board processes, policies on disclosure of interests in securities, prohibitions on dealings in the Company's securities and restrictions on disclosure of price-sensitive information. In addition, for new Directors who do not have prior experience as a director of a public listed company in Singapore, they will also attend the mandatory training courses organized by the Singapore Institute of Directors ("SID") or other accredited training institutions or organisations in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties. Mr Chua San Lye, who was appointed on 29 April 2024 has no prior experience as a director of a public listed company in Singapore. As at the date of this Report, Mr Chua has completed the mandatory training modules conducted by the ISCA SAC as prescribed by the SGX-ST.

The Company will issue a formal letter of appointment, which sets out the Director's duties and obligations, to each Director upon appointment.

All Board members are encouraged to receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. The Board is mindful of the best practice in the 2018 CG Code to initiate training programmes for Directors to meet their relevant training needs. In this regard, the Company is supportive of the Directors' participation in industry conferences and seminars, and will fund the Directors' attendance at any course or training programme in connection with their duties as Directors.

During the financial year:

(a) The external auditor, Moore Stephens LLP regularly briefed the AC on changes in accounting standards that affects the Group; and

(b) The Group CEO and Chief Financial Officer ("CFO") regularly updates the Board on the business activities and strategies of the Group during Board meetings. Such update would also include any significant developments, issues or risks affecting the Group.

Access to Information

Directors are updated regularly on the latest corporate governance, changes in listing rules and regulations, performance, business conditions and outlook of the Group. Directors have separate and independent access to senior management, the Company Secretary and internal and external auditors of the Group at all times and are encouraged to speak to other employees to seek additional information if they so require.

To assist the Board in its discharge of its duties and responsibilities, all Directors are provided with complete, adequate and timely information prior to the Board meetings. The annual calendar of the Board activities is planned in advance. The Board papers are dispatched to the Directors before the Board meetings so that Directors have sufficient time to consider the background and explanatory information relating to matters to be tabled and discussed at relevant Board meetings. Management also provides the Executive Directors with monthly management accounts, and information on major development and material transaction are circulated to Directors when they arise.

The Company Secretary (or her authorised nominee) attends the Board and Board Committees meetings, prepares the minutes, development of the agenda for the various meetings and assists in coordination and liaison between the Board, the Board Committees and Management. The role of the Company Secretary includes responsibility for ensuring that the Board procedures are followed and applicable rules and regulations are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practice and processes. Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and its Board Committees and between Management and Non-Executive Independent Directors. The appointment and removal of the Company Secretary is subject to the approval of the Board as stipulated in the Company's Constitution.

Should Directors, whether as a group or individually, need independent professional advice to fulfil their duties, such advice may be obtained from external advisers and the cost of which will be borne by the Company.

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.

Board Composition

As at the date of this report, the Board comprises five (5) Directors, two (2) whom are Executive Directors and three (3) are Non-Executive Independent Directors.

As a group, the Directors bring with them a broad range of expertise and experience in areas of accounting and finance, legal and governance, business and management, industry and strategic management. The biographies of all Board members are set in section under "Board of Directors".

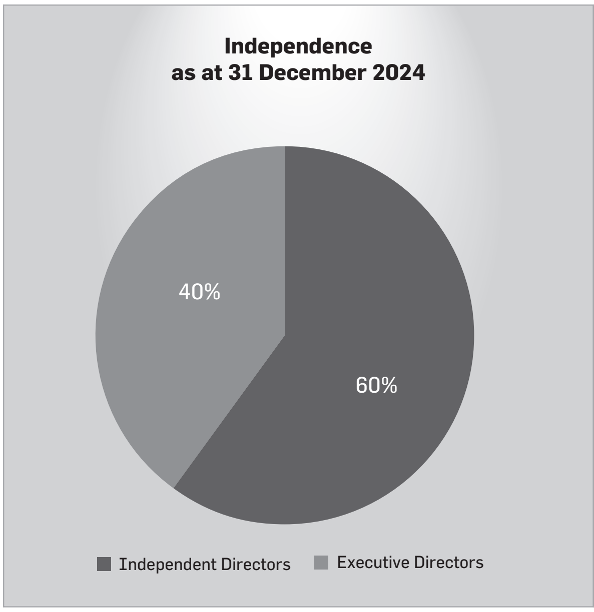
The Independent Directors contribute their skills, knowledge and experience during Board discussions and deliberations and provide the Executive Directors with their diverse and objective insights and perspectives of issues brought to the Board. The Independent Directors also aid in developing the Group's strategic process, reviewing the performance of management in achieving agreed goals and objectives, monitoring the reporting of performance and operating as an appropriate check and balance. The Independent Directors meet on their own without management presence when the circumstances call for it and provide feedback to the Executive Chairman and Group CEO.

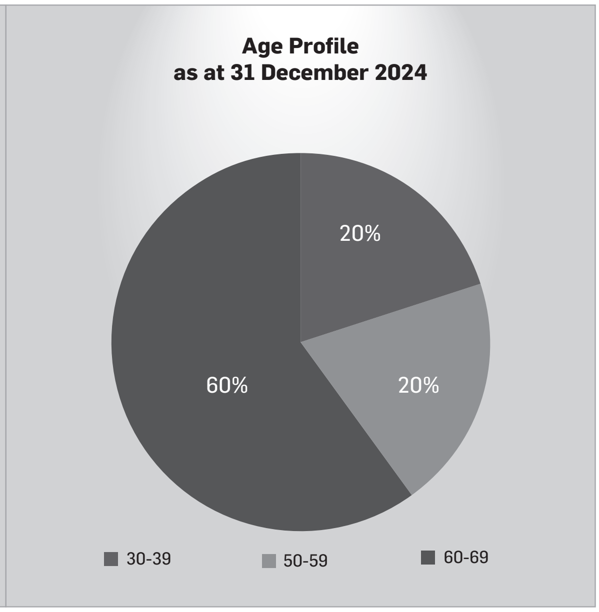
Each year, the Board reviews its composition and size, taking into account, among other things, the scope and nature of the Group's business and operations and the benefits of various aspects of diversity, including but not limited to gender, age, cultural and nationality and educational background and professional experience in order to maintain an appropriate balance and mix of skills, independence, experience and background of the Board. To this end, the Board adopted a Board Diversity Policy with the objective of ensuring that it incorporates an appropriate level of diversity of thought, including diversity in skills, experience, age, culture, nationality and gender. In particular, the Board is committed to pursuing gender diversity in relation to the composition of the Board. In this regard, the NC will ensure that female candidates are included for consideration whenever it seeks to identify a new director to the Board. Having said that, the Board believes that diversity is not limited to a person's gender or individual characteristics, and a new director will continue to be selected on the basis of his/her skills, experience, knowledge, insight and relevance to the Board.

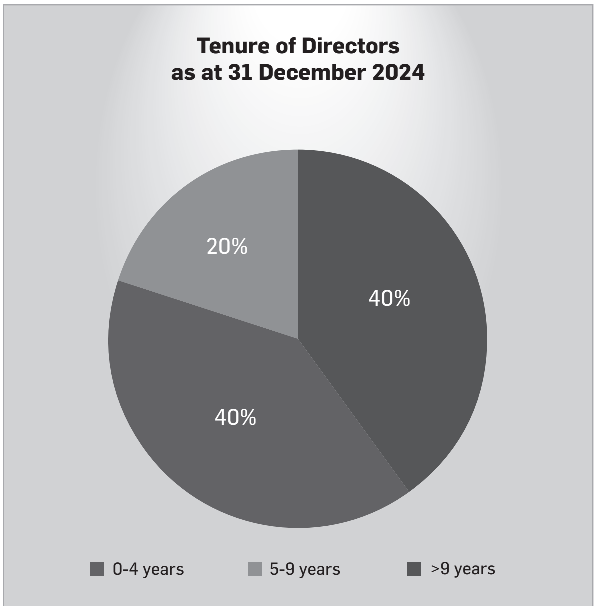
A core competency matrix is used to assist the NC and Board in identifying gaps when reviewing the Board composition annually. The current Board comprises members with the following core competencies:

Board Diversity

In addition to the diverse core competencies possessed by current Group's Board members, the Board has also achieved the following aspects of diversity:







The Board is constantly on the lookout for suitable candidates to join the Board as directors as part of its renewal process. While the Board currently does not have a fixed timeline for a female candidate to join the Board, the Board and NC will ensure that female candidates are included for consideration in their search for new directors and as part of its efforts to further enhance the various aspects of diversity by selecting a suitable female candidate to join the Board. To this end, the NC and Board will take into consideration the annual review of the core competency matrix, Board's profile, and Board Diversity Policy to identify the desired competencies and aspects of diversity in the candidates.

In order to maintain or enhance its balance and diversity, the NC adopts the following process to consider Board appointment/re-appointment and make recommendations to the Board:

- developing a framework of desired competencies and diversity of the Board;
- assessing current competencies and diversity of the Board;
- developing desired profiles of new directors;
- initiating search for new directors including external search, if necessary;
- shortlisting and interviewing potential candidates for director;
- recommending appointments and retirements to the Board; and
- re-election at general meeting.

Overall, the Board is of the view that given the current scope and size of the Group's business and operations, the size of the current Board and its composition, on a holistic basis, provide an appropriate balance and mix of skills, independence, experience and knowledge, and other relevant aspects of diversity such as age, skills and experience. The Board is of the view that the diversity embodied in the current Board composition avoid groupthink, foster constructive debate and facilitate effective decision-making is in the best interests of the Group, and consistent with the intent of the Board Diversity Policy and intent of the 2018 CG Code.

Independence

The Board, through the NC, has also assessed the independence of each of the Directors for the financial year under review. Based on the declarations of independence provided by each of the Non-Executive Independent Directors and taking into account the guidance under Provision 2.1 of the 2018 CG Code, the NC has also assessed the independence of Mr Oong Wei Yuan, Ron and Mr Chua San Lye and is of the view that they do not have any relationships and are not faced with any of the circumstances identified in the 2018 CG Code and SGX-ST Listing Rule 210(5)(d)(i) to (iv) which may impair their independent judgement and accordingly they are deemed independent. Each member of the NC and the Board has recused himself from the NC's and the Board's deliberations respectively on his own independence.

As at the date of this report, Mr Lee Gee Aik, an Independent Director, had served for more than nine years from the date of his first appointment. As Mr Lee Gee Aik's independence status will cease at the conclusion of the forthcoming AGM, he will step down as a director following the conclusion of the forthcoming AGM. Consequently, he will also cease to be the Chairman of the AC and NC and a member of the RC. As part of the board renewal process, a new Independent Director will be appointed in place of Mr Lee Gee Aik after the conclusion of the forthcoming AGM. The Company will make the appropriate announcements on the new appointment and the constitution of the board composition accordingly in due course.

The Chairman and the Group CEO of the Company are separate persons. Both the Chairman, Mr Teng Choon Kiat, and Group CEO, Mr Ng Han Kok, Henry, are not independent as they are substantial shareholders of the Company and hold executive appointments in the Company. Where the Chairman is not independent, independent directors should make up a majority of the Board. Currently, the three (3) Non-Executive Independent Directors make up the majority of the Board in accordance with Provision 2.2 of the 2018 Code, which requires independent directors to make up a majority of the Board where the Chairman of the Board is not independent, and Provision 2.3 of the 2018 Code, which requires non-executive directors to make up a majority of the Board. The Company also has appointed Mr Lee Gee Aik as Lead Independent Director.

The Non-Executive Independent Directors, led by the Lead Independent Director, would meet without the presence of the Management or Executive Directors at the Board meeting as and when circumstances warrant such meetings. Thereafter, the Non-Executive Independent Directors would feedback to the Executive Directors on any concerns or feedbacks raised by them during such meetings.

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 Chairman and Group CEO are separate individuals and are not related. The respective roles of the Chairman and the Group CEO are kept separate to ensure there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Board has set out in writing the division of responsibilities between the Chairman and Group CEO as well as the Lead Independent Director.

The Chairman, Mr Teng Choon Kiat plays a pivotal role in providing strong leadership and vision. Mr Teng Choon Kiat is responsible for managing the development of the Board and ensuring the Board's effectiveness on all aspects of its role. In addition, he leads the Directors of the Company in carrying out their collective responsibilities of supervising the management of the business and affairs of the Company, to ensure integrity and effectiveness of the Company's governance process. Being a member of the senior management team, Mr Teng Choon Kiat is updated with the Group's business and provides support to the Group CEO. Mr Teng Choon Kiat works closely with the Board to implement policies that are set by the Board to realize the Group's vision, and also promotes a culture of openness and debate at the Board level. He encourages constructive relations within the Board and between the Board and Management.

The Group CEO, Mr Ng Han Kok, Henry is answerable to the Board for every aspect of the management and administration of the Company. Mr Ng Han Kok, Henry is responsible for making strategic proposals to the Board and implementing the Group's strategies and policies as well as the Board's decisions. Mr Ng Han Kok, Henry assumes the executive responsibility for the day-to-day management of the Group, with support of the senior management team. He leads the development of the Group's business including identifying and managing the business risks and opportunities and review the performance of its businesses.

The Board has appointed Mr Lee Gee Aik as the Lead Independent Director given that the Chairman is considered not independent. The Lead Independent Director is available to shareholders where they have concerns and for which contact with the Chairman or Management are inappropriate or inadequate.

Board Membership

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

As at the date of this report, the NC comprises Mr Lee Gee Aik as Chairman, Mr Chua San Lye and Mr Oong Wei Yuan, Ron as members, all three members are Non-Executive Independent Directors. Mr Chua San Lye was appointed as a member of the NC in place of Mr Oh Eng Bin, Kenneth, whom vacated his position as a member of the NC following his resignation as an Independent Director of the Company, with effect from 29 April 2024. The NC met twice during the financial year under review.

The NC is regulated by a set of written terms of reference and has been updated to be in line with the 2018 CG Code. These include:

(a) Reviewing succession plans for Directors, in particular, the Chairman, the Group CEO, and key management personnel;

(b) Evaluating the performance of the Board and its Board Committees and Individual Director and proposing objective performance criteria for Board's approval;

(c) Determining annually if a director is independent pursuant to the provisions set forth in the 2018 CG Code and Listing Rules;

(d) Evaluating if a director is able to and has been adequately carrying out his duties as a Director of the Company when the Director concerned holds multiple Board representations; and

(e) Reviewing training and professional development programmes for the Board.

Continuous Board Renewal and Succession Planning

The Company has started the progressive renewal of the Board since 2022 to replace some of the Directors who had served on the Board for more than nine years, taking into consideration board diversity in these appointments.

When considering new appointments, the Board, through the NC, considers core competencies such as legal, accounting, business acumen, executive remuneration expertise, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls, while taking into account the Board Diversity Policy.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he is interested.

In accordance with Article 90 of the Company's Constitution, one-third of the Directors (other than the Managing Director) who are eligible for re-election must retire by rotation at every AGM.

By virtue of Article 96 of the Company's Constitution, any person so appointed by the Directors to fill a casual vacancy or as an additional Director shall hold office only until the next AGM and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The NC has recommended the nomination of (i) Mr Teng Choon Kiat and Mr Oong Wei Yuan, Ron, who are retiring pursuant to Article 90 of the Company's Constitution; and (ii) Mr Chua San Lye, who is retiring pursuant to Article 96 of the Company's Constitution, to be re-elected as Directors of the Company at the forthcoming AGM. The Directors had duly abstained from making recommendations on their own nominations. The Board has accepted the NC's recommendation and accordingly, the above-mentioned Directors will be offering themselves for re-election at the forthcoming AGM.

Shareholders are provided with relevant information on the candidates for re-election on pages 152 to 153 of this Annual Report.

The NC will seek to refresh the Board membership progressively and in an orderly manner with the aim of long-term continuity and stability of the Board taking into account the nine-year rule as set out in the SGX-ST Listing Rule 210(5)(d)(iv).

Nomination and Selection of Directors

The NC is responsible for identifying candidates and reviewing all nominations for the appointment and re-appointment of Directors and Board Committee members. When the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC will source for new candidates with the desired competencies. External help may be engaged to source for potential candidates if considered necessary. Where required, the NC may also tap on its networking contacts to assist with identifying and shortlisting of candidates. Directors and Management may also make recommendations. The NC will meet shortlisted candidates for an interview before making its recommendation to the Board for consideration and approval.

When reviewing a nomination for a proposed Board appointment, the NC will consider the following criteria:

(a) a determination of the candidate's independence;

(b) the qualifications and expertise required or expected of a new Board member taking into account the current Board size, structure, composition, diversity of skill competencies and gender, age, and progressive renewal of the Board;

(c) culture, gender and age diversity;

(d) whether the candidate would be able to commit time to his appointment having regard to his other Board appointments and principal commitments; and

(e) other prescribed factors under the Board Diversity Policy.

Review of Directors' Independence

The NC conducts an annual review of each director's independence and takes into consideration the relevant provisions in the 2018 CG Code and SGX-ST Listing Rules. The NC has ascertained that, save for Messrs Teng Choon Kiat and Ng Han Kok, Henry, all Directors are considered independent according to the criteria. Directors must also immediately report any changes in their external appointments which may affect their independence.

Directors' Time Commitment

The NC has guidelines addressing competing time commitments faced when Directors serve on multiple listed company boards or have other principal commitments. Each Director is required to disclose to the NC his board representation, whenever there are changes to his directorship. In this respect, the Company's current policy stipulates that if a Director is a full-time employee of another listed company or a major corporation, he should not hold more than five other directorships on unrelated listed companies and/or major corporations.

For the financial year ended 31 December 2024, the NC was of the view that each Director has given sufficient time and attention to the affairs of the Company and has been able to discharge his duties as Director of the Company effectively. The NC noted that based on the attendance of Board and Board Committee meetings during the financial year under review, all the Directors were able to participate in such meetings to carry out their duties. All the Directors had also responded promptly to board matters outside of meetings. In this regard, the NC is satisfied that all the Directors have been able to and had adequately carried out their duties as Directors of the Company for the financial year under review notwithstanding their multiple directorships where applicable and other principal commitments, where applicable.

Key Information on Directors

The profiles and key information of the Directors are set out on pages 9 to 12 of this Annual Report. Additional information on Directors seeking for re-election as required under SGX-ST Listing Rule 720(6) is also appended to the Notice of AGM.

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.

Board Evaluation

The NC undertakes a process to assess the effective of the Board and its Board Committees. Directors are requested to complete a Board and Board Committees Evaluation Questionnaires to assess the overall effectiveness of the Board and the Board Committees. To ensure confidentiality, the Company Secretary compiles the Directors' responses to the Board Evaluation Questionnaires on a collective basis and presents the results to the NC. The results of the evaluation exercise are considered by the NC to assess and further enhance the effectiveness of the Board and/or the Board Committees.

The NC, having reviewed the performance of the Board in terms of its roles and responsibilities and the conduct of its affairs as a whole, is of the view that the Board and the Board Committees have operated efficiently, the Board has met its performance objectives and each Director has contributed to the overall effectiveness of the Board in the financial year under review.

No external consultant was involved in the Board and Board Committee Evaluation process in the financial year under review.

Board Performance Criteria

On an annual basis, the NC assesses the performance and effectiveness of the Board as a whole as well as the contribution of each individual Director. The assessment process involves evaluation against a set of objectives, quantitative and qualitative performance criteria proposed by the NC and approved by the Board.

The assessment parameters include evaluation of the Board's composition, size and diversity, attendance at meetings of the Board and Board Committees, contributions and participation at meetings, ability to make informed decisions and level of comprehension of legal, accounting and regulatory requirements affecting the Group. The annual evaluation exercise also provides an opportunity to obtain constructive feedbacks from each Director or whether the Board's procedures and processes had allowed him to discharge his duties effectively and to propose changes which may be made to enhance the Board effectiveness.

Individual Director Evaluation

Individual Director self-assessment is also conducted to provide performance feedback which can help individuals to evaluate their own skills and performance as Directors and motivate them to be more effective contributors. The Board is cognizant that Individual Director Evaluations are an important complement to the evaluation of a board's overall performance and the results of the Individual Director self-assessment are also compiled by the Company Secretary and discussed by the NC.

The assessment of Group CEO's performance is undertaken by the Board and the results are reviewed by the NC and Board. Feedback is also provided to the Group CEO by the NC Chairman and the NC will also report the same to the Board.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedures 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.

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.

Disclosure on Remuneration

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

As at the date of this report, the RC comprises Mr Oong Wei Yuan, Ron as Chairman, Mr Lee Gee Aik and Mr Chua San Lye as members. All three members are Non-Executive Independent Directors.

Mr Oong Wei Yuan, Ron was re-designated as the Chairman of the RC in place of Mr Oh Eng Bin, Kenneth, who vacated his position as the Chairman of the RC following his resignation as an Independent Director of the Company, on 29 April 2024. Mr Oong was previously a member of RC. Mr Chua San Lye was appointed as a member of the RC with effect from 29 April 2024.

The RC met once during the financial year under review.

The RC is guided by its terms of reference which is in line with the 2018 CG Code and its responsibilities of the RC include:

(a) recommending to the Board the fees framework for Non-Executive Independent Directors;

(b) recommending to the Board the framework of remuneration for Executive Chairman, Group CEO, Executive Director and key management personnel (who are not Directors);

(c) determine and setting specific remuneration packages (such as annual increments, variable bonuses, long-term incentive awards and other incentive awards or benefits-in-kind) for Executive Chairman, Group CEO, Executive Director and key management personnel in accordance with the approved remuneration framework and ensuring that an appropriate proportion of their remuneration is structured so as to link rewards to corporate and individual performance;

(d) reviewing the remuneration packages of employees who are related to any Director, substantial shareholder or the Group CEO; and

(e) reviewing the Company's obligations to ensure that contracts of service of Group CEO and key management personnel contain fair and reasonable termination clauses which are not overly generous.

Remuneration of Executive Directors and Top Five Key Management Personnel

The RC's recommendations are made in consultation with the Chairman (except for his own remuneration in which he would abstain) and submitted for endorsement by the entire Board. Annual reviews of the compensation of Directors are also carried out by the RC to ensure that the remuneration of Executive Directors and key management personnel commensurate with their performance and value-add to the Group, giving due regard to the financial and commercial performance and business needs of the Group.

The Company adopts a remuneration policy for Executive Directors and key management personnel comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the Company and individual performance. For the purpose of assessing the performance of the Executive Directors and key management personnel, specific Key Performance Indicators ("KPI") are clearly set out for each financial year and such KPIs comprise both quantitative and qualitative factors. The RC recommends for the Board's endorsement a framework of remuneration which covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share options, and benefits-in-kind and specific remuneration packages for each Director.

Having reviewed and considered the variable components of Executive Directors and key management personnel, the Company is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel except in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

The RC, from time to time and where necessary, seeks advice from external remuneration consultants in framing the remuneration policy and determining the level and mix of remuneration for Executive Directors and key management personnel.

For the financial year ended 31 December 2024, the Executive Directors, Mr Teng Choon Kiat (who is also the Executive Chairman) and Mr Ng Han Kok, Henry (who is also the Group CEO), did not receive Directors' fees.

The RC has access to both internal and external expert advice on human resource matters whenever there is a need to consult. The RC, from time to time, reviews the reasonableness of termination clauses stated in the contracts of service of Executive Directors and key management personnel. No remuneration consultants were engaged for the financial year under review.

Non-Executive Independent Directors' Remuneration

Non-Executive Directors receive Directors' fees, in accordance with their contributions, taking into account factors such as responsibilities, effort and time spent for serving on the Board and Board Committees. Directors' fees recommended by the Board are subject to the approval of the shareholders at the forthcoming AGM. No Director is involved in deciding his own remuneration. The RC and the Board are of the view that the remuneration of the Directors is appropriate and not excessive taking into account factors such as effort and time spent, and the increasingly onerous responsibilities of the Directors.

(A) Remuneration of Directors

The following table sets out the breakdown of remuneration paid to each Individual Director and Group CEO by the Company and its subsidiaries for the financial year ended 31 December 2024 are set out below:

Name of Director	Breakdown (in terms of percentage)				
	Fees %	Salary %	Bonus %	Others[1] %	Total (in dollars) S$
Teng Choon Kiat	–	61	36	3	536,896
Ng Han Kok, Henry	–	62	36	2	485,968
Lee Gee Aik	100%	–	–	–	98,400
Oong Wei Yuan, Ron	100%	–	–	–	44,750
Oh Eng Bin, Kenneth[2]	100%	–	–	–	17,600
Chua San Lye[3]	100%	–	–	–	30,750

(1) Includes employer contribution to the Central Provident Fund and benefits-in-kind such as club memberships, transport allowance and use of company vehicles, etc.

(2) Mr Oh Eng Bin, Kenneth resigned as an Independent Director on 29 April 2024.

(3) Mr Chua San Lye was appointed as an Independent Director on 29 April 2024.

(B) Remuneration of Key Management Personnel

A breakdown showing the level and mix of each key management personnel's remuneration for FY2024 is as follows:

Name of Key Management Personnel				
Below S$250,000	Salary %	Bonus %	Others[1] %	Total %
Chua Kok Keong	56%	38%	6%	100%
Goh Seng Huat, Daniel	74%	18%	8%	100%
Phang Ching Siong	72%	12%	16%	100%
Terence Lim Peng Chuan	78%	6%	16%	100%
Weng Feng Jung, Willie	76%	13%	11%	100%

(1) Includes employer contribution to the Central Provident Fund and benefits-in-kind such as club memberships, transport allowance and use of company vehicles, etc.

Remuneration paid to Non-Executive Independent Directors comprised solely Director's fees paid quarterly in arrears. These Director's fees were approved by the shareholders in the AGM held on 29 April 2024.

The annual aggregate remuneration paid to (i) Executive Directors; and (ii) top 5 key management personnel (who are not Directors or the CEO of the Company), of the Company in the financial year ended 31 December 2024 is disclosed under Note 31 of the Notes to Financial Statements.

There were no termination, retirement and post-employment benefits paid to any Directors and the top 5 key management personnel for the year ended 31 December 2024. In addition, the RC was satisfied that the service contracts with the key management personnel do not contain termination clauses that are overly generous.

The Company does not have any employees who is an immediate family member of a Director, CEO or substantial shareholder whose remuneration exceeds S$100,000 during the year.

Fees for Non-Executive Independent Directors for the financial year ending 31 December 2025 are subject to approval of shareholders at the AGM on 29 May 2025.

The Company does not have any long-term incentive scheme or schemes involving the offer of shares or grant of options.

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 interest of the company and its shareholders.

The Company has an Enterprise Risk Management Framework in place for the Group. The key risks were identified and classified under five categories, namely, Strategic Risks, Financial Risks, Operational Risks, Compliance Risks and IT Risks. Action plans were in place to mitigate these risks. The said Framework has been reviewed by the AC and approved by the Board. The AC and the Board will continually assess the adequacy and effectiveness of the risk management framework and processes.

The Board is responsible for the overall internal control framework and is fully aware of the need to put in place a system of internal controls within the Group to safeguard the interests of the shareholders and the Group's assets.

Both the Company's internal auditors, Ernst & Young Advisory Pte Ltd, and external auditors, Forvis Mazars LLP (to the extent as required by them to form an audit opinion on the statutory financial statements) have conducted an annual review of the adequacy and effectiveness of the Group's key internal controls, including financial, operational and compliance controls and risk management. Any areas of review where the existing control can be enhanced to enable the process to operate more effectively and efficiently, together with recommendation for improvement are reported to the AC. A copy of the report is also issued to the relevant department for its follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

During the financial year, the Group's external and internal auditors had conducted an annual review of the adequacy and effectiveness of the Group's internal controls that address financial, operational, information technology and compliance risks. Such reviews have been reported to the AC.

The Board has received assurance from the Group CEO and CFO that, as at 31 December 2024, the financial records have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances.

The Board has also received assurance from the Group CEO and other key management personnel that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2024 to address the risks that the Group considers relevant and material to its operations.

The Board has noted that there are no findings of material internal controls weaknesses by the Group's external auditors, Forvis Mazars LLP, as part of their annual audit of the Group's financial statements and the Group's internal auditors, Ernst & Young Advisory Pte Ltd arising from their internal audit work.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors and reviews performed by Management, as well as the assurances set out above, the Board, with the concurrence of the AC, is of the view that the Company's system of risk management and internal controls (including financial, operational, compliance and information technology controls) were adequate and effective as at 31 December 2024 to address risks which the Company considers relevant and material to its operations.

Management alone does not guarantee that business undertakings will not fail. However, by identifying and managing risks that may arise, the Group can make more informed decisions and benefit from a better balance between risk and reward. This will help protect and also create shareholders' value.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

As at the date of this report, the AC comprises Mr Lee Gee Aik as Chairman, Mr Chua San Lye and Mr Oong Wei Yuan, Ron as members. Mr Chua San Lye was appointed as a member of the NC in place of Mr Oh Eng Bin, Kenneth, whom vacated his position as a member of the AC following his resignation as an Independent Director of the Company, with effect from 29 April 2024. All three members are Non-Executive Independent Directors.

The majority of the AC, including the Chairman, has accounting or related financial management expertise or experience. The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities. None of the AC members were previous partners of directors of the Company's external auditors, Forvis Mazars LLP, within the last two years or hold any financial interest in the external auditors.

The AC has the explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of, management and full discretion to invite any Director or senior manager to attend its meetings. The AC has adequate resources to enable it to discharge its responsibilities properly.

As a sub-committee of the Board, the AC provides a channel of communication between the Board, Management, the internal and external auditors with regards to findings and recommendations arising from internal and external audits.

During the financial year, the AC met with the Group's external auditors and the internal auditors to review the audit plans and the reports of the external auditors and internal auditors. The Group's external auditors are Forvis Mazars LLP and Group's internal auditors are Ernst & Young Advisory Pte. Ltd.. The AC has also evaluated the adequacy of the internal controls system of the Company with the auditors and discussed their findings with the Management. The AC reviewed the half year and full-year results announcements before their submission to the Board for approval.

The AC is guided by its terms of reference which sets out its responsibilities. The terms of reference are in line with the 2018 CG Code. Specifically, the duties of the AC include:

(a) recommending to the Board the appointment, re-appointment or discharge of the external auditors, and approving the remuneration and terms of engagement of the external auditors and in this connection, considering the independence and objectivity of the external auditors annually;

(b) assisting the Board in discharging its statutory responsibilities on financial and accounting matters;

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

(d) reviewing the significant financial reporting issues and judgments relating to financial statements for each financial year, interim and annual results announcement of financial statements before their submission to the Board for approval and the external auditors' report on the financial statements;

(e) reviewing the adequacy and effectiveness of the Group's internal controls (financial, operational, compliance and information technology controls) and risk management via reviews carried out by the internal auditors;

(f) considering and reviewing the assistance given by Management of the Group to the external and internal auditors;

(g) reviewing the external audit plans and the review the report of the external auditors' examination and evaluation of the Group's internal controls system and remedial actions taken by management on external auditors' recommendations for improvement of internal control weaknesses;

(h) reviewing the audit plans and reports of the internal auditors and considering the remedial actions taken by management on internal auditors' recommendations for improvement of the Group's internal controls system;

(i) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit;

(j) reviewing interested person transactions on semi-annually basis;

(k) meeting with the external and internal auditors without the presence of the Company's Management annually; and

(l) ensuring that the nature and extent of non-audit services provided by external auditors would not affect their independence as external auditors of the Company.

During the financial year, the AC has carried out the above duties as provided in their terms of reference.

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Company's results of operations and/or financial position. Each member of the AC shall abstain from voting on any resolution in respect of matters in which he is interested.

To create an environment for open discussion on audit matters, the AC meets with the external and internal auditors without the presence of the Company's Management at least once a year.

The AC members met four times during the financial year ended 31 December 2024. The Group CEO, CFO, Company Secretary, external and internal auditors were invited to attend these meetings.

In the review of the financial statements for the financial year ended 31 December 2024, the AC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements and considered the clarity of key disclosure in the financial statements. The AC reviewed, amongst other matters, the significant matters identified by external auditor and have been included in the Independent Auditor's Report to the Shareholders of the Company under "Key Audit Matters". Following the review, the AC was satisfied that those matters have been properly addressed and recommended the Board to approve the audited financial statements of the Group for the financial year ended 31 December 2024. The Board has on 13 May 2025 approved the financial statements for the financial year ended 31 December 2024.

The Company has complied with SGX-ST Listing Rules 712 and 716 in engaging Forvis Mazars LLP, as the external auditors of the Company which is registered with the Accounting and Corporate Regulatory Authority. Forvis Mazars LLP is the external auditors of the Company and of its Singapore subsidiaries.

In line with SGX-ST Listing Rule 1207(6), the AC has reviewed the amount of non-audit services rendered to the Group by the external auditors during the financial year and noted that there are no non-audit services provided during the financial year. The aggregate amount of the audit and non-audit fees paid/payable to the external auditors is found in Note 5 in the Financial Statements of this Report.

In reviewing the performance of the external auditors and formulating its recommendation on the re-appointment of Forvis Mazars LLP for the financial year ending 31 December 2025, the AC has considered the overall adequacy and quality of the firm's resources, the experience and expertise of the audit partners and other senior members of the engagement team, and the efficiency and effectiveness of the engagement team in carrying out their work. The AC had also considered the quality of the audit services rendered, scope of audit plan and audit findings presented during the year, as well as the information provided by Forvis Mazars LLP under the Audit Quality Indicators Disclosure Framework. On this basis, the AC has recommended the re-appointment of Forvis Mazars LLP at the upcoming AGM. The auditors, Forvis Mazars LLP, have indicated their willingness to accept re-appointment.

Internal Audit ("IA")

The Group's IA function has been outsourced to Ernst & Young Advisory Pte Ltd. The internal auditor has unrestricted access to the AC as well as documents, records, properties and personnel of the Company and the Group, where relevant to their work. The internal auditor reports directly to the Chairman of the AC. The AC also reviews and approves the annual internal audit plan and resources to ensure that the internal auditor has adequate resources to perform its functions. The AC approves the hiring, removal and evaluation of the internal auditor.

The Group's IA function is independent of the external audit. The internal auditor is a corporate member of Singapore chapter of the Institute of Internal Auditors ("IIA"), and staffed with professionals with relevant qualifications and experience. Our engagement with Ernst & Young Advisory Pte. Ltd. stipulates that its work shall comply with the relevant International Standards for the Professional Practice of Internal Auditing set by IIA. The appointment, assessment, and compensation of the internal auditor are approved by AC. On an annual basis, the AC has also reviewed and is satisfied with the adequacy and effectiveness of the Group's IA function and that the IA function has maintained its independence from the activities that they audit.

During the year, the internal auditor conducted its audit reviews according to a 3 years Internal Audit Plan ("Audit Plan") which was approved by the AC. The Audit Plan also incorporates the audit of key risk areas identified under the Group Risk Management Framework. The IA function would submit a report to the AC on the key audit findings and actions to be taken by Management. Key findings are also highlighted at AC meetings for discussion and follow-up actions. The AC monitors the timely and proper implementation of the required corrective, preventive or improvement measures to be undertaken by Management.

Whistle-Blowing Policy

The Company has put in place a whistle-blowing framework which provides employees and any other person with well-defined defined and accessible channels, including direct access to the Chairman of the AC or the Company Secretary, to raise concerns about possible irregularities in matters of financial reporting or other matters in confidence relating to any misconduct or wrongdoing relating to the Group and its officers. The whistle-blowing policy defines the processes clearly to ensure independent investigation of such matters and permits whistle-blowers to report directly. The whistle-blowing policy aims to encourage the reporting of such matters in good faith. The person who has reported a suspicion of fraudulent activities or malpractices in good faith ("whistle blower") and in compliance with the provisions of the whistle-blowing policy shall not be prejudiced in his position in any way as a result of such reporting, and the identity of the whistle blower will be kept confidential. The whistle blower who has, not himself or herself, engaged in serious misconduct or illegal conduct shall be protected from any forms of harassment, retaliation, and in the case of an employee of the Group, any adverse employment or career advancement consequence or discrimination, including but not limited to demotion, dismissal or reduction of compensation or privileges of employment. The details of the whistle-blowing policy and reporting mechanisms have been made available to all employees.

The AC is in charge of overseeing and monitoring the whistle-blowing function and handling of matters being reported through the whistle-blowing system, including ensuring that any investigation and follow-up procedures are taken, if any. The AC reports to the Board on such matters at the Board meetings, or as and when necessary. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary.

There were no whistle-blowing reports received by the AC in the financial year under review.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

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.

Engagement with Shareholders

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

Engagement with Stakeholders

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

Disclosure of Information on Timely Basis

In line with the continuous disclosure obligations of the Company pursuant to the SGX-ST Listing Rules and the Companies Act 1967, the Board's policy is that all shareholders should be equally informed of all major developments that impact the Group.

Any major or material developments are first disseminated via SGXNet followed by a press release, whenever necessary.

The Company ensures that all material and price sensitive information which may affect the price or value of the Company's shares is disseminated to the public on a comprehensive, accurate and timely basis via SGXNet and not selectively disclosed.

The Company's website at www.shsholdings.com.sg provides updated information to shareholders and investors on its corporate development.

The Company also observes obligations of continuing disclosure under the SGX-ST Listing Manual. The Company has received signed undertakings from all its Directors and executive officers pursuant to Rule 720(1) of the SGX-ST Listing Manual.

Conduct of General Meetings

The Company's AGM for the financial year ended 31 December 2024 will be conducted in physical mode.

Shareholders are given the opportunity to submit questions and concerns to the Directors, Management and external auditors in advance of the AGM. All substantial and relevant questions received from shareholders by the question submission deadline will be addressed by the Company via SGXNet and on our corporate website. At each general meeting, each distinct issue is proposed as a separate resolution.

The Company's Constitution allows a shareholder to appoint not more than two proxies to attend and vote in the shareholder's place at the general meetings of shareholders. The proxy need not be a Member of the Company. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a CPF agent bank may attend and vote at each general meeting of shareholders. Voting in absentia by mail, facsimile or email is currently not permitted to ensure proper authentication of the identity of shareholders and their voting intent.

Voting at general meetings of shareholders are conducted by poll thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis.

The Company conducts poll voting for all the resolutions to be passed at general meetings for greater transparency in the voting process. An independent scrutineer firm is also present to validate the votes for each general meeting. The results of all votes for and against each resolution are tallied and instantaneously displayed at the meeting. The voting results are announced via SGXNet and on the Company's website following each general meeting.

The Company Secretary prepares minutes of general meetings which include the Company's responses to the questions received from shareholders. These minutes are made available to shareholders via SGXNet and on our corporate website.

Stakeholders Engagement

Apart from the SGXNet, the investment community can also access announcements, half-yearly financial reports, annual reports and other corporate information on the dedicated Investor Relations section of our corporate website at http://shsholdings.com.sg/home.html.

In keeping with our commitment to keep our shareholders and the market abreast of the Group's progress on the sustainability front, our sustainability report for the financial year ended 31 December 2024 will be released in due course.

DIVIDEND POLICY

The Group has a policy which governs how much to pay out to shareholders in dividends. The Group usually declares total annual dividend at the rate of approximately 25-40% of the net profit after tax in accordance with the consolidated financial statements. For the financial year ended 31 December 2024, the Board has proposed a final dividend of S$0.00229 per share for shareholders' approval at the upcoming AGM.

SECURITIES TRANSACTIONS

The Company has a clear policy on the trading of its share by Directors and executives within the Group. The Company has adopted its own internal Code of Best Practices on Securities Transactions (the "Securities Transactions Code"). The Securities Transactions Code provides guidance to Directors and executives of the Group with regard to dealing in the Company's shares. It emphasizes that the law on insider trading is applicable at all times, notwithstanding the window periods for dealing in the shares. The Securities Transactions Code also enables the Company to monitor such share transactions by requiring employees to report to the Company whenever they deal in the Company's shares.

According to the Company's Securities Transactions Code, the Company, its Directors and officers should not deal in the Company's securities during the following "prohibited dealing" periods:

- the period commencing two weeks before the announcement of the Company's business and financial updates for the first and third quarters of its financial year and ending after the announcement of the announcement of the relevant business and financial updates (in the event that the Company so decides to announce);

- the period commencing two weeks before the AC and/or Board meetings convened for the purposes of reviewing the financial updates for the first and third quarters of its financial year and ending after the conclusion of the AC and/or Board meetings; and

- the period commencing one month before the announcement of the Company's half-year and full year financial statements and ending after the announcement of the relevant financial statements.

Directors and officers are also advised to adhere the following rules at all times:

(a) observe insider trading laws and not to deal in the Company's securities while in possession of any unpublished material price-sensitive information; and

(b) not to deal in the Company's securities on short term considerations.

In addition, Directors are required to notify the Company of any dealings in the Company's securities within two (2) business days whenever they deal in the Company's securities and the Company will make the necessary announcements in accordance with the requirements of the SGX-ST Listing Manual.

The Company has complied with the Securities Transactions Code.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on a normal commercial term and will not be prejudicial to the interests of the Company and its minority shareholders.

Details of the interested person transactions for the financial year ended 31 December 2024 as required under Rule 907 of the SGX-ST Listing Manual are set out as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Tamaco Private Limited	Wholly-owned subsidiary of Teng Choon Kiat, Director and Controlling Shareholder of the Company	S$11,491	–
Entraco Marine Engineering Pte Ltd	Wholly-owned subsidiary of Teng Choon Kiat, Director and Controlling Shareholder of the Company	S$6,454	–
Synertech Group Co. Pte. Ltd.	Wholly-owned by Tidal New Energy Investment Pte. Ltd., Controlling Shareholder of the Company	S$1,773,750	–
	Total	S$1,791,695	–

The AC has reviewed and is satisfied that the transactions are conducted at arm's length and on terms that are fair and reasonable. The AC and the Board are satisfied that the terms of the above transactions are not prejudicial to the interests of the Company or its minority shareholders.

The Company did not have a shareholders' mandate pursuant to SGX-ST Listing Rule 920 during the financial year ended 31 December 2024.

MATERIAL CONTRACTS

There were no material contracts between the Company and its subsidiaries involving the interests of the Chairman, Group CEO, Directors and controlling shareholders that are still subsisting at the end of the financial year or if not then subsisting, entered into since the end of previous financial year.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of SHS Holdings Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2024 and the statement of financial position of the Company as at 31 December 2024.

1. Opinion of directors

In the opinion of the directors,

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

2. Directors

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

Teng Choon Kiat	Executive Chairman	
Ng Han Kok, Henry	Executive Director and Group Chief Executive Officer	
Lee Gee Aik	Lead Independent Director	
Chua San Lye	Independent Director	(Appointment on 29 April 2024)
Oong Wei Yuan, Ron	Independent Director	

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interest in the share and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as stated below:

	Direct interest		**Deemed interest**	
	At 1 January 2024	**At 31 December 2024**	**At 1 January 2024**	**At 31 December 2024**
The Company				
Ordinary shares				
Teng Choon Kiat	–	–	160,967,600	160,967,600
Ng Han Kok, Henry	23,037,700	21,537,700	92,646,953	94,146,953

4. Directors' interests in shares and debentures (Continued)

By virtue of Section 7 of the Act, Mr. Teng Choon Kiat is deemed to have interest in all wholly owned subsidiaries of the Company.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the directors of the Company state that, according to the Register of the Directors shareholdings, the directors' interests as at 21 January 2025 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2024.

5. Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

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

6. Audit Committee

The Audit Committee ("AC") comprises the following non-executive independent directors at the date of this statement:

Lee Gee Aik (Chairman)
Chua San Lye
Oong Wei Yuan, Ron

The AC carried out its functions in accordance with Section 201B (5) of the Act, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance and assists the Board of Directors (the "Board") in the execution of its corporate governance responsibilities within its established terms of reference.

The duties of the AC, amongst others, include:

(a) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Group's and the Company's system of internal accounting controls and the assistance given by the Group's and the Company's management to the external and internal auditors;

(b) review the half yearly announcement of financial statements and annual financial statements and the auditors' report on the annual consolidated financial statements of the Company and its subsidiaries before their submission to the Board;

(c) review the effectiveness of the Group's and the Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;

(d) meet with the external and internal auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

6. Audit Committee (Continued)

(e) review 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;

(f) review the cost effectiveness and the independence and objectivity of the external auditors;

(g) review the nature and extent of non-audit services provided by the external auditors;

(h) recommend to the Board the external auditors to be nominated, approve the compensation of the external auditors and review the scope and results of the audit;

(i) report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate;

(j) review interested persons transactions in accordance with the requirements of the SGX-ST Listing Manual; and

(k) undertake such other functions and duties as may be agreed to by the AC and the Board.

The AC convened four meetings during the financial year. The AC has also met with internal and external Auditors, without the presence of the Company's management, at least once a year.

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

Further details regarding the AC are disclosed in the Report on Corporate Governance included in the Company's Annual Report.

7. Independent auditors

The auditors, Forvis Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

Teng Choon Kiat	**Ng Han Kok, Henry**
Director	Director

Singapore

13 May 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHS HOLDINGS LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of SHS Holdings Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("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 financial year. 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.

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Matter	Audit response
Revenue from construction contracts **We refer to Note 2.4, Note 3.2 and Note 4(a) to the financial statements.**	
In accordance with SFRS(I) 15 *Revenue from Contracts with Customers*, the analysis of whether the construction contracts comprise one or more performance obligations, determination of whether variable consideration is allocated to one or more performance obligations, and whether the performance obligations are satisfied over time or at a point in time, are areas requiring significant judgements and estimates by the Group. One of the Group's significant revenue streams is derived from construction contracts in relation to engineering & construction services amounting to S$35,974,000. Revenue from these construction contracts is recognised over time on a cost-to-cost basis. The determination of the percentage of completion involves the use of significant management judgements and estimates to measure the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, which in turn may have a material impact on the amount of contract balances, contract revenues and contract profits recognised during the financial year. Accordingly, we determined this as a key audit matter.	Our audit procedures included, and were not limited to, the following: • Understood and evaluated the Group's design and implementation of its system of internal controls relating to revenue recognition, with a focus on key controls relevant to audit; • Agreed the variation orders sum to the approved variation orders by customers; • Tested the costs incurred for projects on a sample basis by checking that the costs are properly allocated to their respective contracts and that these costs are directly attributable to costs supported by suppliers' invoices or other supporting documents; • Reviewed and assessed the estimated costs-to-complete for significant ongoing construction contracts by evaluating the reasonableness of the subcontractors' expenses, estimated labour hours, estimated labour rates, materials costs, and overhead expenses; • Evaluated the reasonableness of the management's budgets by comparing budgeted contract costs against actual contract costs for completed projects; • Obtained an understanding of the Group's consideration of SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* in their application of the corresponding requirements of the standard and assess the appropriateness thereof; • Checked the arithmetical accuracy of the revenue recognised based on the input method computations;

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Matter	**Audit response**
Revenue from construction contracts **We refer to Note 2.4, Note 3.2 and Note 4(a) to the financial statements.** (Continued)	
	• Reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements; and • Reviewed the contracts for any penalty and liquidated damages clauses and discussed with management on the progress of significant projects to determine whether there are any changes such as delays, penalties, overruns where it is probable that total contract costs will exceed total contract revenue and require the recognition of a loss allowance on such projects.
Valuation of unquoted equity investments **We refer to Note 2.14, Note 3.2, Note 13 and Note 34 to the financial statements.**	
As at 31 December 2024, the Group's other financial assets comprised unquoted equity investments, which are measured at fair value through other comprehensive income ("FVOCI"), with a carrying amount of S$20.6 million. These unquoted equity investments, comprising mainly equity securities held in various investee companies, are measured at fair value using valuation techniques that applied inputs for which there is limited market information. The valuation techniques used include adjusted net asset value. The valuation of these unquoted equity investments is categorised as Level 3 in the Fair Value Hierarchy. A significant degree of subjectivity and management judgement are therefore involved in selecting the appropriate valuation techniques to be used and the application of the unobservable inputs given the lack of market data. Accordingly, we determined this as a key audit matter.	Our audit procedures included, and were not limited to, the following: • We obtained an understanding of the Group's consideration of SFRS(I) 9 *Financial Instruments* in their application of the corresponding requirements of the standard and assess the appropriateness thereof; • We reviewed management's basis of determining fair value for the unquoted investments and involved our internal valuation specialist to independently verify judgements and estimates used in the valuation; and • We reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements.

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Matter	Audit response
Impairment assessment of goodwill **We refer to Note 2.3, Note 3.2 and Note 14 to the financial statements.**	
As at 31 December 2024, the carrying amount of goodwill arising from the past acquisition of Hetat Holdings Pte Ltd is S$6.0 million. The goodwill has been allocated to the relevant cash-generating unit ("CGU") under the Engineering & Construction segment. As part of the goodwill annual impairment testing, management prepares value-in-use calculations ("VIU") to determine the recoverable amount of the CGU. Following the impairment testing, no impairment of goodwill was recognised during the year. The VIU calculation is based on discounted cash flow forecasts of the CGU, the preparation of which requires management to use assumptions and estimates relating to revenue growth rate, budgeted gross margin, terminal growth rate and discount rate of the CGU, which are inherently subjective, and may be affected by uncertainties around future market or economic conditions. Accordingly, we determined this as a key audit matter.	Our audit procedures included, and were not limited to, the following: • We evaluated the robustness of management's budgeting process by comparing the actual financial performance of the CGU against previously forecasted results; • We discussed with management on their planned strategies, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers, and obtained the list of secured and tendered contracts; • We evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's key assumptions and estimates applied in the VIU model, with comparison to recent performance, trend analysis, market expectations, and historical accuracy of the plans and forecasts; • Involved internal valuation expert on the assessment of valuation model; and • We reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditor's report thereon, which we obtained prior to the date of this report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this report, 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.

Report on the Audit of the Financial Statements (Continued)

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 FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibility for the Audit of the Financial Statements (Continued)

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' 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.

Other Matter

The financial statements of the Group and Company for the financial year ended 31 December 2023 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 8 April 2024.

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 the subsidiaries incorporated in Singapore of which we are 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 Lai Keng Wei.

FORVIS MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore

13 May 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 S$'000	2023 S$'000
Revenue	4	**82,977**	82,204
Cost of sales		**(71,139)**	(69,270)
Gross profit		**11,838**	12,934
Other income		**3,100**	3,207
Selling and distribution expenses		**(904)**	(673)
Administrative expenses		**(7,485)**	(6,467)
Other operating expenses		**(3,830)**	(4,572)
Reversal of impairment losses on financial assets, net		**929**	36
Finance costs		**(822)**	(1,099)
Share of loss of associate, net of tax		*****	*
Profit before income tax	5	**2,826**	3,366
Income tax (credit)/expenses	6	**427**	(604)
Profit for the year		**3,253**	2,762
Other comprehensive income, net of tax:			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation surplus on property, plant and equipment		**–**	4,759
Net fair value changes on equity instruments at fair value through other comprehensive income ("FVOCI")		**1,848**	(199)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		**120**	(67)
Other comprehensive income for the year		**1,968**	4,493
Total comprehensive income for the year		**5,221**	7,255
Profit for the year attributable to:			
Equity holders of the Company		**3,202**	2,495
Non-controlling interest		**51**	267
		3,253	2,762
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**5,156**	7,021
Non-controlling interests		**65**	234
		5,221	7,255
Earnings per share for the year (cents per share):			
Basic and diluted	7	**0.50**	0.40

* Amount less than $1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
			[Reclassified]		[Reclassified]
ASSETS					
Non-current assets					
Property, plant and equipment	8	**36,107**	39,314	**33**	44
Right-of-use assets	9	**3,251**	3,555	**872**	1,036
Investment property	10	**–**	–	**6,200**	7,371
Investment in subsidiaries	11	**–**	–	**34,227**	34,227
Investment in associate	12	**64**	64	**–**	–
Other financial assets	13	**20,597**	14,322	**20,597**	14,320
Goodwill	14	**6,000**	6,000	**–**	–
Other receivables	17	**–**	2,680	**–**	2,680
		66,019	65,935	**61,929**	59,678
Current assets					
Cash and bank balances	15	**38,284**	48,036	**14,424**	23,314
Inventories	16	**8,024**	5,886	**–**	–
Trade and other receivables	17	**50,461**	46,827	**660**	925
Contract assets	4(b)	**10,369**	9,637	**–**	–
Amounts due from subsidiaries	18	**–**	–	**61,461**	53,782
Land held for development	19	**4,229**	5,077	**–**	–
		111,367	115,463	**76,545**	78,021
Asset held for sale	20	**–**	3,396	**–**	–
		111,367	118,859	**76,545**	78,021
Total assets		**177,386**	184,794	**138,474**	137,699
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	21	**13,767**	12,372	**1,462**	969
Contract liabilities	4(b)	**6,384**	3,727	**–**	–
Amounts due to subsidiaries	18	**–**	–	**–**	561
Amounts due to bankers	22	**1,513**	16,430	**–**	–
Term loans	23	**6,342**	3,383	**–**	–
Lease liabilities	24	**303**	279	**169**	159
Provision for income tax		**661**	718	**–**	–
		28,970	36,909	**1,631**	1,689
Non-current liabilities					
Term loans	23	**2,849**	4,833	**–**	–
Lease liabilities	24	**3,496**	3,769	**867**	1,036
Deferred tax liabilities	25	**2,026**	2,725	**860**	1,577
		8,371	11,327	**1,727**	2,613
Total liabilities		**37,341**	48,236	**3,358**	4,302
Equity					
Share capital	26	**155,547**	155,547	**155,547**	155,547
Treasury shares	27	**(11,524)**	(11,524)	**(11,524)**	(11,524)
Asset revaluation reserve	28	**18,329**	18,329	**8,582**	8,582
Fair value reserve	28	**(8,212)**	(10,060)	**(8,550)**	(10,398)
Foreign currency translation reserve	28	**(274)**	(380)	**–**	–
Other reserve	28	**–**	–	**3,297**	3,297
Accumulated losses	28	**(14,283)**	(15,751)	**(12,236)**	(12,107)
Equity attributable to owners of the Company		**139,583**	136,161	**135,116**	133,397
Non-controlling interests		**462**	397	**–**	–
Total equity		**140,045**	136,558	**135,116**	133,397
Total liabilities and equity		**177,386**	184,794	**138,474**	137,699

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the Company								
	Share capital S$'000	Treasury shares S$'000	Asset revaluation reserve S$'000	Fair value reserve S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Total S$'000	Non-controlling interest S$'000	Total equity S$'000
At 1 January 2024	155,547	(11,524)	18,329	(10,060)	(380)	(15,751)	136,161	397	136,558
Profit for the year	–	–	–	–	–	3,202	3,202	51	3,253
Other comprehensive income, net of tax	–	–	–	1,848	106	–	1,954	14	1,968
Total comprehensive income for the year	–	–	–	1,848	106	3,202	5,156	65	5,221
Transactions with owners of the Company									
Dividends paid (Note 29)	–	–	–	–	–	(1,734)	(1,734)	–	(1,734)
Total contributions and distributions	–	–	–	–	–	(1,734)	(1,734)	–	(1,734)
At 31 December 2024	155,547	(11,524)	18,329	(8,212)	(274)	(14,283)	139,583	462	140,045

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the Company								
	Share capital S$'000	Treasury shares S$'000	Asset revaluation reserve S$'000	Fair value reserve S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Total S$'000	Non-controlling interest S$'000	Total equity S$'000
At 1 January 2023	155,547	(11,524)	12,473	(9,861)	(334)	(15,175)	131,126	313	131,439
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	2,495	2,495	267	2,762
Other comprehensive income, net of tax	–	–	4,759	(199)	(34)	–	4,526	(33)	4,493
Total comprehensive income for the year	–	–	4,759	(199)	(34)	2,495	7,021	234	7,255
Transactions with owners of the Company									
Dividends paid (Note 29)	–	–	–	–	–	(2,136)	(2,136)	–	(2,136)
Transfer of reserves	–	–	1,098	–	–	(1,095)	3	(3)	–
Total contributions and distributions	–	–	1,098	–	–	(3,231)	(2,133)	(3)	(2,136)
Changes in ownership interests in subsidiary									
Effects of acquiring part of non-controlling interests in a subsidiary	–	–	(1)	–	(12)	160	147	(147)	–
Total changes in ownership interests in subsidiary	–	–	(1)	–	(12)	160	147	(147)	–
At 31 December 2023	155,547	(11,524)	18,329	(10,060)	(380)	(15,751)	136,161	397	136,558

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 S$'000	2023 S$'000
Cash Flows from Operating Activities			
Profit before income tax		**2,826**	3,366
Adjustments for:			
Depreciation of property, plant and equipment		**4,107**	4,032
Depreciation of right-of-use assets		**340**	338
Interest expense		**822**	1,099
Interest income	5	**(967)**	(1,786)
Impairment loss on investments in associate	5	**–**	181
Inventory written off	5	**–**	27
Allowance for inventory obsolescence	5	**10**	14
Property, plant and equipment written off		*****	5
Gain on disposal of property, plant and equipment	5	**(12)**	(15)
Gain on disposal of asset held for sale	5	**(831)**	–
Write down/(Reversal of prior year written down) of land held for development	5	**847**	(511)
Share of loss of associate, net of tax		*****	*
Reversal of impairment losses on financial assets	5	**(929)**	(36)
Unrealised foreign exchange (gain)/loss, net		**(310)**	337
Operating cash flows before working capital changes		**5,903**	7,051
Changes in working capital:			
Inventories		**(2,148)**	(1,645)
Receivables, contract assets and prepayments		**(4,981)**	(25,291)
Payables and contract liabilities		**4,052**	4,071
Cash generated from/(used in) operations		**2,826**	(15,814)
Interest received		**967**	1,786
Income tax paid		**(323)**	(253)
Net cash generated from/(used in) operating activities		**3,470**	(14,281)
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		**(707)**	(1,640)
Proceeds from disposal of property, plant and equipment		**12**	44
Proceeds from disposal of asset held for sale		**4,227**	–
Purchases of notes receivables		**–**	(5,395)
Proceeds from disposal of notes receivables		**–**	5,395
Net cash generated from/(used in) investing activities		**3,532**	(1,596)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 S$'000	2023 S$'000
Cash Flows from Financing Activities			
Dividends paid		**(1,734)**	(2,136)
Drawdown of term loans		**3,200**	1,000
Repayment of term loans		**(2,225)**	(2,321)
Drawdown of trust receipts		**6,537**	15,766
Repayment of trust receipts		**(9,825)**	(18,593)
Interest paid		**(576)**	(837)
Transaction with non-controlling interests		**–**	(40)
Fixed deposits withdrawn/(pledged)		**11,629**	(11,629)
Payment of lease liabilities		**(531)**	(528)
Repayments of bills payable		**(11,629)**	–
Proceeds from bills payable		**–**	11,629
Net cash used in financing activities		**(5,154)**	(7,689)
Net increase/(decrease) in cash and cash equivalents		**1,848**	(23,566)
Cash and cash equivalents at the beginning of year		**36,407**	59,975
Effects of exchange rate changes on the balances of cash held in foreign currencies		**29**	(2)
Cash and cash equivalents at the end of the year	15	**38,284**	36,407

* Amount less than $1,000

Reconciliation of liabilities arising from financing activities

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	1 January 2024 S$'000	Financing cash flows S$'000	Non-cash changes Addition S$'000	Accretion of interests S$'000	Currency alignment S$'000	31 December 2024 S$'000
Liabilities						
Term loans	**8,216**	**525**	**–**	**450**	**–**	**9,191**
Amounts due to bankers	**16,430**	**(15,043)**	**–**	**126**	**–**	**1,513**
Dividend payable	**–**	**(1,734)**	**1,734**	**–**	**–**	**–**
Lease liabilities	**4,048**	**(531)**	**33**	**246**	**3**	**3,799**
Asset						
Pledged deposits	**11,629**	**(11,629)**	**–**	**–**	**–**	**–**

Group	1 January 2023 S$'000	Financing Cash flows S$'000	Non-cash changes Addition S$'000	Accretion of interests S$'000	Currency alignment S$'000	31 December 2023 S$'000
Liabilities						
Term loans	9,537	(1,646)	–	325	–	8,216
Amounts due to bankers	7,628	8,290	–	512	–	16,430
Dividend payable	–	(2,136)	2,136	–	–	–
Lease liabilities	4,189	(528)	125	262	–	4,048
Asset						
Pledged deposits	–	11,629	–	–	–	11,629

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

SHS Holdings Ltd. (the "Company") (Registration Number 197502208Z) is a public limited liability company incorporated and domiciled in Singapore and listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") with its registered office and principal place of business is at 19 Tuas Avenue 20, Singapore 638830.

The principal activities of the Company are investment holding and those of grit blasting and painting. The principal activities of the subsidiaries and associate are set out in Note 11 and Note 12, respectively.

The consolidated financial statements of the Group, and the statement of financial position of the Company for the financial year ended 31 December 2024 were authorised for issue by the Board of Directors at the date of the Directors' Statement.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including the related interpretations of SFRS(I)s ("SFRS(I) INTs") and are prepared on a historical cost basis except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("SGD" or "S$"), which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("S$'000"), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2024. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

SFRS(I)s and SFRS(I) INTs issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I)s and SFRS(I) INTs that are relevant to the Group were issued but not yet effective:

SFRS(I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 January 2025
SFRS(I) 9, SFRS(I) 7	Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Statements	1 January 2026
Various	Annual improvements to SFRS(I)s – Volume 11	1 January 2026
SFRS(I) 18	Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19	Subsidiaries without public accountability: Disclosures	1 January 2027
SFRS(I) 9, SFRS(I) 7	Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards, with the exception of SFRS(I) 18 *Presentation and Disclosure in Financial Statements* ("SFRS(I) 18"), will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

SFRS(I) 18, effective for annual periods beginning on or after 1 January 2027, replaces SFRS(I) 1-1 *Presentation of Financial Statements* and introduces new requirements for presentation and disclosure in financial statements. SFRS(I) 18 mandates a new structure for the statement of profit or loss and also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. As a consequential result of SFRS(I) 18 requirements, all entities are required to use the operating profit subtotal, instead of profit or loss, as the starting point for presenting operating cash flows under the indirect method. The classification of cash flows from dividends and interests in either operating, investing and financing cash flows is also fixed.

SFRS(I) 18 will apply retrospectively. The Group is still in the process of assessing the corresponding impact on the primary financial statements and notes to the financial statements.

2.2 Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (Continued)

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9"), is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition

Revenue is measured based on the 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 parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Construction contracts

The Group provides engineering and construction services and generates revenue under construction contracts with customers. Such contracts are entered into before construction begins. For engineering and construction contracts whereby, the Group is contractually restricted from redirecting to another customer and has an enforceable right to payment for performance completed to date, revenue is recognised over time on a cost-to-cost method, i.e. based on the construction costs incurred to date as a proportion of estimated total construction costs to be incurred. The Group has determined that the cost-based input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations.

The Group accounts for contract modifications arising from change orders to modify the scope or price of the contract as separate contracts if the modification adds distinct goods or services at their standalone selling prices. For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised for the Group's right to consideration for the work performed under the contract but not billed to the customer. Conversely, a contract liability is recognised when the Group received advance consideration from customer or progress billings issued in excess of the Group's rights to consideration under the contract. Contract assets are transferred to trade receivables when the rights to the consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs the work under the contract.

(b) Services rendered – grit blasting, painting and solar power installation

The Group provides the services of grit blasting, painting and solar power installation. Revenue is recognised over time based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised for the Group's right to consideration for the work performed under the contract but not billed to the customer. Conversely, a contract liability is recognised when the Group received advance consideration from customer or progress billings issued in excess of the Group's rights to consideration under the contract. Contract assets are transferred to trade receivables when the rights to the consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs the work under the contract.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition (Continued)

(c) Sales of goods – including blasting equipment, solar power equipment and aluminium products

Revenue on the sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. Revenue is not recognised to the extent there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2.5 Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for annual leave is recognised for services rendered by employees up to the reporting date.

2.6 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities that at the time of the transaction affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associate, except where the Group is able to control 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.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.7 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

2.8 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

Exchange differences arising from foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Foreign currency transactions and translation (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.9 Property, plant and equipment

Leasehold properties are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Leasehold properties are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in profit or loss.

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. 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 property, plant and equipment.

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold building	Over the term lease
Leasehold improvements	2-10 years
Machinery and yard equipment	5-10 years
Motor vehicle	5-10 years
Office, computer equipment, furniture & fittings	2-10 years

Freehold land has an unlimited useful life and therefore is not depreciated.

The residual value, useful lives and depreciation method are reviewed at least at the end of each financial period, and adjusted prospectively, if appropriate.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Property, plant and equipment (Continued)

Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly. No transfer is made from the revaluation reserve to retained earnings except when the asset is derecognised.

2.10 Investment property

Investment property held for long-term rental yields and/or for capital appreciation, is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using a straight-line method to allocate the depreciable amount over the estimated useful life of 11.33 years. The residual value, useful life and depreciation method of investment property is reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss when the changes arise.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the year of retirement or disposal.

2.11 Land held for development

Development properties are held as inventories and are measured at the lower of cost and net realisable value. Net realisable value of development properties represents the estimated selling price for the properties in the ordinary course of business less all estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Investment in associate

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of those policies, and generally accompanying a shareholding of 20% or more of the voting power.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Investment in associate (Continued)

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

The results and assets and liabilities of the associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under SFRS(I) 5 from the date on which the investees become classified as held for sale. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investment in associate at cost less any accumulated impairment in its separate financial statements.

2.13 Impairment of non-financial assets

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of non-financial assets (Continued)

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.14 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 2.4.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost include Trade and other receivables, cash and cash equivalents and unquoted corporate bonds.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost (Continued)

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognised in interests income.

Financial assets held at FVOCI

Investments in quoted corporate bonds are debt instruments and are subsequently measured at FVOCI as these are held within a business model whose objective is achieved by both collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and selling the financial assets. Gains or losses are recognised in other comprehensive income, except for impairment gains or losses, foreign exchange gains or losses and interest which are recognised in profit or loss. Upon derecognition cumulative fair value changes recognised in other comprehensive income is recycled to profit or loss.

At initial recognition, the Group may make an irrevocable election to classify its investment in equity instruments, for which the equity instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies, as subsequently measured at FVOCI so as to present subsequent changes in fair value in other comprehensive income. The election is made on an investment-by-investment basis. The group has elected to designate investments in unquoted equity instruments at FVOCI. Upon derecognition cumulative fair value changes are transferred to accumulated profits.

Dividends from equity instruments are recognised in profit or loss only when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, unless the dividend clearly represents a recovery of part of the cost of investment.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 38.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the capital reserve.

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Initial recognition and measurement (Continued)

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis in finance costs. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see note 2.23 below). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Financial guarantee contracts

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.15 Inventories

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

The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads but excludes borrowing costs.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Inventories (Continued)

Net realisable value represents the estimated selling price for inventories in the ordinary course of business, less all estimated costs of completion and the estimated costs necessary to make the sale. Allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.16 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash at bank and on hand, and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. These also include bank overdrafts that form an integral part of the Group's cash management

2.17 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Any subsequent changes in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

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

2.18 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 *Leases*. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Leases (Continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments less any lease incentive receivable,

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,

– amounts expected to be payable under a residual value guarantee,

– the exercise price under a purchase option that the Group is reasonably certain to exercise, and

– payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Leases (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office space and office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

When the Group is a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Group's property is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

A provision is recognised for onerous contracts when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and is measured at the lower of the cost of fulfilling it and any expected cost of terminating it. In determining the cost of fulfilling the contract, the Group includes both the incremental costs and an allocation of others costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Government grant

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

Non-monetary government grant is recognised at nominal amount.

2.21 Contingencies

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(ii) a present obligation that arises from past events but is not recognised because:

(a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers' report directly to management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.23 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3.1 Critical judgements made in applying the Group's accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revenue from construction contracts

Construction contract revenue is recognised over time by reference to the Group's progress towards completing the performance obligation in the contract. Management has determined that a cost-based input method for these services provides a faithful depiction of the Group's performance in transferring control of the goods and services promised to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the contract. 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 performance obligation within the contract.

The estimated total contract costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and technical expertise of the project managers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends of the amounts incurred in the development of similar construction contracts, analysed by different construction contract types and geographical areas.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For the financial year ended 31 December 2024, the Group recorded revenue of S$35,974,000 (2023: S$33,134,000) from its construction contracts.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Impairment assessment on goodwill

Management assesses for indicators of impairment of goodwill at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which goodwill is allocated. The value-in-use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The assumptions and estimates used are inherently subjective, and may be affected by uncertainties around future market or economic conditions.

The carrying amount of the goodwill is disclosed in Note 14.

Valuation of leasehold properties

The Group carries its leasehold properties at fair value, with changes in fair values being recognised in other comprehensive income. The Group engaged independent real estate valuation experts to assess fair value as at 31 December 2024 and 31 December 2023.

The fair value of the leasehold properties is determined by independent real estate valuation experts using market comparable approach by referring to market evidence of recent transactions for similar properties. These estimates are based on local market conditions existing at the end of each reporting date.

The key assumptions used to determine the fair value of the leasehold properties are disclosed in Note 34.

Valuation of unquoted equity investments

The Group's and the Company's other financial assets comprised unquoted equity investments which are measured at fair value through other comprehensive income ("FVOCI"). These unquoted equity investments, comprising mainly equity securities held in various investee companies, are measured at fair value using valuation techniques that applied inputs for which there is limited market information. The valuation techniques used include adjusted net asset value.

The information about the valuation techniques and key unobservable inputs used in deriving the fair value of the unquoted equity investments is disclosed in Note 34.

4. REVENUE

(a) Disaggregation of revenue from contract with customers

The Group's revenue is disaggregated by principal geographical areas, major products and service lines and timing of transfer of good or service as follows:

	Principal geographical market	
	2024	**2023**
	S$'000	**S$'000**
Group		
Singapore		
Engineering & construction services	**35,974**	33,134
Service rendered – grit blasting and painting	**12,016**	14,190
Solar power installation services	**11,289**	11,132
Sale of blasting equipment goods	**2,289**	1,067
Sale of solar power equipment goods	**5,562**	4,490
	67,130	64,013
Rest of Southeast Asia[i]		
Sale of solar power equipment goods	**6,244**	3,243
Sale of blasting equipment goods	**202**	1,350
	6,446	4,593
The People's Republic of China		
Sale of aluminium products	**9,369**	13,526
Others[ii]		
Sale of blasting equipment goods	**32**	72
Total revenue	**82,977**	82,204

(i) Rest of Southeast Asia includes Malaysia and Indonesia.

(ii) Others include India, Pakistan and Japan.

4. REVENUE (CONTINUED)

(a) Disaggregation of revenue from contract with customers (Continued)

	Major products or service lines and timing of transfer of good or service	
	2024	**2023**
	S$'000	**S$'000**
Group		
At a point in time		
Sale of solar power equipment goods	**11,806**	7,733
Sale of blasting equipment goods	**2,523**	2,489
Sale of aluminium products	**9,369**	13,526
	23,698	23,748
Over time		
Engineering & construction services	**35,974**	33,134
Service rendered – grit blasting and painting	**12,016**	14,190
Solar power installation services	**11,289**	11,132
	59,279	58,456
Total revenue	**82,977**	82,204

(b) Contract balances

	Group	
	2024	**2023**
	S$'000	**S$'000**
Contract assets	**10,369**	9,637
Trade receivables	**22,411**	21,482
Contract liabilities	**6,384**	3,727

Significant changes in the contract assets and contract liabilities balances are disclosed as follows:

	Group	
	2024	**2023**
	S$'000	**S$'000**
Contract assets		
Contract assets reclassified to trade receivables	**(9,802)**	(8,219)
Changes in measurement of progress	**10,904**	9,802
Impairment (losses)/Reversal of impairment losses on contract assets, net	**(370)**	33
Contract liabilities		
Revenue recognised from amounts included in contract liabilities at the beginning of the year	**3,727**	2,648

4. REVENUE (CONTINUED)

(b) Contract balances (Continued)

Expected credit loss on contract assets

Management estimates the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry. None of the contract assets at the end of the reporting period is past due. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the impairment loss on contract assets.

The Group's credit risk exposure in relation to contract assets is set out in the provision matrix as presented below. The Group's loss allowance is based on past due as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

	Group	
	2024	**2023**
	S$'000	**S$'000**
Expected credit loss rate	**4.91%**	1.68%
Contract assets – gross carrying amount	**10,904**	9,802
Less: Allowance for expected credit loss	**(535)**	(165)
Net carrying amount	**10,369**	9,637

The movement in allowance for expected credit losses of contract assets computed based on lifetime ECL is as follows:

	Group	
	2024	**2023**
	S$'000	**S$'000**
At 1 January	**165**	198
Charge/(Reversal) during the year	**370**	(33)
At 31 December	**535**	165

The Group has applied the practical expedient not to disclose information about its remaining performance obligations if:

- The performance obligation is part of a contract that has an original expected duration of one year or less; or

- The Group recognises revenue to which the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting) the following:

	Group	
	2024	**2023**
	S$'000	**S$'000**
Included in cost of sales		
Cost of inventories sold	**32,363**	33,232
Sub-contractor fees	**14,872**	12,254
Expenses relating to short-term leases	**2,096**	1,178
Depreciation of property, plant and equipment	**3,426**	3,126
Depreciation of right-of-use assets	**111**	271
Inventory written of	**–**	27
Staff costs		
– Salaries and wages	**5,642**	6,634
– Defined contribution plans	**108**	132
– Foreign workers levy	**1,384**	1,558
Included in other income		
Interest income	**(967)**	(1,786)
Government grants	**–**	(63)
Gain on disposal of property, plant and equipment	**(12)**	(15)
Gain on disposal of asset held for sale (Note 20)	**(831)**	–
Scrap sales and service income	**(111)**	(175)
Reversal of prior year write-down of land held for development	**–**	(511)
Rental income – operating leases	**(955)**	(432)
Included in administrative expenses		
Directors' fees	**192**	183
Directors' remuneration:		
– Salaries and bonus	**1,321**	756
– Defined contribution plans	**31**	22
Staff costs		
– Salaries and bonus	**4,590**	4,234
– Defined contribution plans	**450**	387
– Staff welfare	**61**	63

5. PROFIT BEFORE INCOME TAX (CONTINUED)

	Group 2024 S$'000	Group 2023 S$'000
Included in other operating expenses		
Audit fees paid/payable to auditors of the Company*	**237**	233
Other auditors:	**17**	60
– Network firms	**–**	11
– Non-network firms	**17**	49
Depreciation of property, plant and equipment	**681**	906
Depreciation of right-of-use assets	**229**	67
Allowance for inventory obsolescence	**10**	14
Expenses relating to short-term leases	**58**	340
Foreign exchange (gain)/loss	**(1,055)**	815
Write down of land held for development	**847**	–
Impairment loss on investment in associate	**–**	181
Included in reversal of impairment losses on financial assets		
Impairment loss/(reversed) on contract assets, net	**370**	(33)
Impairment reversed on trade and other receivable, net	**(1,299)**	(3)
Included in finance cost		
Term loans	**450**	325
Trust receipts	**126**	379
Lease liabilities	**246**	262

* No non-audit fees were paid/payable to the auditor of the Company for the financial years ended 31 December 2024 and 2023.

6. INCOME TAX (CREDIT)/EXPENSE

Major components of income tax for the financial years ended 31 December were:

	Group 2024 S$'000	Group 2023 S$'000
Current income tax:		
– Current year	**449**	384
– (Over)/under provision in respect of prior year	**(177)**	182
	272	566
Deferred tax:		
– Origination and reversal of temporary differences	**(699)**	38
Income tax (credit)/expense	**(427)**	604

6. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

Major components of income tax expense for the financial years ended 31 December were:

	Group	
	2024	**2023**
	S$'000	**S$'000**
Deferred tax:		
– Revaluation gain in property, plant and equipment	**–**	970
Taxation recognised in other comprehensive income	**–**	970

A reconciliation between taxation and the product of accounting profits multiplied by the Singapore statutory income tax rate of 17% (2023: 17%) for the years ended 31 December 2024 and 2023 is as follows:

	Group	
	2024	**2023**
	S$'000	**S$'000**
Profit before income tax	**2,826**	3,366
Tax at statutory tax rate of 17% (2023: 17%)	**480**	572
Effect of different tax rates of subsidiaries operating in other jurisdictions	**32**	74
Non-deductible expenses	**744**	474
Non-taxable items	**(566)**	(125)
Singapore statutory tax exemption	**(79)**	(33)
Corporate income tax rebate	**(144)**	(70)
Deferred tax assets not recognised*	**–**	407
Utilisation of previously unrecognised deferred tax assets	**(574)**	(877)
(Over)/under provision of current income tax in prior year	**(177)**	182
Others	**(143)**	–
Income tax (credit)/expense	**(427)**	604

* Deferred tax assets not recognised mainly relates to unutilised tax losses and capital allowances carried forward as disclosed in Note 25.

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2023: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

7. EARNINGS PER SHARE

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

Diluted earnings per share is calculated by dividing the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

7. EARNINGS PER SHARE (CONTINUED)

The profit and share data used in the calculation of basic and diluted earnings per share for the years ended 31 December are as follows:

	Group	
	2024	**2023**
	S$'000	**S$'000**
Profit for the year attributable to owners of the Company used in calculation of earnings per share	**3,202**	2,495

	Group	
	2024	**2023**
Weighted average number of ordinary shares (excluding treasury shares) used in the calculation of basic and diluted earnings per share	**610,403,412**	610,403,412
Basic and diluted earnings per share (cents per share)	**0.50**	0.40

8. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings S$'000	Leasehold improvements S$'000	Machinery & yard equipment S$'000	Motor vehicles S$'000	Office, computer equipment, furniture and fittings S$'000	Total S$'000
2024						
Cost						
At 1 January	**36,005**	**902**	**17,525**	**1,783**	**3,406**	**59,621**
Additions	**–**	**206**	**75**	**337**	**89**	**707**
Disposals/Written off	**–**	**(323)**	**(109)**	**(88)**	**(996)**	**(1,516)**
Currency alignment	**–**	**1**	**1**	**4**	**97**	**103**
At 31 December	**36,005**	**786**	**17,492**	**2,036**	**2,596**	**58,915**
Representing:						
Cost	**–**	**786**	**17,492**	**2,036**	**2,596**	**22,910**
Valuation	**36,005**	**–**	**–**	**–**	**–**	**36,005**
Total	**36,005**	**786**	**17,492**	**2,036**	**2,596**	**58,915**
Accumulated depreciation						
At 1 January	**–**	**843**	**15,093**	**1,096**	**3,275**	**20,307**
Depreciation charge for the year	**3,397**	**22**	**394**	**131**	**163**	**4,107**
Disposals/Written off	**–**	**(323)**	**(109)**	**(88)**	**(996)**	**(1,516)**
Currency alignment	**–**	**1**	**1**	**3**	**(95)**	**(90)**
At 31 December	**3,397**	**543**	**15,379**	**1,142**	**2,347**	**22,808**
Net carrying amount						
At 31 December	**32,608**	**243**	**2,113**	**894**	**249**	**36,107**

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land S$'000	Leasehold buildings S$'000	Leasehold improvements S$'000	Machinery & yard equipment S$'000	Motor vehicles S$'000	Office, computer equipment, furniture and fittings S$'000	Total S$'000
2023							
Cost							
At 1 January	3,580	39,129	926	16,226	1,820	3,530	65,211
Additions	–	–	23	1,444	111	62	1,640
Disposals/Written off	–	–	(45)	(144)	(144)	(186)	(519)
Revaluation adjustment	–	5,729	–	–	–	–	5,729
Transfer*	–	(8,853)	–	–	–	–	(8,853)
Currency alignment	(184)	–	(2)	(1)	(4)	–	(191)
Reclassification to asset held for sale	(3,396)	–	–	–	–	–	(3,396)
At 31 December	–	36,005	902	17,525	1,783	3,406	59,621
Representing:							
Cost	–	–	902	17,525	1,783	3,406	23,616
Valuation	–	36,005	–	–	–	–	36,005
Total	–	36,005	902	17,525	1,783	3,406	59,621
Accumulated depreciation							
At 1 January	–	5,903	855	14,394	1,131	3,315	25,598
Depreciation charge for the year	–	2,950	10	823	112	137	4,032
Disposals/Written off	–	–	(21)	(124)	(144)	(177)	(466)
Transfer*	–	(8,853)	–	–	–	–	(8,853)
Currency alignment	–	–	(1)	–	(3)	–	(4)
At 31 December	–	–	843	15,093	1,096	3,275	20,307
Net carrying amount							
At 31 December	–	36,005	59	2,432	687	131	39,314

* This transfer relates to the accumulated depreciation as at the revaluation date that was estimated against the gross carrying amount of the revalued asset.

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold improvements S$'000	Motor vehicles S$'000	Furniture and fittings S$'000	Office and computer equipment S$'000	Total S$'000
Cost					
At 1 January 2023	404	368	1,021	468	2,261
Additions	–	41	–	3	44
At 31 December 2023	404	409	1,021	471	2,305
Disposals/Written off	(116)	–	(57)	(368)	(541)
At 31 December 2024	**288**	**409**	**964**	**103**	**1,764**
Accumulated depreciation					
At 1 January 2023	404	355	1,021	467	2,247
Depreciation charge	–	13	–	1	14
At 31 December 2023	404	368	1,021	468	2,261
Depreciation charge	–	11	–	2	13
Disposals/Written off	(116)	–	(57)	(368)	(541)
At 31 December 2024	**288**	**378**	**964**	**101**	**1,731**
Net carrying amount					
At 31 December 2024	**–**	**31**	**–**	**2**	**33**
At 31 December 2023	–	41	–	3	44

Details of the leasehold building of the Group are as follows:

Property Address	Description	Tenure
81 Tuas South Street 5, Singapore 637651 [(i)]	Single story detached factory with ancillary 2-storey warehouse, and a 3-storey annexe office block	30 years leasehold from 1999 with an option to renew for an additional 1 year
19 Tuas Avenue 20, Singapore 638830	Single-storey factory block with mezzanine office and a 3-storey ancillary office block	20 years leasehold from 2020

(i) The leasehold building of the Company located at 81 Tuas South Street 5 Singapore 637651 is leased to certain subsidiaries of the Group to earn rental income. Accordingly, the leasehold building is classified as an investment property on the statement of financial position of the Company as disclosed in Note 10.

Leasehold buildings carried at revalued amounts

The Group carries its leasehold properties at fair value, with changes in fair values being recognised in other comprehensive income. The Group engaged real estate valuation experts to assess fair value as at 31 December 2024 and 31 December 2023.

The fair value of the leasehold properties is determined by independent real estate valuation experts using market comparable approach by referring to market evidence of recent transactions for similar properties. The key assumptions used to determine the fair value of the leasehold properties are further explained in Note 34.

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Assets pledged as a security

As at 31 December 2024, leasehold buildings of the Group with carrying amounts of S$32,607,660 (2023: S$36,005,000) are mortgaged to secure the credit facilities of the Group (Note 23).

9. RIGHT-OF-USE ASSETS

The Group has lease contracts for office spaces, warehouses and land in respect of its offices and warehouses. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets unless permission is obtained from the landlord and the Group maintains the leased assets in good condition.

The Group also has certain leases of machinery with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

Carrying amount of right-of-use assets

	Group		Company	
	2024	**2023**	**2024**	**2023**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cost:				
At 1 January	**5,532**	5,464	**1,845**	1,845
Addition	**44**	125	**–**	–
Lease modification	**(94)**	–	**–**	–
Currency alignment	**3**	(57)	**–**	–
At 31 December	**5,485**	5,532	**1,845**	1,845
Accumulated depreciation:				
At 1 January	**1,977**	1,644	**809**	647
Depreciation	**340**	338	**164**	162
Lease modification	**(85)**	–	**–**	–
Currency alignment	**2**	(5)	**–**	–
At 31 December	**2,234**	1,977	**973**	809
Carrying amounts:				
At 31 December	**3,251**	3,555	**872**	1,036

Lease liabilities

The carrying amounts of lease liabilities and the movement during the year are disclosed in Note 24 and the maturity analysis of lease liabilities is disclosed in Note 33.

9. RIGHT-OF-USE ASSETS (CONTINUED)

Amounts recognised in profit or loss

	Group	
	2024	**2023**
	S$'000	**S$'000**
Depreciation of right-of-use assets	**340**	338
Interest expense on lease liabilities	**246**	262
Expenses relating to short-term leases	**1,615**	1,518

Total cash outflow

In 2024, the Group had total cash outflows for leases of S$2,146,000 (2023: S$2,046,000).

10. INVESTMENT PROPERTY

	Company	
	2024	**2023**
	S$'000	**S$'000**
Cost:		
At 1 January and 31 December	**14,400**	14,400
Accumulated depreciation:		
At 1 January	**7,029**	5,858
Depreciation charge	**1,171**	1,171
At 31 December	**8,200**	7,029
Carrying amounts:		
At 31 December	**6,200**	7,371

Investment property is leased to certain subsidiaries of the Group.

Rental income recognised for the financial year ended 31 December 2024 amounted to S$1,218,000 (2023: S$1,218,000). Direct operating expenses arising from the investment property that generated the rental income during the financial year were considered not material.

At the end of the reporting period, the investment property of the Company is mortgaged to secure the credit facilities of the Group (Note 23).

11. INVESTMENTS IN SUBSIDIARIES

	Company 2024 S$'000	Company 2023 S$'000
Unquoted equity shares, at cost		
Hetat Holdings Pte. Ltd.	**45,300**	45,300
See Hup Seng CP Pte. Ltd.	**8,097**	8,097
SHS Capital Pte. Ltd.	*	*
Sinenergy Power International Pte. Ltd.	**100**	100
Guangxi Xiang Tong Technology Co, Ltd.	**1,000**	1,000
	54,447	54,447
Less: Allowance for impairment loss	**(20,220)**	(20,220)
	34,227	34,227

* Amount less than S$1,000

Impairment assessment of investment in subsidiaries

The movement in allowance for impairment losses in respect of investment in subsidiaries is as follows:

	Company 2024 S$'000	Company 2023 S$'000
At 1 January	**20,220**	24,300
Written off during the year	**–**	(4,080)
At 31 December	**20,220**	20,220

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Composition of the Group

Name of company	Principal activities	Country of incorporation and principal place of business	Effective equity held by the company 2024 %	2023 %
Held by the Company				
Hetat Holdings Pte. Ltd.*	Investment holding	Singapore	**100**	100
See Hup Seng CP Pte. Ltd.*	Provision for corrosion prevention services	Singapore	**100**	100
SHS Capital Pte. Ltd.*	Investment holding	Singapore	**100**	100
Sinenergy Power International Pte. Ltd.*	Investment holding	Singapore	**100**	100
Guangxi Xiang Tong Technology Co., Ltd***	Trading of commodities	The People's Republic of China	**100**	100
Held by subsidiaries				
Hetat Holdings Pte. Ltd.				
Hetat Pte. Ltd.*	Engineering and project management for steel, glass and aluminium contracts	Singapore	**100**	100
Hetat Design Studio Pte. Ltd.*	General contractors (Building construction including major upgrading works)	Singapore	**100**	100
Xiang Tong (Shanghai) International Trading Co. Ltd**	Import and export of construction materials and provision of design services	People's Republic of China	**100**	100
Hetat Engineering & Construction Sdn. Bhd.****	Modular construction, manufacturing, engineering and project management for steel, glass and aluminium contracts	Malaysia	**100**	100
Hetat (M) Sdn. Bhd.****	Engineering and project management for steel, glass and aluminium contracts	Malaysia	**100**	100

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Composition of the Group (Continued)

Name of company	Principal activities	Country of incorporation and principal place of business	Effective equity held by the company 2024 %	2023 %
Held by subsidiaries (Continued)				
See Hup Seng CP Pte. Ltd.				
SHS Special Coating Pte. Ltd.*	Grit blasting and painting	Singapore	**100**	100
SHS System Pte. Ltd.*	Tank coating, grit blasting and painting	Singapore	**100**	100
Gardella Singapore Coating Pte. Ltd.*	Dormant	Singapore	**100**	100
Lesoon Equipment Pte. Ltd.*	Trading and manufacturing of blasting and painting equipment	Singapore	**98.2**	98.2
Speedo Corrosion Control Pte. Ltd.*	Tank coating, grit blasting and painting	Singapore	**100**	100
Lesoon Equipment Pte. Ltd.				
Speedlock Equipment Sdn. Bhd.****	Trading and manufacturing of blasting and painting equipment	Malaysia	**98.2**	98.2
Sinenergy Power International Pte. Ltd.				
Sinenergy Pte. Ltd.*	Engineering and project management for electrical works	Singapore	**95**	95
Hua Sheng Energy Pte. Ltd.*	Trading of electrical wiring accessories	Singapore	**100**	100
Sinenergy TL Energy Joint Stock Company****	Dormant	Vietnam	**65**	65
Sinenergy Sdn. Bhd.****	Investment holding	Malaysia	**100**	–
Hua Sheng Energy Pte Ltd.				
PT Hua Sheng Energy**	Trading of electrical wiring accessories	Indonesia	**67**	67
Sinenergy Sdn. Bhd.				
Sinenergy Renewables Sdn. Bhd.****	Engineering and project management for electrical works	Malaysia	**100**	–

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Composition of the Group (Continued)

Name of company	Principal activities	Country of incorporation and principal place of business	Effective equity held by the company 2024 %	Effective equity held by the company 2023 %
Held by subsidiaries (Continued)				
SHS Capital Pte. Ltd.				
SHS Ferny Pty Ltd***	Investment holding	Australia	**100**	100
Bellfield Pte. Ltd.*	Trading of commodities	Singapore	**100**	100
Guangxi Xinxin Technology Co. Ltd.***	Investment holding	The People's Republic of China	**100**	–

* Audited by Forvis Mazars LLP, Singapore.

** Audited by member of Moore Global Network Limited.

*** Exempted from audit under the laws of the country of incorporation. Reviewed by Forvis Mazars LLP, Singapore for group consolidation purposes.

**** Audited by other firms of certified public accountants for statutory purposes.

***** Exempted from audit under the laws of the country of incorporation.

Incorporation of subsidiaries

In April 2024, the Company's wholly-owned subsidiary, Sinenergy Power International Pte. Ltd. incorporated a subsidiary, Sinenergy Sdn. Bhd., in Malaysia, with a cash investment of S$2,848, equivalent to RM10,000.

In April 2024, the subsidiary, Sinenergy Sdn. Bhd. incorporated a subsidiary, Sinenergy Renewables Sdn. Bhd., in Malaysia, with a cash consideration of S$2,848, equivalent to RM10,000.

In August 2024, the Company's wholly-owned subsidiary, SHS Capital Pte. Ltd. incorporated a wholly-owned subsidiary, Guangxi Xinxin Technology Co. Ltd. in the People's Republic of China. The share capital has not yet been paid.

In September 2023, the Company incorporated a wholly-owned subsidiary, Guangxi Xiang Tong Technology Co., Ltd, in the People's Republic of China, for a cash consideration of S$1,000,000.

In 2023, the Company's wholly-owned subsidiary, See Hup Seng CP Pte. Ltd., acquired an additional 1.79% equity interest in Lesoon Equipment Pte. Ltd. from its non-controlling interest for a cash consideration of S$40,000. The Group's effective equity interest in Lesoon Equipment Pte. Ltd. increased from 96.4% to 98.2%. The Group's effective equity interest in Speedlock Equipment Sdn. Bhd., a wholly-owned subsidiary of Lesoon Equipment Pte. Ltd., also increased from 96.4% to 98.2%.

Non-controlling interests

The Group has no individual subsidiaries that have material non-controlling interests for the financial years ended 31 December 2024 and 2023.

12. INVESTMENT IN ASSOCIATE

	Group	
	2024	**2023**
	S$'000	**S$'000**
Unquoted equity shares, at cost	**1,110**	1,110
Share of post-acquisition reserves	**(865)**	(865)
Less: Allowance for impairment loss	**(181)**	(181)
	64	64

The movement in allowance for impairment loss in respect of investment in an associate is as follows:

	Group	
	2024	**2023**
	S$'000	**S$'000**
At 1 January	**181**	–
Charge during the year	**–**	181
At 31 December	**181**	181

Details of the associate are as follows:

Name of company (Country of incorporation and place of business)	Principal activities	Cost		Effective equity interest held	
		2024	**2023**	**2024**	**2023**
		S$'000	**S$'000**	**%**	**%**
Yokomori Singapore Pte. Ltd. (Singapore)*	Manufacturing of steel structural components	**1,110**	1,110	**30**	30

* Audited by NACN International PAC.

Summarised financial information in respect of Yokomori Singapore Pte. Ltd. based on its SFRS(I) financial statements, and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	2024	**2023**
	S$'000	**S$'000**
Current assets	**237**	237
Non-current assets	**–**	–
Current liabilities	**(24)**	(24)
	213	213
Proportion of Group's ownership	**30%**	30%
Carrying amount of the investment	**64**	64

	2024	**2023**
	S$'000	**S$'000**
Revenue	**–**	–
Loss for the year representing total comprehensive income for the year	**(1)**	(1)

13. OTHER FINANCIAL ASSETS

	Group		Company	
	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000
Unquoted equity investments measured at fair value through other comprehensive income (FVOCI)				
Equity securities in investee companies	**20,597**	14,322	**20,597**	14,320

The Group has elected to carry the unquoted equity investments at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

Information about the fair value measurement of the unquoted equity investments is disclosed in Note 34.

The movement in other financial assets is as follows:

	Group		Company	
	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000
At 1 January	**14,322**	14,093	**14,320**	14,044
Capitalisation of loans to investment in investee	**4,427**	428	**4,427**	428
Fair value gain/(loss) recognised in other comprehensive income	**1,848**	(199)	**1,848**	(152)
Currency alignment	**–**	–	**2**	–
At 31 December	**20,597**	14,322	**20,597**	14,320

During the current and previous financial year, the Group capitalised the outstanding loan amount due from an investee to further subscribe to additional ordinary shares in the investee.

14. GOODWILL

	Group	
	2024	2023
	S$'000	S$'000
Engineering and Construction Segment		
Hetat Holdings Pte. Ltd.		
At 1 January and 31 December	**6,000**	6,000

Impairment testing for goodwill

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. For the purpose of impairment testing, goodwill has been allocated to the cash-generating unit ("CGU") under the Engineering & Construction segment. The recoverable amount of the CGU has been determined based on a value-in-use calculation using cash flow projections from financial budgets and forecasts approved by management based on a five-year period.

14. GOODWILL (CONTINUED)

Impairment testing for goodwill (Continued)

The pre-tax discount rate applied to the cash flow projections and the forecasted growth rate used to extrapolate cash flow projections are as follows:

	Group	
	2024	**2023**
Growth rate	**2.0%**	2.0%
Pre-tax discount	**13.3%**	14.5%

15. CASH AND BANK BALANCES

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following amounts as at 31 December:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash at bank and on hand	**20,434**	19,258	**675**	6,165
Short-term bank deposits	**17,850**	17,149	**13,749**	17,149
Fixed deposits	**–**	11,629	**–**	–
Trade and cash balances	**38,284**	48,036	**14,424**	23,314
Less: Pledged fixed deposits	**–**	(11,629)	**–**	–
Cash and cash equivalents	**38,284**	36,407	**14,424**	23,314

Short-term bank deposits of the Group and the Company bear effective interest rates ranging from 3.2% to 5.5% (2023: 4.7% to 5.5%) per annum and have tenures ranging from approximately 30 to 60 days (2023: 30 to 92 days).

In 2023, pledged deposits are for a tenure of 6 months which have been pledged to banks to secure bank facilities for one of the subsidiaries of the Group (Note 23). These fixed deposits bear effective interest rates ranging from 2.1% to 3.3% per annum.

16. INVENTORIES

	Group	
	2024	**2023**
	S$'000	**S$'000**
Statement of financial position		
Finished goods	**7,112**	5,554
Construction materials and consumables	**1,026**	436
Less: Allowance for inventory obsolescence	**(114)**	(104)
	8,024	5,886
Statement of profit or loss		
Inventories recognised as an expense of cost of sales inclusive of:	**32,363**	33,232
– Inventories written off	**–**	27
– Allowance for inventory obsolescence	**10**	14

16. INVENTORIES (CONTINUED)

The movement in allowance for inventory obsolescence is as follows:

	Group	
	2024 S$'000	2023 S$'000
At 1 January	**104**	89
Charge of during the year	**10**	14
Currency re-alignment	*	1
At 31 December	**114**	104

* Amount less than $1,000

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 S$'000	2023 S$'000 [Reclassified]	2024 S$'000	2023 S$'000 [Reclassified]
Trade receivables:				
– Third parties	**23,438**	23,075	–	–
– Related companies	**155**	148	–	–
Less: Allowance for expected credit loss	**(1,182)**	(1,741)	–	–
Net trade receivables	**22,411**	21,482	–	–
Other receivables				
Loan to an investment company(i)	–	7,736	–	7,736
Sundry debtors(ii)	**1,750**	1,580	**560**	544
Refundable deposits	**536**	374	**167**	159
Interest receivable	–	255	–	198
Advances to sub-contractors/suppliers(iii)				
– Third parties	**20,008**	20,512	–	–
– Related companies	**4,058**	2,284	–	–
Advances to staffs	**18**	23	–	–
Deposits for performance bond	**521**	–	–	–
Prepayment	**965**	653	**16**	24
Value added tax recoverable – net	**823**	–	**17**	–
Tax recoverable	**16**	15	–	–
Less: Allowance for expected credit loss	**(645)**	(5,407)	**(100)**	(5,056)
	28,050	28,025	**660**	3,605
Presented as:				
Current	**50,461**	46,827	**660**	925
Non-current	–	2,680	–	2,680
	50,461	49,507	**660**	3,605

The credit period for trade receivables ranges from 30 to 90 days (2023: 30 to 90 days). No interest is charged on the outstanding balances of trade receivables.

(i) The loan to an investee is primarily for the investee's investment in certain unquoted equity securities in Singapore with no fixed terms of repayment. During the current financial year, the Company has capitalised the loan receivables to increase its equity stake in the investee.

(ii) Sundry debtors are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

(iii) Advances to sub-contractors/suppliers are mainly to support on-going projects, orders and material procurement.

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL is as follows:

	Group	
	2024	**2023**
	S$'000	**S$'000**
At 1 January	**1,741**	1,895
Reversal of impairment loss recognised during the year	**(62)**	(3)
Written off during the year	**(504)**	(146)
Currency re-alignment	**7**	(5)
At 31 December	**1,182**	1,741

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses (ECL). The Group has recognised a loss allowance of 100% against all trade receivables over 1 year and 9 months past due (credit-impaired) because historical experience has indicated that these trade receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group's credit risk exposure in relation to trade receivables from contracts with customers are set out in the provision matrix as presented below. The Group's loss allowance is based on past due as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

	Current	Past due more than 1 to 90 days	Past due more than 91 to 270 days	Past due more than 271 days to 1 year & 9 months	Past due more than 1 year & 9 months	Total
31 December 2024						
Expected credit loss rates	**0.007%**	**0.001%**	**0.173%**	**15.23%**	**100%**	
Total gross carrying amounts (S$'000)	**14,454**	**4,691**	**2,308**	**1,136**	**1,004**	**23,593**
Loss allowance (S$'000)	**(1)**	*****	**(4)**	**(173)**	**(1,004)**	**(1,182)**
31 December 2023						
Expected credit loss rates	0.07%	0.69%	2.01%	12.14%	100%	
Total gross carrying amounts (S$'000)	12,418	7,053	1,544	624	1,584	23,223
Loss allowance (S$'000)	(9)	(49)	(31)	(68)	(1,584)	(1,741)

* Amount less than $1,000

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivables

Expected credit losses

The movement in allowance for expected credit losses of other receivables computed based on 12-month ECL is as follows:

	Group		Company	
	2024 S$'000	**2023 S$'000**	**2024 S$'000**	**2023 S$'000**
At 1 January	**5,407**	5,519	**5,056**	5,056
Reversal during the year	**(1,237)**	–	**(1,418)**	–
Written off during the year	**(3,538)**	(112)	**(3,538)**	–
Currency re-alignment	**13**	–	**–**	–
At 31 December	**645**	5,407	**100**	5,056

For the purpose of impairment assessment for other receivables, the loss allowance is measured at an amount equal to 12-month ECL which reflects the low credit risk of the exposures. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

18. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2024 S$'000	**2023 S$'000**
Current		
Amounts due from subsidiaries – non-trade	**94,567**	86,888
Less: Allowance for expected credit loss	**(33,106)**	(33,106)
	61,461	53,782
Current		
Amounts due to subsidiaries – non-trade	**–**	(561)

The non-trade balances due from/(to) subsidiaries are unsecured, repayable on demand and are to be settled in cash. These balances are non-interest bearing, except for certain amounts due from subsidiaries amounting to S$7,260,000 (2023: S$5,043,000), which bear effective interest rates ranging from 2% to 3.5% (2023: 2% to 5.5%) per annum.

Expected credit losses

The movement in allowance for expected credit losses of amounts due from subsidiaries computed based on 12-month ECL is as follows:

	Company	
	2024 S$'000	**2023 S$'000**
At 1 January	**33,106**	32,214
Charge during the year	**–**	1,281
Written off during the year	**–**	(389)
At 31 December	**33,106**	33,106

19. LAND HELD FOR DEVELOPMENT

	Group 2024 S$'000	Group 2023 S$'000
Land, at lower cost and net realisable value	**4,229**	5,077

Details of the Group's land held for development are as follows:

Description and location	Land area (sqm)	Tenure	Interest held by the Group 2024 %	Interest held by the Group 2023 %
180, 182 and 184 Ferny Avenue, Surfers Paradise, Australia	1,055	Freehold	**100**	100

The Group engaged an independent real estate valuation expert to assess the fair value of the land as at 31 December 2024 and 31 December 2023. The fair value has been determined based on market evidence of most recent transactions for land in the same vicinity.

Based on the assessment, a write down of land held for development amounting to S$847,000 (2023: a reversal of a prior year write-down amounting to S$511,000) was recognised to profit or loss during the year.

20. ASSET HELD FOR SALE

Freehold land	Group 2024 S$'000	Group 2023 S$'000
Cost, representing net carrying amount:		
Reclassification from property, plant and equipment (Note 8)	–	3,396

During the previous financial year, a subsidiary of the Group entered into a conditional sales and purchase agreement with a third party, for the sale of a freehold land in Malaysia and the deposit was received subsequent to year end. Accordingly, the freehold land was classified as held for sale at the end of the financial year.

In December 2024, the disposal was completed, resulting in a gain on disposal of S$831,000 (Note 5) was recognised in profit or loss.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000
		[Reclassified]		[Reclassified]
Trade payables				
– third parties	**8,282**	6,037	**–**	–
– related companies	**50**	50	**39**	39
Accrued operating expense	**2,280**	3,313	**699**	300
	10,612	9,400	**739**	339
Other payables:				
– Retention sum payable	**1,054**	1,022	**–**	–
– Sundry creditors	**1,852**	1,526	**655**	514
Foreign workers' tax withheld	**67**	67	**67**	67
Sales tax payable	**182**	357	**–**	49
	3,155	2,972	**721**	630
Total	**13,767**	12,372	**1,462**	969

Trade payables are normally settled on 14 to 90 days' (2023; 14 to 90 days') terms. These amounts are non-interest bearing.

Other payables are unsecured, non-interest bearing and are repayable on demand.

22. AMOUNTS DUE TO BANKERS

	Group	
	2024	2023
	S$'000	S$'000
Current		
Bills payable	**–**	11,629
Trust receipts	**1,513**	4,801
	1,513	16,430

The trust receipts are secured (Note 23) and bear interest at effective interest rates ranging from 5.00% to 5.54% (2023: 5.00% to 5.54%) per annum.

In 2023, the bills payable bear a commission charge of 0.05% per transaction and are repayable within six months from the issue date. These bill payables are secured by the fixed deposits placed with the bank (Note 23).

23. TERM LOANS

	Group	
	2024	**2023**
	S$'000	**S$'000**
Current		
Term loan I	**1,150**	1,108
Term loan II	**978**	1,270
Money market line loan	**4,214**	1,005
	6,342	3,383
Non-current		
Term loan I	**2,849**	3,850
Term loan II	**–**	983
	2,849	4,833
Total term loans, secured	**9,191**	8,216

Term loan I with a principal amount of S$11,500,000 is repayable over 59 fixed monthly principal instalments commencing in April 2018 and the loan was further extended by 5 years until March 2028. The loan bears interest at effective interest rates ranging from 4.65% to 5.62% (2023: 2.75% to 5.68%) per annum. The term loan was used to finance the construction of the leasehold building held by the Group.

Term loan II with a principal amount of S$5,000,000 is repayable over 60 fixed monthly principal instalments, commencing in September 2020. The loan bears interest at effective interest rates of 2.50% (2023: 2.50%) per annum. The term loan is used for working capital purposes.

Money market line loan with a principal amount of S$4,200,000 (2023: S$1,000,000) is rolled over on monthly basis. The rollover loan bears interest at effective interest rates ranging from 4.79% to 5.60% (2023: 5.30% to 5.60%) per annum. The term loan is used for working capital purposes.

The credit facilities (including bills payable and trust receipts (Note 22) of the Group are generally secured by the following:

- first legal mortgage over property located at No. 81 Tuas South Street 5, Singapore 637651;
- first legal mortgage over property located at No. 19 Tuas Avenue 20, Singapore 638830;
- first deed of debenture duly executed, incorporating a fixed and floating charge over the present and future undertaking, assets, revenues and rights of a subsidiary of the Group;
- fixed deposits amounting to S$ Nil (2023: S$11,629,000); and
- corporate guarantee from the Company for a total of S$28.4 million (2023: S$65.1 million).

24. LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group		Company	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
At 1 January	**4,048**	4,189	**1,195**	1,343
Additions	**45**	125	**–**	–
Accretions of interest	**246**	262	**70**	79
Payments	**(531)**	(528)	**(229)**	(227)
Lease modification	**(12)**	–	**–**	–
Currency realignment	**3**	–	**–**	–
At 31 December	**3,799**	4,048	**1,036**	1,195
Presented as:				
Current	**303**	279	**169**	159
Non-current	**3,496**	3,769	**867**	1,036
	3,799	4,048	**1,036**	1,195

The Group/Company as a lessor

The Group/Company has entered into operating leases on one of its leasehold buildings/investment properties. These leases are negotiated for terms ranging from 1 to 5 years.

The future minimum lease receivable under non-cancellable operating leases contracted for at the reporting date are as follows:

	Group		Company	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Not later than one year	**869**	869	**1,218**	1,218
Later than one year but not later than 5 years	**1,785**	2,654	**4,872**	4,872
Less than 5 years	**–**	–	**355**	1,573
	2,654	3,523	**6,445**	7,663

25. DEFERRED TAX LIABILITIES

	Fair value adjustments S$'000	Temporary differences on property, plant and equipment S$'000	Total S$'000
Group			
At 1 January 2023	1,707	11	1,718
Original of temporary differences	970	38	1,008
Currency alignment	–	(1)	(1)
At 31 December 2023	2,677	48	2,725
Original of temporary differences	(717)	18	(699)
At 31 December 2024	**1,960**	**66**	**2,026**
Company			
At 1 January 2023 and 31 December 2023	1,555	22	1,577
Original of temporary differences	(717)	–	(717)
At 31 December 2024	**838**	**22**	**860**

Deferred tax liabilities relate to temporary differences arising from the revaluation of leasehold buildings and the excess of net book value over tax written down value of property, plant and equipment.

Unrecognised tax losses and capital allowances

As at 31 December 2024, the Group has unutilised tax losses of approximately S$3,905,000 (2023: S$448,000) and unutilised capital allowances of approximately S$2,321,000 (2023: S$2,322,000) which can be carried forward and used to offset against future taxable profits of those entities in the Group in which the losses and capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and capital allowances is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which the entities in the Group operate. The unutilised tax losses have no expiry date.

The deferred tax assets arising from these unutilised tax losses and capital allowances of approximately S$588,000 (2023: S$471,000) have not been recognised at the end of the reporting period.

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 29).

26. SHARE CAPITAL

	Group and Company			
	2024		2023	
	No. of ordinary shares	S$'000	No. of ordinary shares	S$'000
Issued and fully paid, with no par value				
At the beginning and end of financial year	**678,109,912**	**155,547**	678,109,912	155,547

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction, except for treasury shares, at General Meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

27. TREASURY SHARES

	Group and Company			
	2024		2023	
	Number of ordinary shares	S$'000	Number of ordinary shares	S$'000
Issued and fully paid, with no par value:				
At the beginning and end of the year	**67,706,500**	**(11,524)**	67,706,500	(11,524)

28. RESERVES

	Group		Company	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Accumulated losses	**(14,283)**	(15,751)	**(12,236)**	(12,107)
Asset revaluation reserve	**18,329**	18,329	**8,582**	8,582
Fair value reserve	**(8,212)**	(10,060)	**(8,550)**	(10,398)
Foreign currency translation reserve	**(274)**	(380)	**–**	–
Other reserve	**–**	–	**3,297**	3,297

Other reserve

The other reserve of the Company arose from an internal restructuring of certain group entities transferred from the Company to be held by a wholly owned subsidiary of the Company in 2015. The amount represented the difference between the carrying amount of the net assets of the transferred group of entities and the consideration transferred.

28. RESERVES (CONTINUED)

Asset revaluation reserve

The asset revaluation reserve represents the revaluation surplus in respect of leasehold buildings of the Group as disclosed in Note 8.

The movements in the asset revaluation reserve during the financial year are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At 1 January	**18,329**	12,473	**8,582**	8,582
Revaluation gains on property, plant and equipment, net of tax	**–**	4,759	**–**	–
Transfer reserve	**–**	1,098	**–**	–
Effects of acquiring part of non-controlling interest in a subsidiary	**–**	(1)	**–**	–
At 31 December	**18,329**	18,329	**8,582**	8,582

Fair value reserve

The fair value reserve represents the cumulative fair value changes, net of tax, of equity investments at FVOCI until they are disposed.

The movements in the fair value reserve during the financial year are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At 1 January	**(10,060)**	(9,861)	**(10,398)**	(10,247)
Net fair value gain/(loss) on equity instrument at FVOCI	**1,848**	(199)	**1,848**	(151)
At 31 December	**(8,212)**	(10,060)	**(8,550)**	(10,398)

Foreign currency translation reserve

The foreign currency translation reserve represents the accumulated exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency.

The movements in the foreign currency translation reserve during the financial year are as follows:

	Group	
	2024	**2023**
	S$'000	**S$'000**
At 1 January	**(380)**	(334)
Exchange differences on translation	**106**	(34)
Effects of acquiring part of non-controlling interest in a subsidiary	**–**	(12)
At 31 December	**(274)**	(380)

29. DIVIDENDS

	Group	
	2024	**2023**
	S$'000	**S$'000**
Declared and paid during the financial year:		
– One-tier final exempt dividend of S$0.00284 per ordinary share in respect of the financial year ended 31 December 2023	**1,734**	–
– One-tier final exempt dividend of S$0.0035 per ordinary share in respect of the financial year ended 31 December 2022	**–**	2,136
	1,734	2,136
Proposed but not recognised as a liability as at 31 December:		
– One-tier final exempt dividend of S$0.00229 per ordinary share in respect of the financial year ended 31 December 2024	**1,400**	–
– One-tier final exempt dividend of S$0.00284 per ordinary share in respect of the financial year ended 31 December 2023	**–**	1,734
	1,400	1,734

30. COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

The Group and the Company have uncalled capital commitments amounting to S$2.0 million (2023: S$2.0 million) in relation to the uncalled capital of certain equity investments (classified under other financial assets) at the end of the reporting period.

Other commitments

The Company has given an undertaking to provide continued financial support to certain subsidiaries for the next twelve months from the date of authorisation of these subsidiaries' financial statements.

Corporate guarantees

The corporate guarantees executed by the Company for certain subsidiaries of the Group for the credit facilities granted as set out in Note 22 and 23 have not been recorded at fair value, as management does not consider material the difference in the interest rates, by comparing the actual rates charged by the banks with these corporate guarantees made available, with the estimated rates that the banks would have charged had those corporate guarantees not been made available.

The Company has also executed a corporate guarantee of US$1,296,000 (2023: US$1,296,000) for credit facilities granted to an investee in which the Group holds certain equity interest.

The corporate guarantees are subject to impairment assessment. The Company has assessed that its subsidiaries and the investee have strong financial capacity to meet the contractual cash flow obligations in the near future and henceforth does not expect significant credit losses arising from these corporate guarantees.

Bank guarantees

At the end of the reporting period, there are unsecured bank guarantees provided by certain subsidiary to customers of the subsidiaries amounting to S$6,407,680 (2023: S$4,764,000).

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

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 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 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.

The effect of the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into transactions with related parties during the financial year, on terms agreed between the parties, as shown below.

	Group	
	2024	**2023**
	S$'000	**S$'000**
Sales to a related company	**553**	–
Purchase from related companies	**–**	(2,430)
Professional fees paid to firms in which directors are the partners of the firm	**(18)**	(25)
Logistics storage management services	**(12)**	–

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of directors and key management personnel

	Group	
	2024	**2023**
	S$'000	**S$'000**
Compensation of executive directors and key management:		
Salaries and other short-term employee benefits	**1,931**	1,887
Defined contribution plans	**108**	102
Directors' fees to non-executive directors	**192**	183
	2,231	2,172
Comprise amounts paid/payable to:		
Directors of the Company	**1,215**	1,230
Key management personnel	**1,016**	942
	2,231	2,172

32. SEGMENT INFORMATION

Segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group's operating divisions. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance of the Group. The Group's reportable operating segments are as follows:

Engineering & Construction

The engineering & construction segment is in the business of designing, engineering and construction of steel, aluminium and glass structures, and design and construction services including major upgrading works.

Corrosion Prevention

The corrosion prevention segment provides coating services to marine, oil and gas, construction and infrastructure industries.

Solar Energy

The solar energy segment specialises in solar energy development and engineering and project management for electrical works.

Trading of Commodities

The trading segment specialises in promoting and selling of metals and aluminium-related products.

Others

Others segment consists of property development business, corporate head office and strategic investments.

32. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results

	Engineering & Construction		Corrosion Prevention		Solar Energy		Trading of Commodities		Others		Total	
	2024	2023	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	S$'000	S$'000
Segment revenue	**35,974**	33,134	**14,539**	16,680	**23,095**	18,864	**9,369**	13,526	**–**	–	**82,977**	82,204
Results												
Segment results	**3,611**	5,730	**1,480**	823	**3,212**	2,338	**(110)**	465	**(232)**	(2,137)	**7,961**	7,219
Allowance for inventory obsolescence	**–**	–	**(10)**	(14)	**–**	–		–	**–**	–	**(10)**	(14)
Inventory written off	**–**	–	**–**	(27)	**–**	–	**–**	–	**–**	–	**–**	(27)
(Write down)/reversal of prior year write down of land held for development	**–**	–	**–**	–	**–**	–	**–**	–	**(847)**	511	**(847)**	511
Impairment loss/(reversed) on financial assets and contract assets, net	**(180)**	(42)	**(265)**	78	**(44)**	–	**–**	–	**1,418**	–	**929**	36
Finance costs	**(711)**	(878)	**(72)**	(90)	**(38)**	(124)	**(1)**	(7)	**–**	–	**(822)**	(1,099)
Share of loss of associate, net of tax											*****	*
Other income											**3,100**	3,207
Central administrative expenses and directors' remuneration											**(7,485)**	(6,467)
Profit before income tax											**2,826**	3,366
Tax credit/(expense)											**427**	(604)
Profit for the year											**3,253**	2,762
Other information												
Depreciation of property, plant and equipment	**(1,939)**	(1,628)	**(1,979)**	(2,204)	**(178)**	(200)	**–**	–	**(11)**	–	**(4,107)**	(4,032)
Depreciation of right-of-use assets	**(159)**	(159)	**(181)**	(179)	**–**	–	**–**	–	**–**	–	**(340)**	(338)
Impairment on investment in associate	**–**	(181)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(181)
Gain on disposal of asset held for sale	**831**	–	**–**	–	**–**	–	**–**	–	**–**	–	**831**	–
Revaluation surplus on leasehold properties	**–**	4,165	**–**	594	**–**	–	**–**	–	**–**	–	**–**	4,759
Addition to property, plant and equipment	**(672)**	(299)	**(12)**	(111)	**(23)**	(1,230)	**–**	–	**–**	–	**(707)**	(1,640)

* Amount below S$1,000

32. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results (Continued)

Revenue reported above represents revenue generated from external customers. Intersegment sales for the current financial year were S$2,106,672 (2023: S$1,739,000). The accounting policies of the reportable segments are the same as the Group's accounting policies set out in Note 2. Segment results represent the profit/(loss) earned by each segment without allocation of central administration costs and directors' remuneration, share of loss of associate and other income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment asset and liabilities

	Group	
	2024 S$'000	2023 S$'000
Segment assets		
Engineering & Construction	**70,826**	59,812
Corrosion Prevention	**26,210**	30,006
Solar Energy	**12,783**	17,385
Trading of Commodities	**23,474**	28,805
Others	**44,093**	48,786
Total segment assets	**177,386**	184,794
Segment liabilities		
Engineering & Construction	**23,557**	21,676
Corrosion Prevention	**2,978**	3,135
Solar Energy	**3,585**	6,422
Trading of Commodities	**3,044**	12,564
Others	**1,490**	996
Total segment liabilities	**34,654**	44,793
Add: Unallocated liabilities		
– Provision for income tax	**661**	718
– Deferred tax liabilities	**2,026**	2,725
Consolidated liabilities	**37,341**	48,236

Geographical information

The Group's operations are primarily carried out in Singapore. The Group's revenue from external customers and information about its non-current assets by geographical locations are detailed below.

	Group's revenue from external customers		Group's non-current assets(i)	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Singapore	**67,130**	64,013	**45,387**	51,591
Rest of Southeast Asia(ii)	**6,446**	4,593	**20**	12
The People's Republic of China	**9,369**	13,526	**15**	10
Others(iii)	**32**	72	**–**	–
	82,977	82,204	**45,422**	51,613

(i) Non-current assets exclude other financial assets.

(ii) Rest of Southeast Asia includes Malaysia, Vietnam and Indonesia.

(iii) Others include Australia and New Zealand.

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. These risks include credit risk, market risks (including foreign currency risk and interest rate risk) and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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. The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group generally does not require collateral. The Group reviews the recoverable amount of each trade receivable and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

At the reporting date, the Group does not have significant credit risk exposure to any individual customer's balance of trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings. The Group's maximum exposure to credit risk arises from the carrying amount of the respective recognised financial assets as present on the consolidated statement of financial position. In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks by the Company. The Company's maximum exposure in this respect is the maximum amount the Company is liable to pay if the guarantees are called on as disclosed in Note 30.

Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on their shared credit risk characteristics and numbers of days past due. The contract assets have substantially the same risk characteristics as the trade receivables from the same type of customers. Therefore, the Group has concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Further details on the loss allowance of the Group's and the Company's credit risk exposure in relation to contract assets and trade receivables are disclosed in Note 4(b) and Note 17, respectively.

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk (Continued)

Cash and bank balances and other receivables

The cash and bank balances are entered into with banks and financial institutions that have high credit-ratings.

Impairment on cash and bank balances and other receivables has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances and other receivables have low credit risk based on the external credit ratings of the counterparties. The loss allowance of the Group's cash and bank balances and other receivables is immaterial at the end of the reporting period.

Credit risk grading guideline

Management has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which is used to report the Group's credit risk exposure to key management for credit risk management purposes is as follows:

Category	**Description**	**Basis of recognising ECL**
Performing	The counterparty has a low risk of default and does not have any past due amounts	12-months ECL
Under-performing	There has been a significant increase in credit risk since initial recognition	Lifetime ECL (not credit-impaired)
Non-performing	There is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Asset is written off

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk (Continued)

Cash and bank balances and other receivables (Continued)

Credit risk exposure

Group	Internal credit rating	ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
2024					
Trade receivables	Note 1	Lifetime ECL (simplified)	**23,593**	**(1,182)**	**22,411**
Contract assets	Note 1	Lifetime ECL (simplified)	**10,904**	**(535)**	**10,369**
Other receivables	Performing	12-month ECL	**28,695**	**(645)**	**28,050**
2023					
Trade receivables	Note 1	Lifetime ECL (simplified)	23,223	(1,741)	21,482
Contract assets	Note 1	Lifetime ECL (simplified)	9,802	(165)	9,637
Other receivables	Under-performing	Lifetime ECL (not credit-impaired)	7,736	(5,056)	2,680
Other receivables	Non-performing	Lifetime ECL (credit-impaired)	351	(351)	–
Other receivables	Performing	12-month ECL	1,858	–	1,858

Note 1: The Group has applied the simplified approach to measure the loss allowance based on lifetime ECL. The details of the loss allowance for these financial assets are disclosed in Notes 4 and 17, respectively.

The credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

Company	Internal credit rating	ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
2024					
Other receivables	Performing	12-month ECL	**760**	**(100)**	**660**
Amounts due from subsidiaries	Performing	12-month ECL	**61,461**	**–**	**61,461**
Amount due from subsidiaries	Non-performing	Lifetime ECL (credit-impaired)	**33,106**	**(33,106)**	**–**
2023					
Other receivables	Under-performing	Lifetime ECL (not credit-impaired)	7,736	(5,056)	2,680
Other receivables	Performing	12-month ECL	901	–	901
Amounts due from subsidiaries	Performing	12-month ECL	53,782	–	53,782
Amounts due from subsidiaries	Non-performing	Lifetime ECL (credit-impaired)	33,106	(33,106)	–

Note 1: The Company has applied the simplified approach to measure the loss allowance based on lifetime ECL. The details of the loss allowance for these financial assets are disclosed in Notes 17 and 18, respectively.

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk (Continued)

Cash and bank balances and other receivables (Continued)

Loss allowance of financial guarantees

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These financial guarantees are subject to the impairment requirements under SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial standing to meet the contractual cash flow obligations in the near future and henceforth does not expect significant credit losses arising from these financial guarantees.

Market risks

Foreign currency risk

The Group has transactional currency exposure arising from sales or purchases that are denominated in foreign currencies. Exposure to foreign currency risk is monitored on an ongoing basis by the Group to ensure that the net exposure is kept to an acceptable level.

The foreign currency which these transactions are denominated is mainly the United States Dollar ("US$") and Chinese renminbi ("RMB"). The Group does not hedge foreign currency exposure using derivative financial instruments. The Group manages foreign currency risk by close monitoring of the timing of inception and settlement of the foreign currency transactions.

In relation to its overseas investments in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under other comprehensive income and foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

The Group's and the Company's significant exposure to foreign currency risk in relation to US$ and RMB based on the information provided to key management at the end of the reporting period is as follows:

	2024		**2023**	
	US$'000	**RMB'000**	**US$'000**	**RMB'000**
Group				
Financial assets				
Cash and bank balances	**17,160**	**1,012**	24,357	11,993
Trade and other receivables*	**1,657**	**8**	2,938	56
	18,817	**1,020**	27,295	12,049
Financial liabilities				
Trade and other payables and accrual*	**–**	**2,642**	(139)	(39)
Bill payables	**–**	**–**	–	(11,629)
	–	**2,642**	(139)	(11,668)
Currency exposure	**18,817**	**(1,622)**	27,156	381
Company				
Financial assets				
Cash and bank balances	**13,940**	**–**	23,013	–
Trade and other receivables*	**–**	**–**	2,680	–
Amounts due from subsidiaries	**11,204**	**–**	15,091	–
Currency exposure	**25,144**	**–**	40,784	–

* Financial assets exclude advances to sub-contractors/suppliers and staff, prepayments and tax recoverable and sales tax receivable. Financial liabilities exclude foreign workers' tax withheld and sales tax payable.

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Market risks (Continued)

Foreign currency risk (Continued)

Sensitivity analysis

If the S$ strengthens by 5% against the US$ and RMB at the reporting date and assuming that all other variables including tax remain constant, the profit before tax of the Group and the Company will (decrease)/increase by:

	US$		RMB	
	2024	**2023**	**2024**	**2023**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Group				
Profit before income tax	**(941)**	(1,358)	**81**	(19)
Company				
Profit before income tax	**(1,257)**	(2,039)	**–**	–

A 5% weakening of S$ against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from borrowings.

The Group is exposed to interest rate risk because the Group obtain credit facilities from banks and financial institutions. The Group's policy is to obtain the most favourable interest rates available. The risk is also managed by maintaining an appropriate mix of fixed and floating rate borrowings. Surplus funds are placed with reputable banks.

The table below sets out the Group's exposure to interest rate risk.

	Fixed Rates			Variable Rates			
Group	**Less than 1 year S$'000**	**1 to 5 years S$'000**	**Over 5 years S$'000**	**Less than 1 year S$'000**	**1 to 5 years S$'000**	**Non-interest bearing S$'000**	**Total S$'000**
2024							
Financial assets							
Cash and bank balances	**17,850**	–	–	–	–	**20,434**	**38,284**
Trade receivables	–	–	–	–	–	**22,411**	**22,411**
Other receivables*	–	–	–	–	–	**2,162**	**2,162**
Total financial assets	**17,850**	–	–	–	–	**45,007**	**62,857**
Financial liabilities							
Trade payables and accruals	–	–	–	–	–	**10,612**	**10,612**
Other payables*	–	–	–	–	–	**2,906**	**2,906**
Term loans	**978**	–	–	**5,364**	**2,849**	–	**9,191**
Lease liabilities	**303**	**1,590**	**1,906**	–	–	–	**3,799**
Amounts due to bankers	–	–	–	**1,513**	–	–	**1,513**
Total financial liabilities	**1,281**	**1,590**	**1,906**	**6,877**	**2,849**	**13,518**	**28,021**

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Market risks (Continued)

Interest rate risk (Continued)

Group	Fixed Rates Less than 1 year S$'000	Fixed Rates 1 to 5 years S$'000	Fixed Rates Over 5 years S$'000	Variable Rates Less than 1 year S$'000	Variable Rates 1 to 5 years S$'000	Non-interest bearing S$'000	Total S$'000
2023							
Financial assets							
Cash and bank balances	28,779	–	–	–	–	19,257	48,036
Trade receivables	–	–	–	–	–	21,482	21,482
Other receivables*	–	–	–	–	–	4,538	4,538
Total financial assets	28,779	–	–	–	–	45,277	74,056
Financial liabilities							
Trade payables and accruals	–	–	–	–	–	9,400	9,400
Other payables*	–	–	–	–	–	2,548	2,548
Term loans	1,270	983	–	2,113	3,850	–	8,216
Lease liabilities	279	1,263	2,506	–	–	–	4,048
Amounts due to bankers	–	–	–	4,801	–	11,629	16,430
Total financial liabilities	1,549	2,246	2,506	6,914	3,850	23,577	40,642

* Financial assets exclude advances to sub-contractors/suppliers and staff, prepayments, tax recoverable and sales tax receivable. Financial liabilities exclude foreign workers' tax withheld and sales tax payable.

Sensitivity analysis

At the reporting date, if the interest rates had been 100 (2023: 100) basis points higher/lower with all other variables held constant, the Group's profit before tax would have been S$97,000 (2023: S$107,000) lower/higher, arising mainly as a result of higher/lower interest expenses on floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting their short-term obligations due to shortage of funds. 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.

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Liquidity risk (Continued)

Analysis of financial liabilities by remaining contractual maturities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Carrying amount S$'000	Contractual cash flows S$'000	Less than 1 year S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
Group						
2024						
Trade and other payables and accruals*	**13,518**	**13,518**	**13,518**	**–**	**–**	**13,518**
Term loans	**9,191**	**9,493**	**6,493**	**3,000**	**–**	**9,493**
Amounts due to bankers	**1,513**	**1,513**	**1,513**	**–**	**–**	**1,513**
Lease liabilities	**3,799**	**5,440**	**531**	**2,429**	**2,480**	**5,440**
	28,021	**29,964**	**22,055**	**5,429**	**2,480**	**29,964**
2023						
Trade and other payables and accruals*	11,948	11,948	11,948	–	–	11,948
Term loans	8,216	8,528	3,547	4,981	–	8,528
Amounts due to bankers	16,430	16,430	16,430	–	–	16,430
Lease liabilities	4,048	5,932	524	2,285	3,123	5,932
	40,642	42,838	32,449	7,266	3,123	42,838

	Carrying amount S$'000	Contractual cash flows S$'000	Less than 1 year S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
Company						
2024						
Trade and other payables and accruals*	**1,462**	**1,462**	**–**	**–**	**–**	**1,462**
Lease liabilities	**1,036**	**1,221**	**229**	**992**	**–**	**1,221**
	2,498	**2,683**	**229**	**992**	**–**	**2,683**
2023						
Trade and other payables and accruals*	853	853	853	–	–	853
Amounts due to subsidiaries	561	561	561	–	–	561
Lease liabilities	1,195	1,450	229	1,145	78	1,450
	2,609	2,854	1,643	1,145	76	2,864

* Trade and other payables and accruals exclude foreign workers' tax withheld and sales tax payable

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Liquidity risk (Continued)

The table below shows the maximum amount of the financial guarantees that are allocated to the earliest period in which these financial guarantees could be called.

	Carrying amount S$'000	Less than 1 year S$'000	Total S$'000
Company			
2024			
Financial guarantees			
– subsidiaries	**–**	**28,432**	**28,432**
– investee	**–**	**1,760**	**1,760**
	–	**30,192**	**30,192**
2023			
Financial guarantees			
– subsidiaries	–	65,100	65,100
– investee	–	1,710	1,710
	–	66,810	66,810

The amount included for financial guarantee contracts is the maximum amount the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparties to the guarantees based on the earliest date on which the Company may be required to pay. Based on management's expectation at the reporting date, the Company consider that it is unlikely that such an amount will be payable under the arrangement.

34. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the reporting date:

	S$'000 Fair value measurements at the reporting date using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Group				
2024				
Non-financial asset:				
Leasehold buildings	**–**	**–**	**32,608**	**32,608**
Financial asset:				
Other financial assets	**–**	**–**	**20,597**	**20,597**
2023				
Non-financial asset:				
Leasehold buildings	–	–	36,005	36,005
Financial asset:				
Other financial assets	–	–	14,322	14,322
Company				
2024				
Non-financial asset:				
Investment property	**–**	**–**	**6,200**	**7,371**
Financial asset:				
Other financial assets	**–**	**–**	**20,597**	**20,597**
2023				
Non-financial asset:				
Investment property	–	–	7,371	7,371
Financial asset:				
Other financial assets	–	–	14,320	14,320

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Level 3 fair value measurement

(i) Information about significant unobservable inputs used in Level 3 fair value measurements.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Valuation Technique	Significant unobservable input	Relationship of unobservable input to fair value
Leasehold buildings (including investment property) [1]	Direct comparison method	Selling price per square metre	The lower the selling price per square metre of comparable properties, the lower the valuation
Other financial assets – unquoted equity investments [2]	Adjusted net asset method	Fair values of underlying assets and liabilities of the investee	The lower the adjusted net asset value, the lower the valuation

(1) If the above unobservable input was 5% higher/lower while all the other variables were held constant, the fair value of the leasehold buildings would increase/decrease by S$1,630,000 (2023: S$1,800,000).

(2) If the above unobservable input was 5% higher/lower while all the other variables were held constant, the fair value of the other financial assets would increase/decrease by S$1,030,000 (2023: S$716,000).

There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial years ended 31 December 2024 and 2023.

(ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Unquoted equity investment	
	2024	**2023**
	S$'000	**S$'000**
Group		
At 1 January	**14,322**	14,093
Capitalisation of loan into investment in investee	**4,427**	428
Fair value gain/(loss) recognised in other comprehensive income, net	**1,848**	(199)
At 31 December	**20,597**	14,322

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Level 3 fair value measurement (Continued)

(ii) Movements in Level 3 assets measured at fair value (Continued)

	Leasehold buildings	
	2024	**2023**
	S$'000	**S$'000**
Group		
At 1 January	**36,005**	39,129
Depreciation	**(3,397)**	–
Revaluation gains – gross#	**–**	5,729
Transfer*	**–**	(8,853)
At 31 December	**32,608**	36,005

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

\# Excluded deferred tax amounting to S$970,000.

Valuation policies and procedures

The Group has an established control framework with respect to the measurement of fair values. This framework includes the finance team that reports directly to the Chief Financial Officer, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. if third party information is used as a reference to measure fair value, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy the resulting fair value estimate should be classified.

For all significant financial reporting valuations using valuation models with significant unobservable inputs, the Group will engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 *Fair Value Measurement* guidance to perform the valuation. For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed by the finance team along with the appropriateness and reliability of the inputs.

Significant valuation issues are reported to the Audit Committee.

Assets and liabilities not measured at fair value

The carrying amounts of lease liabilities approximate their fair values as the implicit interest rates approximate the market interest rates prevailing at the financial year end.

The carrying amounts of floating rate loans and borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of fixed rate loans and borrowings approximate their fair values as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

The carrying amounts of the Group's and the Company's current financial assets and current financial liabilities approximate their fair values due to their short-term nature.

35. RECLASSIFICATION

Certain reclassifications have been made to the prior period consolidated financial statements to conform them to the current year presentation. This reclassification had no effect on previously reported results.

The table below provides a summary of the reclassifications related to the statements of financial position for the comparative period presented.

	Note	Group		Company	
		2023 S$'000	2023 S$'000	2023 S$'000	2023 S$'000
		As currently reported	As reported previously	As currently reported	As reported previously
Statements of Financial Position					
Current assets					
Trade receivables		–	21,482	–	–
Other receivables and prepayments		–	25,345	–	925
Trade and other receivables	17	46,827	–	925	–
Current liabilities					
Trade payables and accruals		–	9,400	–	339
Other payables		–	2,972	–	630
Trade and other payables	21	12,372	–	969	–

36. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to ensure it maintains healthy capital ratios in order to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2023.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2024 and 2023.

Management reviews the capital structure of the Group and makes adjustment to it, in light of changes in economic conditions. Management considers the cost of capital and the risks associated with each class of capital. The Group monitors capital using the net debt-to-equity ratio. The Group includes within net debt, loans and borrowings, trade payables and accruals, other payables and lease liabilities, less cash and bank balances. Equity includes all capital and reserves of the Group that are managed as capital.

	Group	
	2024 S$'000	**2023 S$'000**
Net debt	**(10,014)**	(6,970)
Equity	**140,045**	136,558
Net debt to equity ratio	**N.M.**	N.M.

N.M. – Not meaningful as the Group's cash and bank balances exceeded its liabilities included within net debt as at 31 December 2024 and 2023.

STATISTICS OF SHAREHOLDINGS

AS AT 28 APRIL 2025

Number of Issued Shares (excluding Treasury Shares)	:	610,353,412
Number/Percentage of Treasury Shares against total number of Issued Shares (excluding Treasury Shares)	:	67,706,500 (11.09%)
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 vote per share

As at 28 April 2025, the Company did not hold any subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	377	17.95	4,258	0.00
100 – 1,000	126	6.00	82,951	0.01
1,001 – 10,000	566	26.95	4,113,724	0.67
10,001 – 1,000,000	997	47.48	78,412,471	12.85
1,000,001 AND ABOVE	34	1.62	527,740,008	86.47
TOTAL	**2,100**	**100.00**	**610,353,412**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	207,353,267	33.97
2	CITIBANK NOMINEES SINGAPORE PTE LTD	47,647,075	7.81
3	SBS NOMINEES PRIVATE LIMITED	43,042,526	7.05
4	KHOO THOMAS CLIVE	33,709,000	5.52
5	STONE ROBERT ALEXANDER	31,801,000	5.21
6	OCBC SECURITIES PRIVATE LIMITED	31,385,900	5.14
7	NG HAN KOK	21,537,700	3.53
8	TAN SIEW SAN	16,923,400	2.77
9	ONG ENG LOKE	11,555,000	1.89
10	MAYBANK SECURITIES PTE. LTD.	11,440,041	1.87
11	ESTATE OF ELIZABETH OOI HEAN GIN, DECEASED	8,700,000	1.43
12	DBS NOMINEES (PRIVATE) LIMITED	8,576,320	1.41
13	LEE OON GIM	7,398,000	1.21
14	NG HUNG KOON	4,947,000	0.81
15	CHIA BOON HOE LAWRENCE	4,506,900	0.74
16	KHOO SIN HOCK VICTOR	3,727,700	0.61
17	SEOW CHUAN BIN	3,382,800	0.55
18	TANG SEE CHANG @ TAN SAY CHAN	3,200,000	0.52
19	SIAH SIEW GEOK	2,943,600	0.48
20	VICTOR ENTERPRISES PTE. LTD.	2,337,800	0.38
	TOTAL	**506,115,029**	**82.90**

STATISTICS OF SHAREHOLDINGS

AS AT 28 APRIL 2025

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 28 April 2025)

	Direct Interest	%	Deemed Interest	%
Tidal New Energy Investment Pte. Ltd.	–	–	160,967,600[(1)]	26.37
Teng Choon Kiat	–	–	160,967,600[(2)]	26.37
Ng Han Kok	21,537,700	3.53	94,146,953[(3)]	15.42
Stone Robert Alexander	31,801,000	5.21	19,720,000[(4)]	3.23
Lim Peng Chuan Terence	–	–	31,030,700[(5)]	5.08
Khoo Thomas Clive	33,709,000	5.52	–	–

Notes:

(1) Tidal New Energy Investment Pte. Ltd. ("Tidal") is deemed interested in the 160,967,600 shares registered under CGS International Securities Singapore Pte. Ltd. (formerly known as CGS-CIMB Securities (Singapore) Pte. Ltd.) and held on behalf of Tidal.

(2) Teng Choon Kiat holds not less than 20% of the voting rights of Tidal. Accordingly, Teng Choon Kiat is deemed to be interested in the 160,967,600 shares held by Tidal in the Company.

(3) Ng Han Kok is deemed to be interested in (i) 250,000 shares held by his spouse; (ii) 38,042,526 shares registered under SBS Nominees Private Limited; (iii) 46,259,527 shares registered under CGS International Securities Singapore Pte. Ltd. (formerly known as CGS-CIMB Securities (Singapore) Pte. Ltd.); and (iv) 5,000,000 shares registered under Singapura Finance Ltd and (v) 4,594,900 shares registered under Maybank Securities Pte. Ltd. (formerly known as Maybank Kim Eng Securities Pte. Ltd.).

(4) Held through OCBC Securities Private Limited.

(5) Lim Peng Chuan Terence is deemed to be interested in (i) 30,000,000 shares registered under Bank of Singapore, and (ii) 1,030,700 shares registered under CPF Nominee.

Note: The above percentages are calculated based on the Company's number of issued shares (excluding 67,706,500 treasury shares) of 610,353,412.

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF THE PUBLIC

As at 28 April 2025, approximately 35.63% of the Company's shares (excluding treasury shares) are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

ADDITIONAL INFORMATION FOR DIRECTORS SEEKING FOR RE-ELECTION

Additional Information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Directors seeking for re-election

	Teng Choon Kiat	**Oong Wei Yuan, Ron**	**Chan San Lye**
Date of Appointment	14 February 2018	30 September 2022	29 April 2024
Date of last re-appointment (if applicable)	27 April 2023	27 April 2023	NA
Age	59	36	63
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this re-appointment	Mr Teng Choon Kiat has in-depth knowledge of the Group business and operations and his leadership would continue to enhance the Board's deliberation. The Board considered the Nominating Committee's recommendation and assessment on Mr Teng's background, expertise and experience in the discharge of his duties as the Executive Chairman of the Group and is satisfied that he will continue to provide the Board with insights into the business.	The Board considered the Nominating Committee's recommendation and assessment of Mr Oong Wei Yuan, Ron's independence and commitment in the discharge of his duties as a Director, *inter alia*, and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.	The Board considered the Nominating Committee's recommendation and assessment of Mr Chan San Lye's independence and commitment in the discharge of his duties as a Director, *inter alia*, and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive, provides leadership and support to the Company and manage the development of the Board	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	Independent Director/ Chairman of the Remuneration Committee/ Member of the Audit and Remuneration Committees	Independent Director/ Member of the Audit, Nominating and Remuneration Committees
Professional qualifications	Please refer to the section of the Company's Annual Report titled "Board of Directors" for further details.		
Working experience and occupation(s) during the past 10 years			

ADDITIONAL INFORMATION FOR DIRECTORS SEEKING FOR RE-ELECTION

	Teng Choon Kiat	Oong Wei Yuan, Ron	Chan San Lye
Shareholding interest in the listed issuer and its subsidiaries	160,967,600 ordinary shares in the Company (Deemed interest)	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer – Yes/No	Yes	Yes	Yes
Other Principal Commitments Including Directorships Past (for the last 5 years) Present	Please refer to the section of the Company's Annual Report titled "Board of Directors" for further details.		
Responses to questions (a) to (k) under Appendix 7.4.1 of the SGX Listing Manual	Negative confirmation for Mr Teng Choon Kiat	Negative confirmation for Mr Oong Wei Yuan, Ron	Negative confirmation for Mr Chan San Lye

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or the "**Meeting**") of SHS Holdings Ltd. (the "**Company**") will be held at 19 Tuas Avenue 20, Singapore 638830 on Thursday, 29 May 2025 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2024 together with the Independent Auditor's Report thereon.

(Resolution 1)

2. To declare a final dividend of 0.229 Singapore cents (S$0.00229) (one-tier, tax-exempt) per ordinary share for the financial year ended 31 December 2024 (2023: S$0.00284).

(Resolution 2)

3. To re-elect the following Directors retiring pursuant to Articles 90 and 96 of the Constitution of the Company:

Mr Teng Choon Kiat **(Resolution 3)**
Mr Oong Wei Yuan, Ron **(Resolution 4)**
Mr Chua San Lye **(Resolution 5)**

See Explanatory Note (i)

4. To approve the payment of Directors' fees of up to S$209,800 for the financial year ending 31 December 2025, to be paid quarterly in arrears. (2024: S$209,800)

(Resolution 6)

5. To re-appoint Forvis Mazars LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 7)

6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to issue shares**

That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be and are hereby be authorised 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 and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

  (a) new shares arising from the conversion or exercise of any convertible securities;

  (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and

  (c) any subsequent bonus issue, consolidation or subdivision of shares;

  provided that such adjustments in sub-paragraphs (2)(a) and (b) above are made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

See Explanatory Note (ii) **(Resolution 8)**

8. **Proposed Renewal of the Share Buyback Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on market purchases (each a "**Market Purchase**") transacted through the Singapore Exchange Securities Trading Limited's trading system (the "**SGX-ST**"); and/or

(ii) off-market acquisition (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Constitution of the Company, the Companies Act and the listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company to purchase or acquire shares pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM of the Company is held or required by law to be held; and

(ii) the date on which purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out in full to the Prescribed Limit mandated;

(c) in this Resolution:

"**Prescribed Limit**" means that number of issued Shares representing ten per centum (10%) of the total number of issued Shares as at the date of the passing of this Resolution unless the Company has effected a reduction of its issued share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the ten per centum (10%) limit;

"**Relevant Period**" means the period commencing from the date of the AGM on which the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate is passed and expiring on the date on which the next annual general meeting of the Company is held or required by law to be held, whichever is earlier; and

"**Maximum Price**" in relation to a Share to be purchased or acquired pursuant to the Share Buyback Mandate, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, one hundred and five per centum (105%) of the Average Closing Price (as hereinafter defined) of the Shares; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and fifteen per centum (115%) of the Average Closing Price (as hereinafter defined) of the Shares,

where:

"**Average Closing Price**" means the average of the closing market prices of the Shares traded on the SGX-ST over the last five (5) market days on which transactions in the Shares were recorded immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as hereinafter defined) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the date of the Market Purchase or, as the case may be, that the date of the making of the offer pursuant to the Off-Market Purchase; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

(d) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased or acquired by the Company, pursuant to the Share Buyback Mandate, in any manner as they think fit, which is permissible under the Companies Act; and

(e) the Directors of the Company and/or any of them be and are hereby authorised to complete and do any and all such acts and things (including executing all such documents as may be required, approve any amendments, alterations or modifications to any documents, and sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may, in their absolute discretion, deem and consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution and the taking of any and all actions whatsoever by any Director on behalf of the Company in connection with the proposed Share Buyback Mandate prior to the date of the AGM and are hereby approved, ratified and confirmed.

See Explanatory Note (iii) **(Resolution 9)**

By Order of the Board

Eunice Hooi
Company Secretary

Singapore, 13 May 2025

Explanatory Notes:

(i) Resolutions 3, 4 and 5 – Detailed information about the Directors of the Company can be found in the "**Board of Directors**" section of the Company's Annual Report, including their current directorships in other listed companies and other principal commitments held. Please also refer to the section titled "**Additional Information on Directors Seeking Election/Re-Election**" appended to this Notice of Annual General Meeting for additional information on the retiring Directors.

Mr Teng Choon Kiat will, upon re-election as a Director of the Company, remains as Executive Chairman and considered non-independent.

Mr Oong Wei Yuan, Ron will, upon re-election as a Director of the Company, remains as Chairman of the Remuneration Committee and a member of the Audit and Remuneration Committees, and will be considered independent.

Mr Chua San Lye will, upon re-election as a Director of the Company, remains as a member of the Audit, Nominating and Remuneration Committees, and will be considered independent.

(ii) Resolution 8 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held 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, fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per cent (20%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from (a) the conversion or exercise of any convertible securities; (b) share options or vesting of share awards, provided the options and awards were granted in compliance with the Listing Manual of the SGX-ST; and (c) any subsequent bonus issue, consolidation or subdivision of shares, provided such adjustments in sub-paragraphs (a) and (b) above are made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Ordinary Resolution.

(iii) Resolution 9 in item 8 above, if passed, will empower the Directors of the Company to buyback issued Shares from time to time (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the prices of up to but not exceeding the Maximum Price, in accordance with the terms and subject to the conditions set out in the appendix to shareholders dated 13 May 2025 ("**Appendix**"), the Companies Act and the Listing Manual of the SGX-ST. This authority will, unless revoked or varied at general meeting, continue in force until the earlier of (i) the date that the next annual general meeting of the Company is held or required by law to be held and (ii) the date on which the purchases or acquisitions of Shares are carried out in full to the Prescribed Limit mandated.

The Company intends to use internal sources of funds to finance the purchases or acquisitions of its Shares pursuant to the Share Buyback Mandate. The amount of financing (if any) required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of AGM as these will depend on the number of Shares purchased or acquired, whether the purchase or acquisition of Shares is made out of capital or profits, the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are cancelled or held as treasury shares. Purely for illustrative purposes only, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Company for the financial year ended 31 December 2024, based on certain assumptions, are set out in paragraph 2.8 of the Appendix. Please refer to the Appendix for more details.

Important Notes:

1. The AGM will be held in a wholly physical format. There will be no option for shareholders to participate virtually.

2. Members may participate in the AGM by:

   (a) attending the AGM in person;

   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or

   (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies)/corporate representative(s).

   For avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e. persons other than the Chairman of the Meeting) to vote at the AGM on their behalf.

   CPF and SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 May 2025, being seven (7) working days prior to the date of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

3. A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

   Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.

4. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his/her stead, 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" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. In the absence of specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the Chairman of the AGM will vote or abstain from voting at his/her discretion.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if in hard copy by post, be lodged at the registered office of the Company at 19 Tuas Avenue 20, Singapore 638830; or

   (b) if by email, be received at proxyform@shsholdings.com.sg.

   in either case, no later than **10.00 a.m. on 27 May 2025**.

7. The Chairman of the Meeting, as a proxy, need not be a member of the Company.

8. Members may submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, in the following manner by 5.00 p.m. on 21 May 2025:

   (a) in hard copy by post to the registered office of the Company at 19 Tuas Avenue 20, Singapore 638830; or

   (b) by email to meetings@shsholdings.com.sg.

   The Company will endeavour to address all substantial and relevant questions received from Shareholders by the 21 May 2025 deadline via SGXNet and on our corporate website by 24 May 2025.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting 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 Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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SHS HOLDINGS LTD.
Company Registration No. 197502208Z
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting ("**AGM**" or the "**Meeting**") and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF or SRS monies to buy the Company's shares, the Annual Report is forwarded to them at the request of their CPF Agent Banks and SRS Operators and is sent solely **FOR INFORMATION ONLY**.
3. 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. This proxy form may also be accessed at the URL https://www.sgx.com/securities/company-announcements.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ____ (Name)

____ (NRIC/Passport No./Company Registration No.)

of ____ (Address)

being a member/members of SHS HOLDINGS LTD. (the "**Company**") hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company at 19 Tuas Avenue 20, Singapore 638830 on Thursday, **29 May 2025 at 10.00 a.m.** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

(Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" a Resolution, please indicate with a "√" in the space provided under "For" or "Against". If you wish to abstain from voting on a Resolution, please indicate with a ""√" in the space provided under "Abstain". Alternatively, please indicate the number of votes that your proxy is directed to vote "For" or "Against" or to abstain from voting.

No.	**Resolutions relating to:**	**For**	**Against**	**Abstain**
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2024			
2	Payment of proposed final dividend			
3	Re-election of Mr Teng Choon Kiat as Director			
4	Re-election of Mr Oong Wei Yuan, Ron as Director			
5	Re-election of Mr Chua San Lye			
6	Approval of Directors' fees of up to S$209,800 for the financial year ending 31 December 2025			
7	Re-appointment of Forvis Mazars LLP as Auditors			
8	Authority to issue shares			
9	Proposed Renewal of the Share Buyback Mandate			

Dated this ________ day of ____________________ 2025

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

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 entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing one hundred per cent (100%) of the shareholding and any second named proxy as an alternate to the first named proxy.

4. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his/her stead, 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.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if in hard copy by post, be lodged at the registered office of the Company at 19 Tuas Avenue 20, Singapore 638830; or

   (b) if by email, be received at proxyform@shsholdings.com.sg.

   in either case, no later than **10.00 a.m. on 27 May 2025**.

7. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy(ies) is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. 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.

General:

The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing a proxy(ies)). In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing a proxy(ies) lodged if such members are not shown to have shares entered against their names in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 May 2025.

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SHS HOLDINGS LTD.

19 Tuas Avenue 20 Singapore 638830.

(65) 6515 6116

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www.shsholdings.com.sg