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LEY CHOON

# DRIVING CONTINUAL SUCCESS

Annual Report **2025**

# CONTENTS



## MISSION

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

## VISION

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

This annual report has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr. Khong Choun Mun at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: sponsor@rhtgoc.com.

# CORPORATE PROFILE

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

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

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

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


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

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

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

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

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

Headquartered in Singapore with headcount of around 1,000, we build our capabilities by investing in people, operational optimisation and digitalisation of processes in order to be more efficient, productive and competitive. We have invested in digital tools such as an Enterprise Resource Planning system, business intelligence systems and other surveillance systems to integrate our operations and better manage our resources.

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

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

# CHAIRMAN'S STATEMENT

## FY2025 MARKED ANOTHER STRONG YEAR FOR THE GROUP, ACHIEVING STEADY GROWTH IN FINANCIAL AND OPERATIONAL PERFORMANCE DESPITE CONTINUED CHALLENGES SUCH AS MANPOWER CONSTRAINTS AND RISING COSTS IN THE CONSTRUCTION INDUSTRY.

### DEAR SHAREHOLDERS AND READERS,

On behalf of the Board of Directors of Ley Choon Group Holdings Limited (the "**Company**", and together with all its subsidiaries, collectively "the **Group**"), I am pleased to present to you the Annual Report for the financial year ended 31 March 2025 ("**FY2025**").

FY2025 marked another strong year for the Group, achieving steady growth in financial and operational performance despite continued challenges such as manpower constraints and rising costs in the construction industry. We focused on strengthening our core capabilities, enhancing productivity, and maintaining a high standard of safety, quality, and integrity across all projects. Our commitment to operational efficiency, timely project delivery, and cost control was further supported by the adoption of technology and innovative practices. These efforts led to improved margins and positioned the Group to remain resilient and competitive in a dynamic market environment.

### FINANCIAL PERFORMANCE

In FY2025, the Group recorded a marginal year-on-year increase in revenue to S$130.5 million. Despite the modest revenue growth, the Group delivered a commendable improvement in profitability. Gross profit rose by 28.0% to S$27.0 million, while gross profit margin expanded by 4.4 percentage points to 20.7%. This significant improvement was driven primarily by a more favourable project mix and stronger project-level performance, including the tapering of losses from certain legacy pipe-laying projects nearing completion, and increased contributions from higher-margin projects secured in previous years.

While ongoing operational enhancements remain a strategic focus, significant uplift in gross profit and margin expansion during the year was largely attributed to the project-specific factors. In addition, lower finance costs, following the settlement of a bullet payment in the prior year, further supported the bottom-line performance. As a result, net profit after tax increased by 32.8% to S$14.5 million, underscoring the Group's improved operational efficiency and prudent project execution.

As at 31 March 2025, shareholders' equity increased by 17.4% to S$70.7 million, up from S$60.2 million a year earlier. This improvement translated into a higher net asset value per share of 4.7 Singapore cents, compared to 4.0 Singapore cents as at 31 March 2024. The growth in shareholders' equity reflects the Group's solid project-level financial performance and the benefit of reduced finance costs, as previously outlined.

For FY2025, the Group generated operating cash flow of S$14.5 million, compared to S$27.4 million in the prior year. The decrease was primarily due to higher receivables and increased payments to creditors. Nonetheless, the Group reported a net increase in cash and cash equivalents of S$5.8 million, an improvement over the S$2.2 million increase recorded in the previous financial year. This underscores the Group's continued focus on maintaining a healthy liquidity position while supporting operational needs.

### BUSINESS OUTLOOK

The construction industry in Singapore, particularly within the infrastructure segment, is expected to remain resilient and optimistic in the year ahead. According to the Building and Construction Authority (BCA), total construction demand in 2025 is projected to range between S$47 billion and S$53 billion in nominal terms. This robust outlook is driven by major upcoming projects such as the Changi Airport Terminal 5, the Marina Bay Sands Integrated Resort expansion, and the government's continued commitment to public housing, healthcare, educational infrastructure, and urban redevelopment. Further contributions are anticipated from transport infrastructure projects—including the Thomson-East Coast Line Extension (TEL), Cross Island Line (CRL)—and infrastructure upgrades like the Woodlands Checkpoint extension and Tuas Port.

Singapore's infrastructure development continues to be a key pillar, supporting long-term economic competitiveness and urban growth. A steady pipeline of public sector projects and sustained private sector investments are expected to provide a stable foundation for contractors with strong execution capabilities and financial discipline.

However, the global business environment remains volatile. Geopolitical tensions, cost escalation and labour constraints may pose challenges to construction activities and supply chain efficiency. Amidst these uncertainties, the Group will remain focused on executing projects efficiently, maintaining cost controls, ensuring healthy cash flow, and actively mitigating risks across its operations.

# CHAIRMAN'S STATEMENT

In FY2025, the Group secured new contracts totaling S$177 million, contributing to an unfulfilled order book of S$342.5 million, with projects extending through 2027. These achievements underscore our market competitiveness and operational credibility. We will continue to adopt a disciplined and strategic approach in bidding for new projects, leveraging our strong track record, technical expertise, and established business practices to grow a sustainable and profitable order book.

Looking forward, the Group remains well-positioned to capitalise on infrastructure opportunities in Singapore's evolving urban landscape. Through prudent management and a continued focus on timely, cost-effective delivery, we are confident in our ability to deliver long-term value to our stakeholders.

## PROJECT MANAGEMENT AND SAFETY

During FY2025, the Group implemented a series of strategic initiatives aimed at strengthening operational efficiency, enhancing cost management, and ensuring timely project execution. These included the optimisation of internal workflows, reorganisation of selected teams, and targeted upgrades to our machinery, equipment, and vehicle fleet. Despite operating with a lean structure, our experienced teams demonstrated agility in resolving on-ground challenges early, enabling us to deliver projects on time and within budget.

We also introduced mechanisms to encourage employee feedback, promote the sharing of good practices, and uphold high performance and safety standards. These efforts have contributed to improved productivity, better service quality, and heightened customer satisfaction.

Our commitment to Environment, Health, and Safety ("**EHS**") remains resolute. We maintain robust oversight across all operational sites through regular audits, increased management inspections, and comprehensive, targeted training for employees and subcontractors. Operating under a rigorous EHS policy framework, we continuously review and update safety protocols to align with evolving industry best practices.

Proactive tracking of near-miss incidents and strict enforcement of safety measures have fostered a strong culture of prevention. Collectively, these actions have led to a noticeable reduction in workplace incidents and strengthened the overall safety ecosystem across the Group. We remain committed to upholding the highest standards in all facets of our operations.

## EMBRACING SUSTAINABILITY FOR GROWTH

Guided by our enduring values of "Build, Renew, and Recycle," we remain deeply committed to embedding sustainability into every aspect of our business. Our strategy recognises that long-term success depends on creating shared value — generating positive outcomes for the environment, our stakeholders, and the communities we serve. In line with Singapore's growing emphasis on green growth and sustainable infrastructure, we are advancing our sustainability agenda through responsible practices, technological innovation, and continuous improvement.

We view sustainability not as a standalone initiative, but as a core element of our corporate strategy — one that strengthens our resilience, sharpens our competitive edge, and positions us for long-term growth. This includes ongoing efforts to integrate climate-related considerations into our business planning, as guided by the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD). As we adapt to evolving regulatory expectations and market dynamics, we remain focused on refining our sustainability targets, deepening engagement with our stakeholders, and exploring low-carbon, future-forward solutions. Sustainability is a journey of continuous transformation, and we are committed to shaping a business that contributes meaningfully to both economic progress and environmental stewardship.

## REWARDING OUR SHAREHOLDERS

To reward shareholders for their continued support and confidence in the Group, the Board of Directors is pleased to recommend a final one-tier tax-exempt dividend of 0.3 Singapore cents per ordinary share for FY2025. This represents an 11% increase compared to the dividend declared in the previous financial year. Based on the Group's closing share price of S$0.057 as at 31 March 2025, the proposed dividend translates to an attractive yield of 5.26%, reflecting the Group's strong financial performance and commitment to delivering sustainable shareholder returns.

## APPRECIATION

We extend our heartfelt gratitude to our fellow Board Members for their steadfast leadership, strategic guidance, and unwavering support throughout the financial year. We also extend our sincere thanks to Prof. Ling Chung Yee and Mr Chia Soon Hin William who retired during the year, for their dedicated service and valuable contributions to the Board and the Group's strategic directions. Our sincere appreciation also goes to the management team and staff, whose dedication, resilience, and commitment have been instrumental in navigating challenges and driving the Group forward. We are equally grateful to our shareholders, clients, partners, and all stakeholders for their continued trust and confidence in the Group. As we move ahead, we remain committed to strengthening our foundations, delivering sustainable growth, and creating long-term value for all.

**TOH CHOO HUAT**
EXECUTIVE CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

# OPERATIONS REVIEW

## REVENUE
from the Pipes and Roads segment

**S$128.2 MILLION**

▲ 0.7% (FY2024: S$127.3 million)

## REVENUE
from the Construction Materials segment

**S$2.3 MILLION**

▲25.6% (FY2024: S$1.9 million )


## SEGMENTAL OVERVIEW

### PIPES AND ROADS

Revenue from the Pipes and Roads segment rose marginally by 0.7% to S$128.2 million for the financial year ended 31 March 2025 ("**FY2025**"), compared to S$127.3 million in FY2024. This segment remained the Group's primary revenue contributor, accounting for 98.2% of total revenue in FY2025.

The slight uptick in revenue was supported by increased construction activity and a more favourable project mix, particularly in road works and cable-laying operations. However, this growth was partially offset by lower contributions from certain pipe-laying and airport-related projects that are nearing completion. Gross profit and margin performance improved due to a combination of factors, including the tapering of losses from legacy projects and stronger contributions from higher-margin contracts secured in previous years.

The segment's current scope of work encompasses road resurfacing, as well as the design, supply, installation, repair, and maintenance of underground pipelines and utility cables. In FY2025, the Group secured new contracts worth approximately S$177 million, most of which have durations between 24 and 36 months. These contracts provide a visible pipeline of work and reinforce the Group's established track record in public infrastructure.

To sustain operational excellence and deliver value to stakeholders, the Group undertook a series of strategic initiatives during the year to enhance execution capabilities. These included streamlining internal workflows, restructuring selected teams for greater accountability, and investing in

# OPERATIONS REVIEW

targeted upgrades to machinery, equipment, and vehicle fleets. While operating with a lean organisational structure, our experienced teams remained agile in addressing on-site challenges early and decisively, enabling the timely and budget-compliant delivery of projects. These efforts have positioned the Group well to manage complexity, reduce wastage, and maintain a high standard of service quality, benefitting both clients and shareholders over the long term.

The outlook for the construction sector remains optimistic, particularly in the public sector and infrastructure-related domains where demand has shown resilience. However, the operating environment continues to be shaped by global economic uncertainties, geopolitical tensions, elevated input costs, and persistent inflationary pressures.

In view of these challenges, the Group is maintaining a prudent stance, with a clear focus on disciplined project execution, cost optimisation, and operational efficiency. While the near-term landscape may present headwinds, the Group remains committed to delivering ongoing projects on time and within budget, while pursuing value-adding opportunities selectively and sustainably. Our strong order book, experienced management team, and proven execution track record provide a solid foundation to navigate evolving market conditions and safeguard long-term shareholder value.

## CONSTRUCTION MATERIALS

Revenue from the Construction Materials segment is primarily derived from the sale of asphalt premix to external customers. In FY2025, this segment contributed a modest 1.8% to the Group's total revenue. Nonetheless, revenue increased by 25.6% year-on-year to S$2.3 million, up from S$1.9 million in FY2024. This improvement was largely driven by a higher volume of premix sales, supported by an expanded customer base and stronger demand from private sector infrastructure projects.

While this segment represents a relatively small portion of the Group's overall revenue, it plays a strategic role in supporting our core infrastructure business by ensuring supply reliability, quality control, and cost efficiency for our internal projects. Additionally, the sale of premix to third parties provides incremental revenue and contributes to the optimal utilisation of our production facilities.

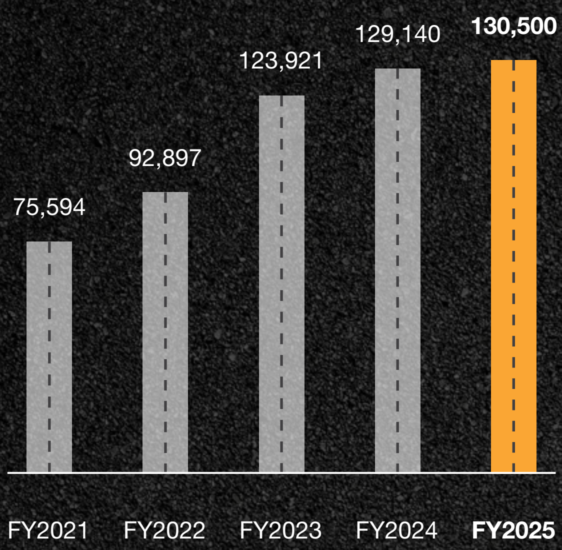
Market conditions for construction materials remain challenging, with continued pressure from raw material cost escalations and competitive pricing. Despite this, the Group remains focused on maintaining cost competitiveness and improving operational efficiency at the asphalt plant. Through proactive engagement with customers, process optimisation, and disciplined cost control, the Group aims to strengthen its position in this segment and explore opportunities to enhance plant utilisation.

Looking ahead, the Group will continue to monitor market dynamics closely and adapt its strategies to sustain steady output, while delivering consistent quality and service to its customers.

# FINANCIAL HIGHLIGHTS

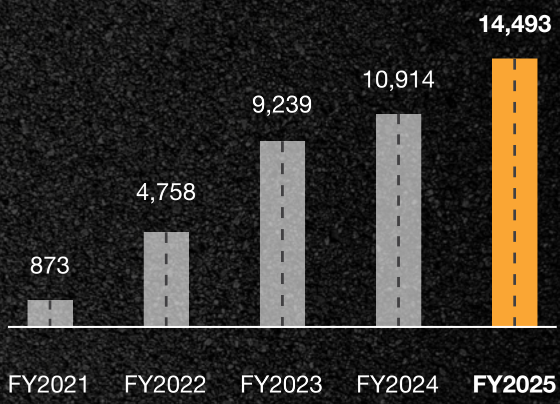
## REVENUE
(S$'000)

**S$130,500**



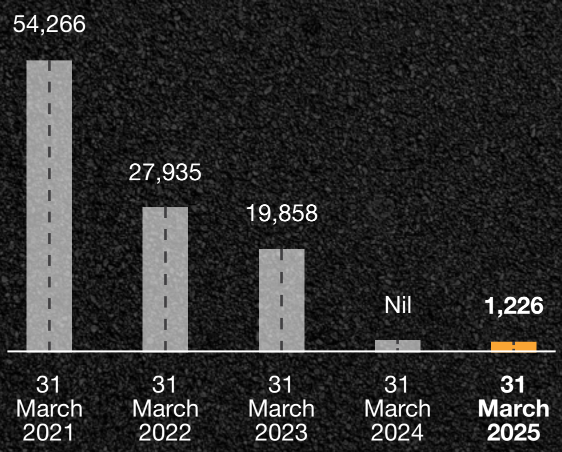

## PROFIT AFTER TAXATION
(S$'000)

**S$14,493**



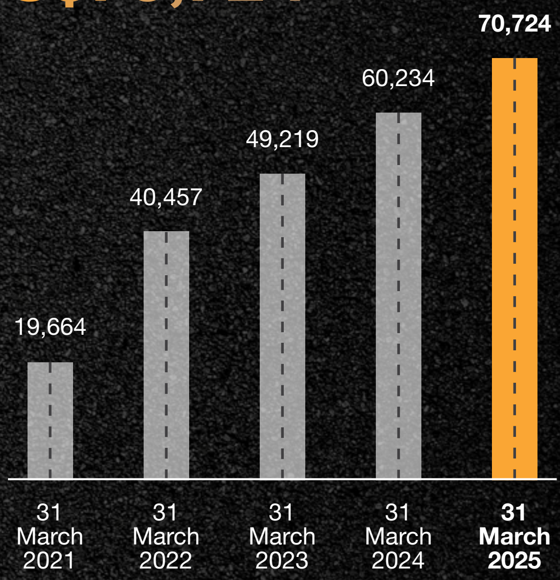

## BORROWINGS
(S$'000)

**S$1,226**

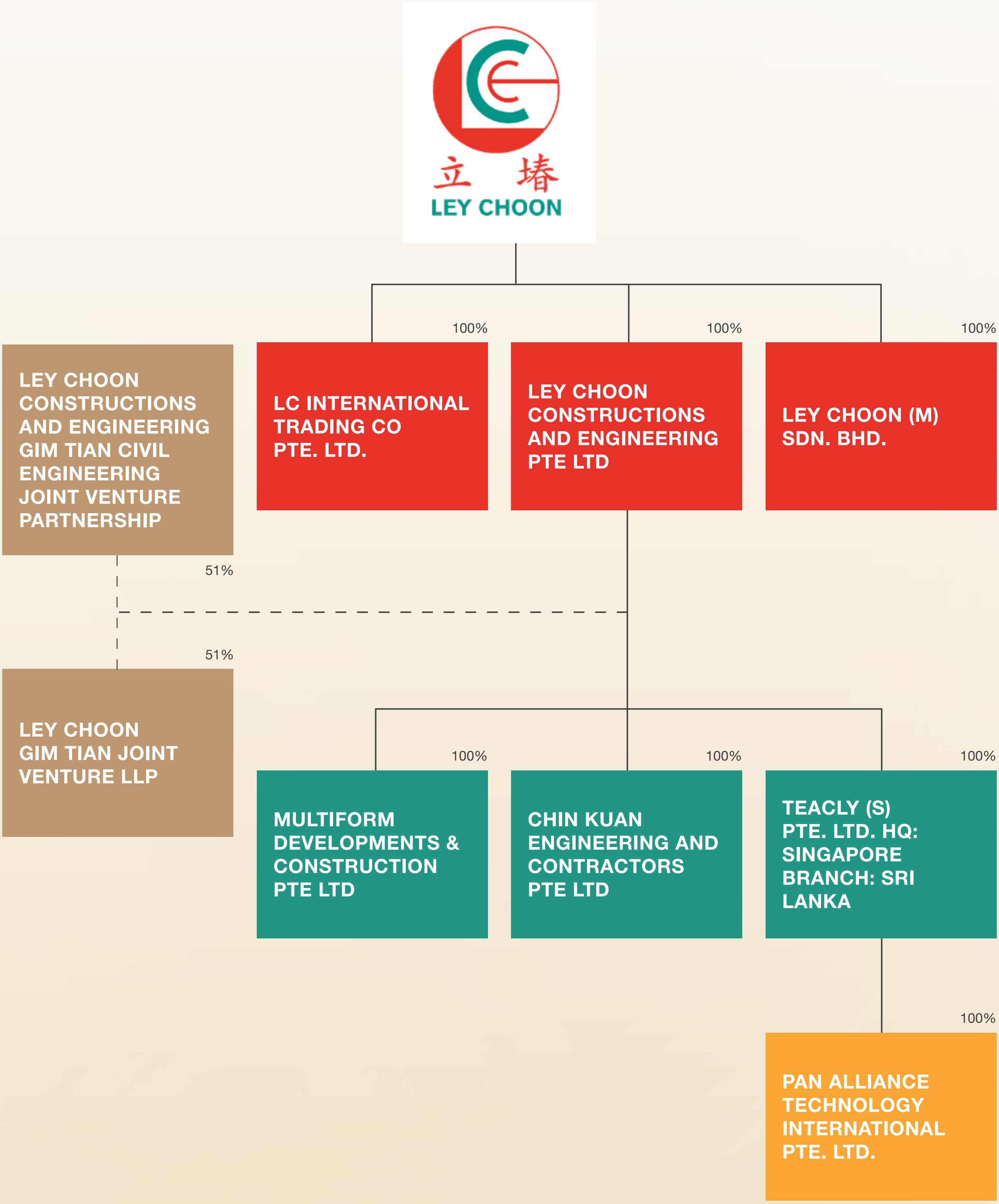



## EQUITY
(S$'000)

**S$70,724**



# GROUP STRUCTURE



# BOARD OF DIRECTORS

## TOH CHOO HUAT

**EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

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

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

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

## R.SRINIVASAN

**EXECUTIVE DIRECTOR, CHIEF FINANCIAL OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICER**

Mr R. Srinivasan is the Executive Director, Chief Financial Officer (CFO), and Deputy Chief Executive Officer (DCEO) of the Group. He was appointed CFO in January 2021, promoted to DCEO in April 2024 and subsequently appointed to the Board on 2 September 2024. In his current roles, Mr Srinivasan leads the Group's financial strategy and business management, supporting the CEO in steering the Group's overall direction and performance. His responsibilities encompass financial reporting, treasury, management accounting, taxation, corporate compliance, and strategic oversight of the Group's financial and corporate functions. Mr Srinivasan joined the Group in 2012 as Senior Assistant Financial Controller and was promoted to Group Financial Controller in 2016. Before joining the Group, he served as Group Finance Manager of Ultro Technologies Ltd from 1997.

With over 25 years of extensive experience in accounting and finance, Mr Srinivasan has held leadership roles for more than 15 years in financial reporting, management accounting, tax planning, and corporate compliance across various industries including electronics components distribution, manufacturing, coal mining, and construction. Mr Srinivasan holds a Bachelor of Commerce degree and is a Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants. He is also a Fellow of the Association of Chartered Certified Accountants (ACCA), UK.

## TOH TING XUAN REANNE

**EXECUTIVE DIRECTOR AND HEAD (TENDER & CONTRACTS)**

Ms Reanne Toh was appointed as Executive Director on 2 September 2024 and is currently the Director and Department Head (Tender, Contract and Sales Department) of the Group. Ms Toh plays a pivotal role in the Group's strategic and commercial growth, overseeing the execution of contracts, driving sales revenue, and formulating business and tender strategies. She brings strong industry acumen and excels in fostering strategic partnerships, client engagement, and supplier relationship management.

Ms Toh led the Group's project management division as Deputy Director (Project Management Office) from 2019 to 2022 and Director (Project Management Office) from 2022 to 2024, where she ensured that projects were delivered on schedule, within budget, and in full compliance with stringent safety and health standards. Her earlier experience as an Estimator in Melbourne, Australia, laid the foundation for her deep understanding of market trends, industry practices, and project execution—from competitive bidding to successful delivery. Over time, she developed a passion for navigating complex market dynamics, mastering trade-specific skills, and bridging the gap between commercial strategy and on-ground execution.

Ms Toh holds a Bachelor's degree in Planning & Design (Property and Construction) from the University of Melbourne, Australia. She is an Associate Member of the Singapore Institute of Arbitrators (SIArb) and a member of the Singapore Institute of Directors (SID).

## WILLIAM TAN KWANG HWEE

**LEAD INDEPENDENT DIRECTOR**

Mr William Tan Kwang Hwee was appointed as Lead Independent Director on 2 September 2024. He is also the Chairman of the Audit Committee and a Member of the Remuneration Committee and Nominating Committee.

Mr Tan is Group CFO of SGX Mainboard-listed Tiong Woon Corporation Holding (SGX: BQM), and presently serves as member of the ACCA Singapore Members Network Panel. An MBA, qualified accountant and engineer by training, he was named Executive of the Year – Construction & Materials at the Singapore Business Review Management Excellence Awards 2016.

Mr Tan possesses strong working knowledge of SGX listing rules and corporate governance, having served as CFO in 4 SGX-listed groups spanning multi-industries. Beginning his career in Liang Huat Aluminium (erstwhile SGX: 1C5), his previous roles include CFO of EnGro Corporation (SGX: S44), Assistant Vice President, Finance - Casino Accounting & Credit of Resorts World Sentosa (SGX: G13), CFO of Ley Choon Group Holdings (SGX: Q0X), CFO of Metal Component Engineering (SGX: 5DX) and auditor with KPMG.

A Chartered Accountant of Singapore and Fellow of the Association of Chartered Certified Accountants (ACCA), UK, Mr Tan graduated with Honours with a Bachelor of Engineering (Mechanical) from National University of Singapore, holds a Bachelor of Science in Applied Accounting (First Class Honours) from Oxford Brookes University, UK and obtained his MBA from Manchester Business School, UK. He was also an ACCA Prize Winner and Top 30 Affiliate, and is a Member and Accredited Board Director of the Singapore Institute of Directors (SID).

# BOARD OF DIRECTORS

## BUHDY BOK SIN SWEE
**INDEPENDENT DIRECTOR**

Mr Buhdy Bok Sin Swee was appointed as Independent Director on 2 September 2024. He is also the Chairman of the Remuneration Committee and a Member of the Audit Committee and Nominating Committee.

Mr Bok is a seasoned leader with extensive experience in the travel and tourism industry, spanning various sectors such as airlines, cruise lines, and attractions across Asia. He has held several key leadership positions throughout his career, significantly contributing to the growth and success of each organisation he has been a part of.

Mr Bok is currently Managing Director of Mount Faber Leisure Group Pte. Ltd., one of Singapore's largest attraction companies. In this role, he has been responsible for overseeing the company's overall operations and strategy.

Prior to his current role, Mr Bok held several senior leadership positions in the travel and tourism industry. He served as Chief Commercial Officer at NokScoot Airlines, President of Carnival Asia at Carnival Corporation & PLC, and President of Costa Group Asia at Costa Crociere S.p.A., overseeing operations across Asia. Earlier in his career, he spent 15 years at Singapore Airlines, working in various roles from Finance to Planning, with overseas postings in China and Italy.

Mr Bok's contributions to the industry have been recognised, including the Magnolia Silver Award in 2016 by the Shanghai Municipal People's Government for his contributions to Shanghai's economic construction, social development and international exchange. He holds a Bachelor's degree in Accountancy from Nanyang Technological University, a Bachelor's degree in Law from the University of London, and an MBA from Duke University's Fuqua School of Business in the USA.

He brings extensive expertise and leadership experience to the board, contributing to the organisation's strategic direction and governance.

## CHUA HOCK THAK
**INDEPENDENT DIRECTOR**

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

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

## TEO HO BENG
**NON-EXECUTIVE DIRECTOR**

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

Mr Teo is presently the Chairman of Hiap Hoe Group. Mr Teo has more than 40 years of experience in the construction and property industries, and over 25 years of experience in the leisure industry.

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

# EXECUTIVE OFFICERS

## TOH CHEW LEONG
**ADVISOR**

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

## TOH SWEE KIM
**ADVISOR**

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

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

## TOH CHEW CHAI
**ADVISOR**

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

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

## ZHANG WEI QIANG
**CHIEF OPERATING OFFICER**

Mr Zhang Wei Qiang joined Ley Choon Group as a Project Manager in 2019 and has since taken on leadership roles across multiple key departments, including the Small Diameter Pipe Division, Gas Division, Fleet Department, Asphalt Plant, Milling & Patching Department, and the Group's Environment, Health & Safety function.

In April 2022, he was appointed General Manager for Sri Lanka at the height of the country's national economic crisis and recession, where he played a pivotal role in navigating operational challenges.

Before joining Ley Choon, Mr Zhang served as a Project Manager at a well-established construction firm in Singapore for several years, where he managed both construction and coal mining operations across Singapore and the wider Asia region. His broad experience in operations and support functions has been instrumental in restructuring Ley Choon's Supply Chain and establishing an Asset Management function, including the direct import of pipes and fittings from China under the Ley Choon brand.

Mr Zhang holds a Bachelor's Degree in Civil Engineering from China University of Mining and Technology (CUMT, 中国矿业大学), awarded in 2010. He went on to earn a Master's Degree in Applied Project Management from the University of Adelaide in 2016, and most recently completed the Global Master of Business Administration (GMBA) programme at Alliance Manchester Business School in December 2024.

# EXECUTIVE OFFICERS

## DR OU ZHIYONG

**HEAD (PROJECT MANAGEMENT OFFICE, BIG PIPE & ROAD WORKS)**

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

Dr Ou has been appointed as a Director since 2024 and is the Head of Project Management Office, Large Diameter Pipe Division, and Road Works Division. Dr Ou also assists in tendering of projects and other developments in Ley Choon Group.

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

## TOH KAI HOCK

**IT DIRECTOR & HEAD OF FLEET DEPARTMENT**

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

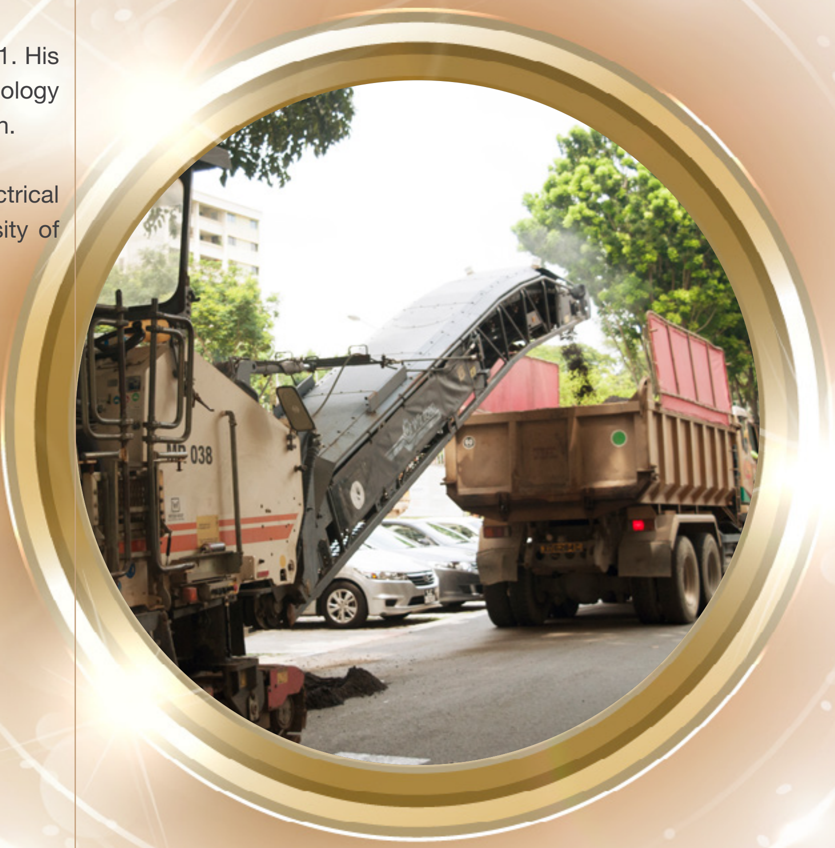
Mr Toh graduated with a Bachelor of Engineering (Electrical Engineering) First Class Honours from National University of Singapore (NUS).

## TOH KAI SHENG ADAM

**DIRECTOR, OPERATIONS & HR**

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

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



# SUSTAINABILITY REPORT

## BOARD STATEMENT

### INNOVATE FOR SUSTAINABILITY

At Ley Choon Group Holdings Limited (“**Ley Choon**”, collectively referred to with its subsidiaries as the “**Group**”), we are unwavering in our commitment to upholding the highest standards of Environmental, Social, and Governance (“**ESG**”) practices. Our ongoing efforts have deepened our sense of responsibility towards the environment and the communities we serve.

We are confident that our long-term success is closely tied to the well-being of the societies and markets where we operate. Guided by this conviction, we view corporate responsibility as integral to our operations and have adopted ESG reporting as a means of self-assessment and continual improvement. Our approach has moved beyond purely financial metrics, recognising the importance of broader considerations in managing evolving ESG expectations.

As we explore new avenues for growth, we remain attuned to the need to enhance the strength and adaptability of our existing operations. We continue to seek and assess opportunities, including strategic investments, partnerships, and mergers and acquisitions that deliver value to our shareholders while remaining aligned with our ESG commitments.

### BUSINESS OPPORTUNITIES AND RESILIENCE

Amidst ongoing population growth, the nation is embarking on a comprehensive renewal of its underground infrastructure. Our vertically integrated business model, underpinned by the operation of our own asphalt premix plant, affords us enhanced agility in cost management across roadwork projects. Complementing this, our digitalisation initiatives have augmented operational efficiency, facilitating the strategic deployment of resources and enabling us to manage a higher project load with a lean workforce while maintaining timely delivery.

With a focus on robust risk governance, we have engaged independent specialists to conduct a comprehensive risk assessment and analysis of potential vulnerabilities. Drawing on the outcomes of this review, we are taking steps to enhance organisational resilience and improve our capacity to attenuate the identified risks and manage future uncertainties more effectively.

### EHS EXCELLENCE

During Financial Year 2025 (“**FY2025**”), the Ley Choon Group reaffirmed its commitment to Environmental, Health, and Safety (“**EHS**”) excellence. Our comprehensive EHS Monitoring Plan has fostered a culture of accountability, empowering employees to internalise and uphold safety standards within daily operations, as we continue striving for exemplary EHS performance.

As part of our continuous improvement efforts, we are undertaking a rigorous review and enhancement of our existing Safety Management System to ensure its rigour and relevance. To safeguard workforce well-being while maintaining operational efficiency, we have introduced a Competency Skill Test for site supervisors, supported by quarterly audits conducted both internally and by external evaluators.

Our Safety Enhancement Programme (“**SEP**”) has served as a critical platform for cultivating safety consciousness. Leveraging data-driven analytic tools, we systematically examine the root causes of historical incidents, enabling us to formulate preventive interventions and identify targeted upskilling needs for our personnel.

We have sustained a record of zero environmental violations over 5 successive years since FY2021, which is a testament to the robustness of our EHS framework. We remain dedicated to advancing EHS excellence, with continued investment in workforce capability and system innovation to underpin the organisation’s long-term sustainable development.

### HUMAN CAPITAL AND INNOVATION

At Ley Choon Group, we acknowledge human capital as a driving force behind long-term value creation. As part of our development strategy, we continue to invest in employee training initiatives aimed at cultivating innovation and enhancing workforce capabilities. This focus on upskilling reflects our broader commitment to embracing change and driving organisational progress.

In FY2025, we implemented a series of structured engagement initiatives aimed at cultivating inclusivity and strengthening interpersonal cohesion among our diverse workforce, comprising both local and migrant personnel. Activities such as the annual appreciation dinner, a company incentive trip to Yunnan, employees’ games day and interdepartmental bonding events were thoughtfully curated to reinforce a shared organisational identity and promote cross-cultural camaraderie. These initiatives reflect an ongoing commitment to fostering a cohesive workplace culture that values employee well-being, encourages interpersonal connection, and supports a sense of belonging across all levels of the organisation.

As we chart the path forward, we remain optimistic that our emphasis on innovation and adaptive change management will support both financial performance and ESG outcomes. By empowering our people and advancing shared goals, we are confident in our ability to deliver sustained value to stakeholders while reinforcing our commitment to sustainability.

On behalf of the Board of Directors

**TOH CHOO HUAT**
Executive Chairman and Chief Executive Officer

# SUSTAINABILITY REPORT

## KEY PERFORMANCE HIGHLIGHTS

### E
### ENVIRONMENT

- Maintained zero environmental-related cases reported in FY2025.
- Experienced no significant biodiversity-related issues in FY2025.
- Realising cost savings of $3.42 million in FY2025 by using recycled materials for resurfacing and back filling works instead of conventional sources.

### S
### SOCIAL

- Introduced Flexible Work Arrangements (“**FWA**”) to support employee welfare through flexible work modes, while enhancing productivity and work-life harmony.
- Introduced the HR Connection Session Programme to enhance morale and job satisfaction.
- Implemented a Workplace Harassment Policy to uphold a respectful and dignified work environment.

### G
### GOVERNANCE

- Maintained a record of zero environmental violation incidents for five consecutive years.
- Recorded no complaints related to breaches of customer privacy or loss of customer data in FY2025.
- Fully complied with the Code of Corporate Governance, with zero whistleblowing incidents reported.

# SUSTAINABILITY REPORT

## ABOUT THIS REPORT

| | |
|---|---|
| **Reporting Period** | The report covers data and information on Ley Choon's material sustainability aspects for the period from 1 April 2024 to 31 March 2025, unless otherwise specified and discusses the Group's performance and progress on key ESG matters. |
| **Reporting Standards** | This report is prepared with reference to the Global Reporting Initiative ("**GRI**") Standards: Core Option, which provides a globally recognised framework for sustainability reporting. We defined the report content in accordance with GRI Principles, including:<br>• *Materiality:* Prioritising issues that significantly impact business performance and are of utmost importance to our stakeholders;<br>• *Stakeholder Inclusiveness*: Responding to stakeholder expectations and concerns;<br>• *Sustainability Context:* Presenting performance within the broader context of sustainability and<br>• *Completeness:* Including the key information with the economic, environmental and social impacts to enable stakeholders to assess the Group's performance.<br>This report also considers the Sustainability Reporting Guide outlined in Practice Note 7.6 of the SGX-ST Listing Manual. In preparing this report, we applied the GRI principles for defining content and quality, taking into account the Group's operations, impacts, and stakeholder expectations<br>As part of our evolving sustainability strategy, we are progressively implementing mandatory climate-related disclosures in line with the Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations. Please refer to Appendix D for details on the progress of TCFD implementation this year. |
| **Reporting Boundaries** | The aspect boundaries 'within' the organisation are limited to Ley Choon and its subsidiaries. Boundaries 'outside' the organisation include customers, employees, government and regulatory authorities, local communities, shareholders and investors, and suppliers. |
| **Independent Verification** | The data and information disclosed in this report have not been externally verified. However, Ley Choon has engaged Crowe Horwath First Trust Advisory Pte Ltd ("**Crowe**"), a reputable professional firm specialising in audit and risk solutions, to support the Board's review of the adequacy and effectiveness of the Company's internal controls relating to sustainability reporting.<br>The scope of this review focused on the operations associated with the development of this report. The findings were presented to the Audit Committee ("**AC**") for discussion and recommendation to the Board. There are no significant weaknesses reported. |
| **Restatements** | We have restated the reported data on total full-time employees for FY2024 from 941 to 996. This correction was made due to the identification of errors in the previously reported information. |
| **Accessibility** | The Group continues to print adequate copies of this annual-cum-sustainability report as part of our environmental conservation efforts. A digital version is available on our website at www.leychoon.com. |
| **Sustainability Contact** | We highly value your feedback on our sustainability efforts and welcome you to share your thoughts by completing the feedback form accessible through the QR code on the right. |

# SUSTAINABILITY REPORT

## SUSTAINABILITY APPROACH

### SUSTAINABILITY GOVERNANCE STRUCTURE

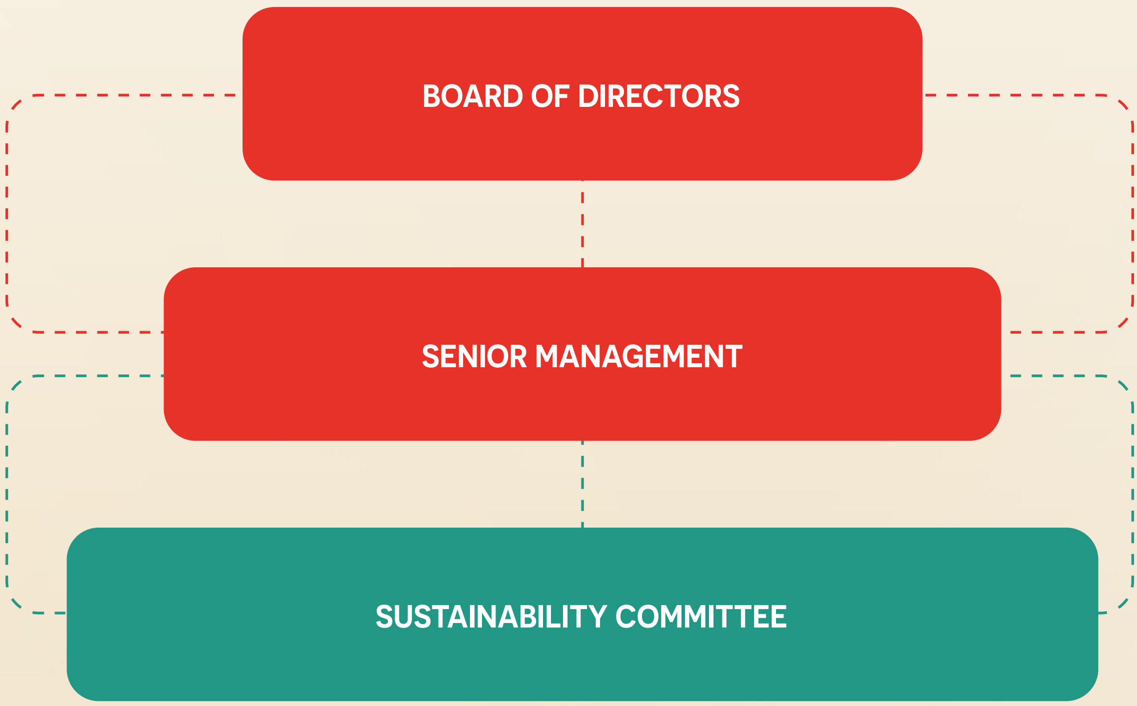
Sustainability constitutes a foundational pillar of our corporate strategy and is fundamental to achieving long-term growth. The value we create for our employees, the environment, and society plays a vital role in shaping our financial performance. In support of this commitment, we have instituted a sustainability organisational structure as illustrated below:

### SUSTAINABILITY STRATEGY

At Ley Choon Group, sustainability is embedded in our business practices, guided by our vision and corporate values. We recognise the significance of integrating sustainability into decision-making and strive to achieve this in an integrated and methodical way.

Our senior management advocates for these efforts, aligning business objectives with sustainable development goals and reporting progress regularly to the Board of Directors to maintain transparency and accountability. In collaboration, the Board and senior management have identified focus areas that reflect priorities shared by both the company and its stakeholders, ensuring alignment across economic, environmental, and social aspects.

We proactively gather feedback from both internal and external stakeholders to gain a clearer understanding of their needs and expectations. Our commitment to sustainability remains unwavering as we nurture relationships with all stakeholders, fostering mutual value with coherence and deliberation.



# SUSTAINABILITY REPORT

## STAKEHOLDER ENGAGEMENT

We acknowledge that our business success is contingent on the strong, enduring relationships we have cultivated with key stakeholders. In light of this, we are committed to continuously evolving our responsible business practices to meet their growing expectations on economic, environmental and social concerns by regularly engaging with these stakeholders to identify and address the most relevant issues for both our stakeholders and Ley Choon Group.

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

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

# SUSTAINABILITY REPORT

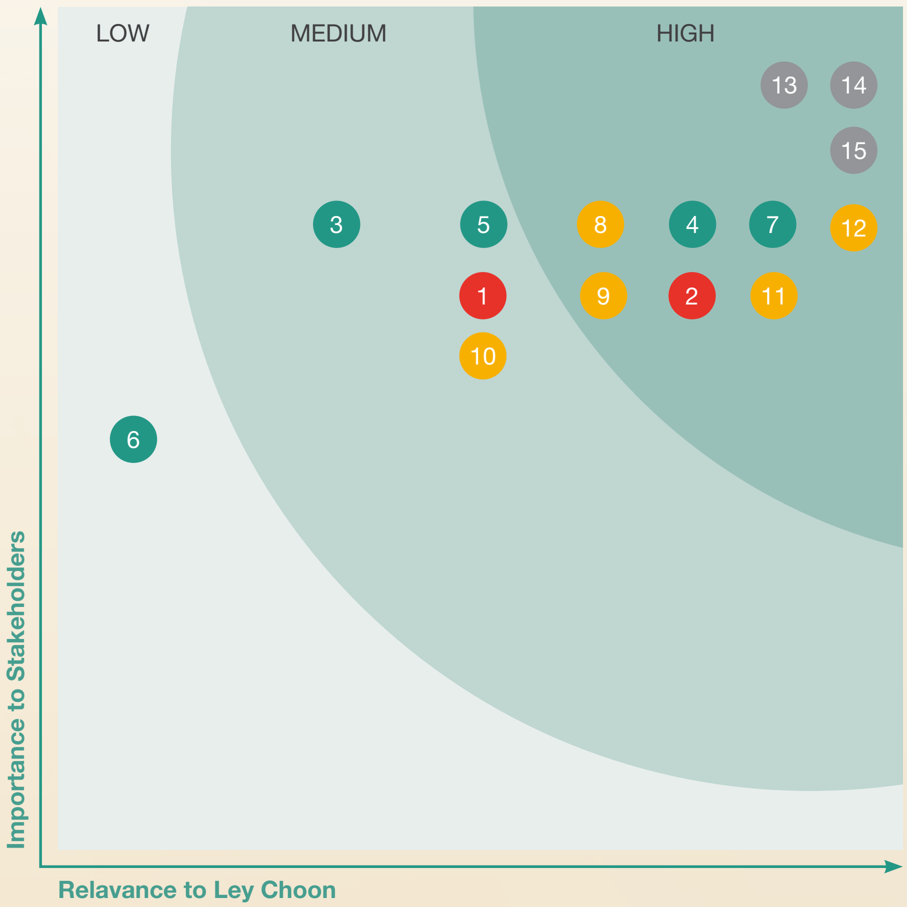
## MATERIALITY ANALYSIS

Drawing on insights obtained from stakeholder engagement, we have applied a materiality assessment to identify challenges and concerns of significance to both stakeholders and the Group.

Our material issues were determined based on those rated as high or critical by both internal and external stakeholders in the materiality matrix. Accordingly, our sustainability efforts and disclosures focus on these priority areas, with continued actions directed towards addressing them.

We have identified and compiled 15 pertinent sustainability issues for inclusion in this report. These issues were deliberated and narrowed down through our engagement process with stakeholders. Following this, our senior management conducted a comprehensive review and determined the material issues based on their significance to our stakeholders and their impacts on the Group's sustainability performance.

The significance of the material issues was ranked based on our meetings and interviews with our stakeholders.




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

**ENVIRONMENT**

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

**SOCIAL**

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

**GOVERNANCE**

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

# SUSTAINABILITY REPORT

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

To enhance the comprehensiveness and efficacy of our sustainability initiatives, we have embedded core commitments for each of the key areas within our sustainability strategy. Our approach has been guided by the UN SDGs, which serve as a foundational framework aligning our objectives with broader global sustainability targets.

By integrating these commitments throughout our sustainability programme, we aim to develop a resilient and impactful strategy that addresses environmental, social, and economic challenges faced by both our organisation and our stakeholders.

| GOALS | HOW WE SUPPORT |
|---|---|
| 3 GOOD HEALTH AND WELL-BEING | We are dedicated to prioritising the health and well-being of our workforce as a core aspect of our operations. To sustain this priority, we have implemented a comprehensive set of policies and procedures and SEP that cover all aspects of workplace safety, from hazard identification and risk assessment to injury prevention and emergency response. These policies and procedures are regularly reviewed and updated to align with the latest industry standards and best practices. For more on our commitment, please refer to the **Occupational Health and Safety** section. |
| 6 CLEAN WATER AND SANITATION | We recognise the importance of ensuring the availability and sustainable management of water and sanitation for all. The Group adopts various measures, including the installation of water-efficient fittings, promoting employee awareness of water scarcity, and actively utilising NEWater, a process that recycles treated wastewater into clean, reclaimed water. These efforts demonstrate our dedication to responsible water use and contribute to the sustainable development of our community and the planet. For more on our commitment, please refer to the **Water Conservation** section. |
| 7 AFFORDABLE AND CLEAN ENERGY | We recognise the critical importance of universal access to affordable, reliable, sustainable, and modern energy and have integrated energy conservation measures throughout our operations. We have made strategic investments in energy-efficient technologies and low-emission vehicles to reduce consumption and lessen reliance on finite energy resources. Additionally, we have partially transitioned selected sites to solar panels as part of our ongoing efforts to decrease dependence on non-renewable energy. We remain dedicated to advancing sustainable energy solutions, intending to minimise environmental impact and lower our carbon footprint. For more on our commitment, please refer to the **Energy Efficiency** section. |
| 8 DECENT WORK AND ECONOMIC GROWTH | We maintain a strong commitment to advancing decent work and sustainable economic development, demonstrated through our continuous initiatives aimed at generating positive socio-economic impacts within the communities and markets we serve. Our strategy encompasses the promotion of equitable employment practices, the enhancement of workforce capabilities through targeted development programmes, and proactive collaboration with local stakeholders to foster inclusive economic growth. For more on our commitment, please refer to the **Employee Engagement and Wellbeing, Training and Development** and **Supply Chain Management** sections. |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | We are committed to safeguarding our customers' personal information as a fundamental aspect of our operations. To uphold this commitment, we have established a robust Customer Privacy and Data Protection system that complies with the Personal Data Protection Act ("**PDPA**") and other relevant regulations. Regular audits and updates to our data protection measures guarantee alignment with the evolving technological and industry best practices. For more on our commitment, please refer to the **Customer Privacy and Data Protection** section. |

# SUSTAINABILITY REPORT

| GOALS | HOW WE SUPPORT |
|---|---|
|   | We are committed to cultivating an inclusive and diverse workplace where all individuals have equal opportunities to succeed. Our open recruitment approach is designed to attract the best talent from diverse backgrounds. We actively work toward balanced representation across gender, age and nationality, recognising that diversity enhances our innovation and performance. By adopting unbiased hiring practices and fostering an inclusive culture, we strive to reduce inequalities and create a workplace where everyone feels valued and respected. For more on our commitment, please refer to the **Recruitment and Retention,** and **Equity, Diversity and Anti-discrimination** sections. |
|   | We are focused on demonstrating environmental stewardship through strict compliance with relevant environmental laws, regulations, standards, and industry requirements. We have established a comprehensive Environmental Compliance system to achieve operational consistency with the applicable environmental requirements and guidelines. This includes ongoing monitoring, auditing, and reporting of our environmental performance to ensure continuous improvement and organisational accountability. For more on our environmental compliance efforts, please refer to the **Compliance and Corporate Governance** section. |
|   | We recognise the imperative of urgent climate action and are dedicated to curbing our greenhouse gas ("**GHG**") emissions through a range of initiatives, including the adoption of energy-efficient building designs and sustainable operational methodologies. We conduct regular evaluations of our GHG emissions, continually seeking opportunities to enhance our environmental performance. These concerted efforts embody our commitment to mitigating climate change and fostering a sustainable future for our stakeholders and the broader environment. For more on our climate action efforts, please refer to the **Climate Change and Greenhouse Gas Emissions Management** section. |
|   | We remain resolute in our commitment to preserving biodiversity and ensuring the long-term sustainability of ecosystems, recognising this as a fundamental responsibility of our organisation. We allocate the necessary resources to protect and enhance natural habitats, focusing on minimising the impact of our operations on local flora and fauna and promoting sustainable land use practices. Through continual assessment of our environmental footprint, we strive to make a meaningful contribution to biodiversity conservation. For more on our efforts to preserve biodiversity, please refer to the **Biodiversity Preservation** section. |
|   | We maintain an unwavering dedication to upholding the utmost standards of integrity and accountability by ensuring our activities conform to the relevant legal frameworks and regulatory requirements. By prioritising regulatory compliance, we safeguard our organisation while mitigating environmental impacts and fostering sustainable practices. Concurrently, we advance the welfare of the communities we serve by promoting economic development. For more on our compliance efforts, please refer to the **Labour Regulations Compliance** and **Compliance and Corporate Governance** sections. |

We take great pride in endorsing a range of UN SDGs through our business operations and community initiatives. By fostering sustainable cities and communities, addressing social inequalities, and driving climate action, we strive to generate a meaningful and lasting impact on both environmental and societal well-being.

# SUSTAINABILITY REPORT

## OUR SUSTAINABILITY APPROACH WITH THE TCFD PILLARS

As part of our ongoing commitment to sustainable and resilient business practices, we are progressively integrating more comprehensive TCFD-related information into our Sustainability Report commencing this financial year. Throughout this report, we consider the four TCFD pillars: Governance, Strategy, Risk Management and Metrics and Targets to provide a comprehensive view of how climate-related risks and opportunities are embedded in our organisational processes. This approach aims to strengthen our accountability to stakeholders, improve decision-making under climate uncertainty and reinforce long-term value creation.

1

### GOVERNANCE

Describing our governance approach to climate-related risks and opportunities.

2

### STRATEGY

Articulating the actual and potential impacts of climate-related risks and opportunities on our Group.

3

### RISK MANAGEMENT

Providing insight into how we identify, assess and manage climate-related risks.

4

### METRICS AND TARGETS

Disclosing the metrics and targets that underpin our management of material climate-related risks and opportunities.

## OUR PERFORMANCE

### HOW WE MEASURE OUR PERFORMANCE

Our sustainability strategy is integrated across relevant areas of our business, with dedicated teams overseeing each focus domain, and coordination led by the respective departmental managers.

Progress is monitored through two primary approaches, in particular assessing performance against defined metrics and evaluating the advancement of initiatives based on established commitments.

### METRICS AND TARGETS

We have set key performance indicators (“**KPIs**”) for each focus area in our sustainability materiality matrix. These KPIs are regularly reviewed and updated, with new metrics added and targets adjusted as needed, to ensure they stay aligned with our overall sustainability strategy.

### COMMITMENTS

To further strengthen the effectiveness of our sustainability programme, we have defined core commitments for each of the focus areas outlined above. These commitments serve as guiding principles that drive our actions and priorities. Our progress in meeting each commitment is tracked and visually represented using the symbols illustrated in the table below, providing an overview of our achievements and areas for ongoing improvement.

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

**Symbols to represent the status of progress against commitments**

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

# SUSTAINABILITY REPORT

## ECONOMIC

Ley Choon Group generates economic value by delivering sustainable infrastructure solutions within Singapore. Focusing on recycling, digital transformation, and optimised resource utilisation, we have realised substantial cost efficiencies and enhanced operational performance. In FY2025, these strategic initiatives generated revenue of $131 million, reflecting the positive integration of sustainability with business growth and competitiveness.

### SUSTAINING GROWTH THROUGH INNOVATION AND ENDURANCE

In response to Singapore's national drive towards innovation and decarbonisation, as supported by the Building and Construction Authority ("**BCA**"), we acknowledge the importance of aligning with the country's vision for a more sustainable and digitally advanced construction sector. The nation's emphasis on low-emission developments and digitally enabled infrastructure presents a valuable opportunity for industry players to contribute through innovative, technology-led solutions. By aligning our digital transformation efforts with Singapore's broader sustainability and innovation goals, we aim to contribute constructively to the nation's green transition while sustaining our own growth trajectory through resilient and forward-looking practices.

Over recent years, we have progressively enhanced our operational efficiency through the strategic adoption of digital technologies across key functions. A core part of this transformation involves the deployment of customised software systems and applications that have streamlined our daily operations. These tools have enabled the digitisation of routine work recording, allowing for real-time monitoring of project execution, cost tracking, and billing accuracy. In addition, they have strengthened asset management, supported inventory optimisation, and provided end-to-end visibility across project lifecycles. This integrated digital approach not only enhances productivity but also supports more agile decision-making, ultimately contributing to stronger project outcomes and long-term operational resilience.

In FY2025, we recorded a revenue of $131 million (FY2024: $129 million), reflecting stable financial performance and our ongoing commitment to generating long-term value for shareholders.

### REALISING ECONOMIC BENEFITS OF RECYCLING

Sustainability considerations are embedded across our underground utilities and road infrastructure activities, supported by close collaboration with partners to anticipate and manage material environmental risks and opportunities. We are committed to delivering public infrastructure projects that reflect responsible resource use and generate positive socio-economic outcomes.

As part of our circular economy strategy, we operate our own construction waste recycling plant, enabling the recovery and repurposing of demolition and construction materials. These recycled outputs are processed into backfilling materials and aggregates, supporting applications such as worksite reinstatement and asphalt premix production. In September 2024, we reinforced the operations of our own construction waste recycling plant by investing in a new recycling crusher, which has further improved the efficiency and effectiveness of on-site material processing.

Through the substantial utilisation of 120 thousand tonnes of recycled asphalt and 60 thousand tonnes of recycled backfilling materials across our operations, we have enhanced resource efficiency and contributed meaningfully to waste diversion from landfills. This approach delivered measurable outcomes in FY2025, with cost savings of $3.42 million, reinforcing our commitment to environmental stewardship and sustainable infrastructure delivery.

# SUSTAINABILITY REPORT

## ENVIRONMENT

The Group recognises climate change as a paramount global challenge and is committed to taking proactive measures to address its impacts. Climate variability, which is characterised by unpredictable weather patterns and rising temperatures, presents significant risks to our construction activities, potentially causing project delays, cost overruns, and reduced operational efficiency. To address these challenges, we developed a policy to sustainably manage and mitigate climate-related risks, with the oversight and coordination of the Project Management Office (“**PMO**”). This governance structure ensures that climate risk management is embedded across all projects, thereby strengthening the long-term resilience and sustainability of our business.

By adopting a data-driven approach, we systematically identify critical areas for improvement in our environmental performance and implement targeted initiatives aimed at reducing carbon emissions. These initiatives include optimising energy use, enhancing material efficiency, and integrating innovative technologies that support sustainable construction practices. Through these efforts, we strategically minimise our environmental footprint while simultaneously maximising positive environmental and operational outcomes. Our commitment to continuous improvement enables us to align with evolving regulatory requirements and stakeholder expectations, positioning the Group as a responsible leader in sustainable infrastructure development.

## CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS MANAGEMENT

We are committed to incorporating the recommendations of the TCFD into our reporting. In particular, through the Metrics and Targets pillar, we disclose key climate-related performance indicators, including GHG emission reporting, energy consumption, carbon intensity, water and waste management, and establish measurable goals to track and guide our sustainability performance. This approach underscores our dedication to managing climate-related risks, monitoring progress, and advancing sustainable business practices with transparent and data-driven reporting.

Our climate action strategy emphasises systematic reduction of carbon emissions within daily operations. To optimise environmental management, we continuously monitor and assess our carbon footprint by compiling comprehensive energy consumption data across operational units and quantifying annual GHG emissions.

The emissions we calculated are in accordance with the Greenhouse Gas Protocol, developed by the World Resources Institute and the World Business Council for Sustainable Development. This globally recognised standard ensures precision and comparability in corporate GHG emissions accounting. We employ the ‘control method’, which accounts for 100% of the emissions from businesses directly under our control.

Our carbon footprint encompasses both direct (Scope 1) and indirect (Scope 2) emissions. Scope 1 emissions stem from the combustion of fuels directly used by our operations, while Scope 2 emissions result from the purchase and use of electricity across our properties.

Recognising the growing importance of a more complete climate impact assessment, the Group is currently evaluating the relevance and materiality of Scope 3 emissions, which arise indirectly across our value chain. We acknowledge that incorporating Scope 3 emissions will provide a more comprehensive understanding of our environmental footprint. In response, we are actively exploring appropriate methodologies and credible data sources to support accurate estimation, with the aim of developing a robust Scope 3 reporting framework for inclusion in future sustainability disclosures.

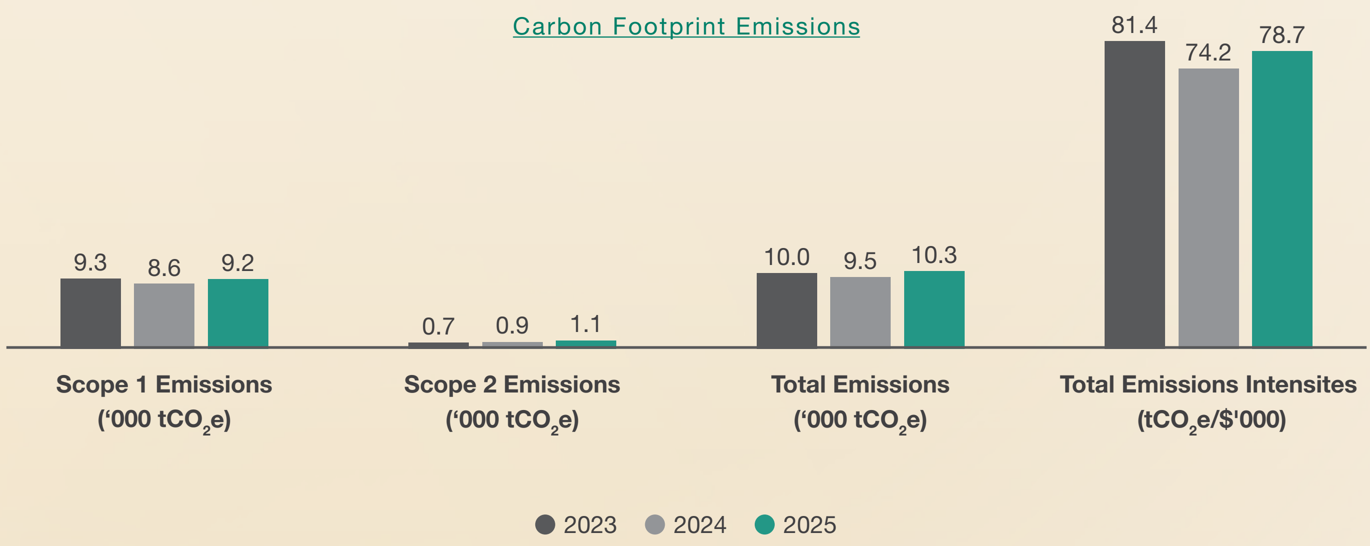
# SUSTAINABILITY REPORT

In FY2025, our total GHG emissions amounted to 10,273.0 tonnes of carbon dioxide equivalent ($tCO_2e$). This represents a 6% increase in GHG emissions intensity, reaching 78.7 per thousand dollars ($tCO_2e$/$'000) of revenue. The primary contributor to our emissions remains diesel consumption, which accounts for approximately 88% of our overall carbon footprint. This includes fuel used in asphalt production and transportation, such as staff mobilisation and materials delivery, and heavy usage across a variety of on-site machinery, including excavators, cranes, generators, and other construction equipment essential to project delivery.

Part of the increase in carbon emissions can be attributed to higher electricity consumption associated with the operation of a newly acquired crusher plant. Furthermore, as part of our alignment with the TCFD recommendations, we have enhanced the rigour of our emissions accounting by adopting more accurate and current emissions factors. This methodological enhancement has also contributed to the reported increase, offering a more precise and transparent representation of our GHG emissions profile.

Looking ahead, we anticipate sustained levels of operational activity driven by continued demand for new buildings and critical infrastructure, such as water pipelines, roadworks, and electrical cabling. Despite these demands, we remain committed to mitigating our environmental impact. To this end, we have implemented several targeted measures, including structured employee training on sustainable construction practices, proactive engagement with project managers to optimise resource utilisation, and routine maintenance protocols designed to enhance fuel efficiency and prolong equipment lifespan.

Through these ongoing efforts, we continue to strengthen our approach to emissions management and environmental responsibility. Our commitment to reducing GHG emissions is integral to our broader sustainability agenda and reflects our role in contributing to global climate objectives.



# SUSTAINABILITY REPORT

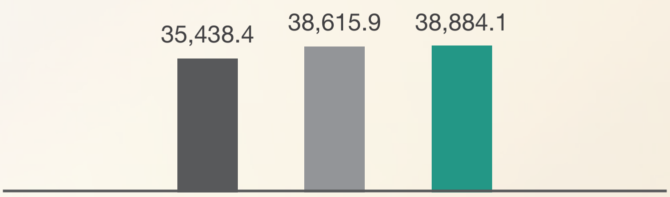
## ENERGY EFFICIENCY

As a company specialising in underground utilities infrastructure construction, our operations require the use of energy-intensive machinery such as excavators, bulldozers, cranes, and drilling equipment. These machines primarily rely on fossil fuels, which are essential for executing complex construction and maintenance activities.

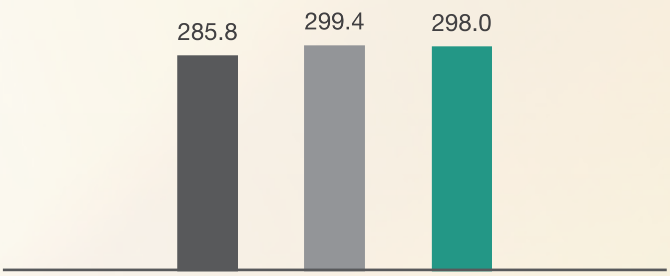
Fuel consumption (Scope 1) accounts for approximately 90% of our total energy usage, while electricity consumption (Scope 2) makes up the remaining 10%. Recognising the environmental and economic implications of our energy use, we are fully committed to implementing energy-efficient practices that reduce our footprint and alleviate the financial burden of high fuel consumption.

In FY2025, our total energy consumption reached 38,884.1 megawatt-hours (MWh), with an energy intensity of 298.0 MWh per thousand dollars (MWh/$'000) of revenue, reflecting a marginal decrease from the previous financial year. This reduction is largely attributable to the utilisation of independent battery systems for Truck Mounted Attenuators ("**TMAs**"), which have contributed to reducing diesel consumption by allowing tipper lorries to operate without idling engines on expressways, thereby lowering diesel and overall energy consumption.

Energy Consumption




**Energy Consumption (MWh)**




**Energy Consumption Intensity (MWh/$'000)**

● 2023 ● 2024 ● 2025

Building on this progress, our Group remains committed to advancing its energy conservation efforts and has implemented a range of targeted initiatives aimed at further enhancing operational efficiency, including:

- **Fuel Consumption Monitoring:**
  We have implemented a robust fuel monitoring and management system to monitor fuel usage across all our operations. This system enables us to identify inefficiencies in fuel consumption, and respond promptly by applying targeted measures. These interventions help to optimise fuel usage, reduce wastage, and ultimately improve our overall fuel efficiency, contributing both to cost savings and reduced environmental impact.

- **Reducing Engine Idling:**
  We actively promote and encourage our workforce to minimise unnecessary engine idling in vehicles and machinery. By fostering awareness and behavioural change through training and site management practices, we have been able to significantly reduce idling times, which directly lowers fuel use and diminishes our carbon footprint.

- **Operational Efficiency Optimisation:**
  We focus on regular maintenance and tuning of our machinery and equipment as essential parts of our operational strategy. By keeping all machinery in excellent condition and properly adjusted for peak performance, we decrease the energy needed for operation. This proactive method not only cuts fuel and electricity use but also prolongs equipment lifespan, reducing replacement expenses and advancing our sustainability objectives.

- **Incorporation of Renewable Energy:**
  We have installed solar-powered street lighting systems at selected project sites, utilising renewable energy to power our operations. By incorporating these sustainable technologies, we actively reduce our carbon footprint and demonstrate our commitment to environmental stewardship.

As we continue to enhance our energy management strategy, our focus remains on adopting evidence-based practices that lower our environmental footprint and support long-term sustainability goals.

# SUSTAINABILITY REPORT

## WATER CONSERVATION

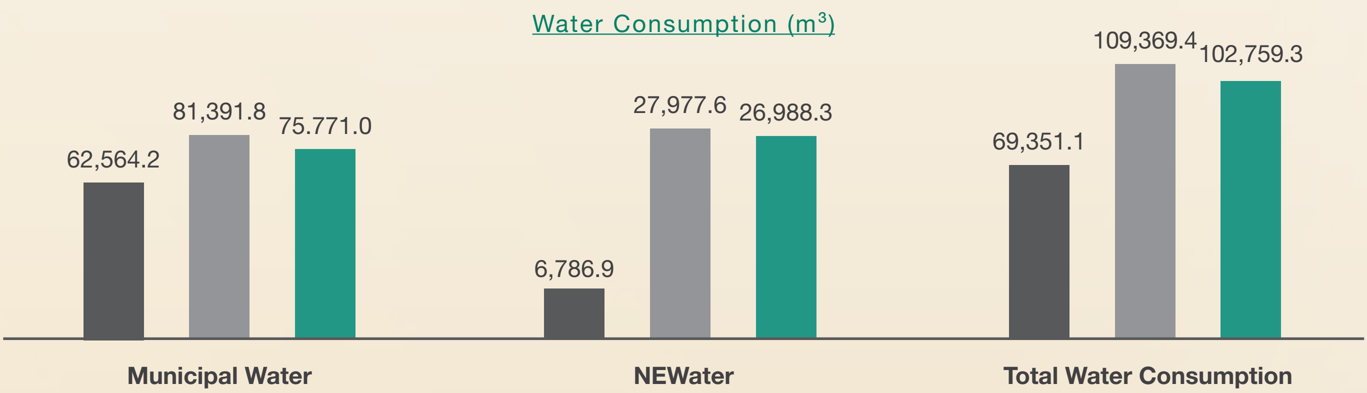
The Group continues to advance sustainable water stewardship by proactively managing consumption across its operations. In FY2025, total water usage amounted to 102,759.3 cubic metres ($m^3$), with the water consumption intensity measured at 787.4 cubic metres per thousand dollars ($m^3$/$'000) of revenue. This demonstrates improved efficiency in water utilisation which representing a 7.1% reduction from 847.8 $m^3$/$'000 recorded in FY2024. A core contributor to this diminution is the strategic adoption of NEWater for both dormitory and operational site use. Additionally, we have upgraded water fixtures in dormitory areas by installing push-type taps. These taps effectively reduce water wastage by automatically shutting off flow when not in use, promoting conservation and enhancing overall water efficiency.

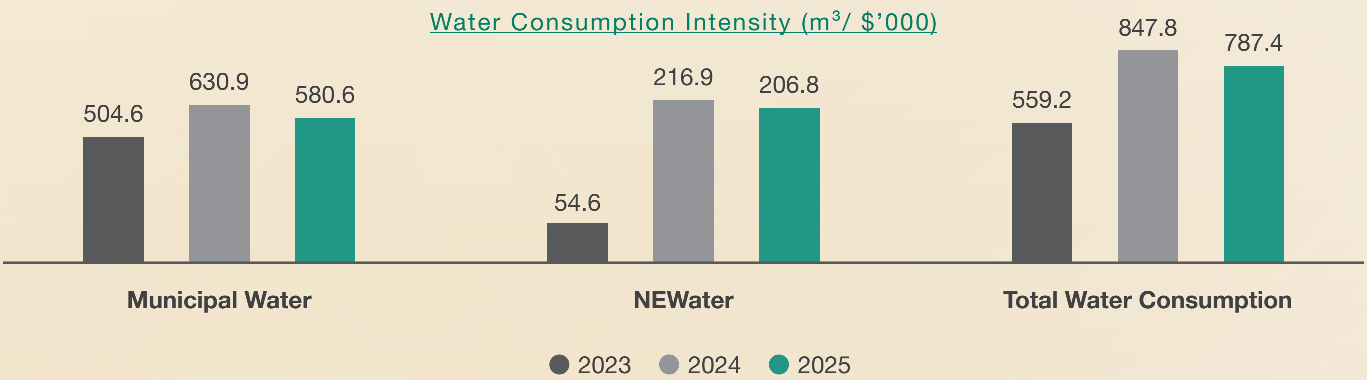
The Group has adopted a suite of targeted interventions aimed at expanding the use of NEWater and reducing reliance on potable sources. These efforts reflect our commitment to preserving freshwater resources and addressing water scarcity through both technical and behavioural strategies:

- **Infrastructure Enhancement:** Piping systems have been installed to facilitate the use of NEWater in dormitory urinals and washing machines, reducing the demand for potable water in non-potable applications.
- **Operational Substitution:** Project teams are instructed to prioritise NEWater over potable water for construction-related activities such as road cleaning, machinery washing, and site reinstatement.
- **Awareness and Engagement:** Initiatives have been introduced to educate employees, customers, and local communities on the importance of water conservation and sustainable practices.

These measures form part of the Group's broader commitment to responsible water management, ensuring long-term environmental stewardship while supporting Singapore's water sustainability agenda.

Looking forward, the Group continue in achieving our target of reducing water consumption by 1% per headcount at the headquarters ("**HQ**"). This strategic objective underscores our broader commitment to embed water stewardship into the core of our operational ethos. We have also reinforced this through thoughtful project planning. It is further supported by deliberate project planning, employee training on environmental practices, and comprehensive monitoring systems to track water consumption across all properties. These collective efforts underscore our unfaltering commitment to responsible water management and environmental sustainability.



# SUSTAINABILITY REPORT

## BIODIVERSITY PRESERVATION

The Group recognises the critical importance of biodiversity and the imperative to safeguard Singapore's native flora and fauna. Consequently, environmental monitoring and management are integral to our operations, with biodiversity conservation practices embedded within our project sites.

In FY2025, rigorous monitoring revealed no notable biodiversity-related issues, highlighting the effectiveness of our proactive environmental stewardship. Our conservation programme involves systematic evaluations of vegetation and wildlife conditions surrounding our worksites. Any ecological concerns identified are promptly communicated to the relevant authorities, reflecting our steadfast dedication to the preservation of local biodiversity.

Through sustained vigilance and responsible management, we reaffirm our commitment to protecting natural habitats and contributing positively to the ecological integrity of the areas in which we operate. We continuously seek to integrate best practices on biodiversity preservation into our operations, minimising ecological disruption and promoting the long-term resilience of ecosystems.

## WASTE MANAGEMENT

### HAZARDOUS WASTE AND NON-HAZARDOUS WASTE MANAGEMENT

Ley Choon has demonstrated notable performance in waste management and recycling, converting potential environmental liabilities into opportunities for both cost efficiency and sustainability advancement. By integrating innovative strategies focused on waste minimisation, reuse, and material recovery, our Group has significantly reduced the volume of waste destined for incineration or landfill, while simultaneously realising notable financial benefits.

Our dedication is demonstrated through the asphalt premix plant, which utilises up to 50% recycled materials in FY2025. This initiative not only supports environmental preservation but also complies with the regulatory frameworks established by the BCA, the National Environment Agency ("**NEA**"), and the broader construction sector. Our facility, which has received approval from the Land Transport Authority ("**LTA**"), utilises recycled aggregates sourced from resurfacing projects and contributions from key partners such as the LTA, SP Group, and the Public Utilities Board ("**PUB**").

The integration of recycled asphalt into our production process exemplifies a circular economy approach, enabling effective waste diversion while maintaining the high-quality standards essential for durable infrastructure. This practice reinforces our responsibility to sustainable resource management and the delivery of long-lasting construction outcomes.

To enhance the efficacy of waste segregation and recycling, we have introduced clearly marked labels on recycling containers, facilitating proper sorting by employees and clients alike. This system improves operational transparency and supports collaborative environmental stewardship.

Our strategic objectives encompass:

- Assessing and refining waste management systems to optimise resource utilisation and minimise discarding;
- Protecting aquatic ecosystems by preventing contamination through careful handling of wastewater and waste by-products.

In FY2025, our Group proudly recorded zero hazardous waste generation across all operations, an outcome that underscores our rigorous resource stewardship and the efficacy of our waste minimisation strategies. Furthermore, we achieved a notable increase in the utilisation of recycled materials within our operational activities, highlighting our continued commitment to environmental sustainability and circular resource management.

The cost savings in FY2025 stood at $3.42 million, marking a 5% increase from the previous financial year (FY2024: $3.24 million). This improvement was largely attributed to the acquisition of a new recycled crusher, which boosted crushing productivity. The sustained cost efficiencies reflect enhanced operations achieved through the integration of recycled materials in underground utility works, reinforcing the long-term economic viability of our sustainability efforts.

# SUSTAINABILITY REPORT

## INNOVATIVE WASTE RECYCLING AND RESOURCE OPTIMISATION

A significant surplus of waste material has emerged from numerous demolition projects across various locations, including Lim Chu Kang, Sungei Kadut, Defu Lane and Somerset Singtel Building, as well as other ongoing projects island-wide since FY2024. We have strategically turned what is typically a cost for other companies into an opportunity by collaborating with multiple organisations to efficiently manage their surplus materials.

We continued to implement this practice throughout FY2025, actively recycling concrete waste for use in our utility projects. The recycled concrete is utilised as backfill material, effectively substituting granite, which reduces material expenses and assists other companies in efficiently managing their surplus waste, occasionally resulting in compensation for our services. This approach highlights our dedication to enhancing resource efficiency, lowering operational costs, and promoting sustainable construction practices in line with circular economy principles.

## DRIVING ECONOMIC VALUE WITH COLLABORATIVE SUSTAINABILITY

Recognising that ESG imperatives often transcend organisational boundaries, our Group has actively collaborated with key industry entities such as The Singapore Contractors Association Limited ("**SCAL**") to promote sector-wide sustainable development initiatives.

Membership in SCAL affords us privileged access to expert guidance, professional networks, and subsidised capacity-building programmes. Participation in industry forums facilitates knowledge exchange and strengthens alliances within the contractor community, thereby augmenting our waste management frameworks. Concurrently, targeted training opportunities ensure continuous upskilling of our workforce, aligning personnel competencies with evolving sustainability best practices.

Our strategic engagement in waste management not only advances our environmental stewardship objectives but also generates considerable economic value. By forging collaborative partnerships with industry stakeholders to efficiently handle surplus materials, we diversify revenue streams while concurrently diminishing dependence on virgin inputs. This integrated approach exemplifies our resolute commitment to sustainable resource optimisation and operational efficiency.

Our comprehensive waste minimisation and recycling protocols transform conventional disposal liabilities into opportunities for ecological preservation and fiscal prudence. Through the systematic application of circular economy principles, emphasising reduction, repurposing, and reclamation, we reinforce our leadership in responsible construction and utility sector practices, thereby setting an exemplar for industry-wide sustainability standards. In support of these efforts, leveraging SCAL's institutional resources further demonstrates our commitment to cultivating collaborative partnerships that advance both environmental resilience and economic efficiency through innovative waste stewardship.

# SUSTAINABILITY REPORT

## CLIMATE STRATEGY: RISKS, OPPORTUNITIES AND RESILIENCE

### RISKS AND OPPORTUNITIES ACROSS TEMPORAL HORIZONS

Operating within the infrastructure sector, our Group incorporates industry-specific guidance from the Engineering and Construction Services standard and integrates the sustainability disclosure requirements established, while progressively enhancing our reporting practices with the TCFD recommendations. We evaluate climate-related risks and opportunities across defined time horizons to underpin their integration into our strategic planning and financial decision-making processes. The temporal horizons adopted for evaluating these risks and opportunities are defined as follows:

- Short term: 1- 3 years
- Medium term: 3-5 years
- Long term: beyond 5 years

Considering the TCFD strategy pillar, we have identified key climate-related risks and opportunities that may materially influence our operations, supply chain, and long-term value creation. These factors are assessed across defined time horizons to reflect both the evolving regulatory landscape and sector-specific dynamics. The following table outlines how we interpret and respond to these risks and opportunities across short, medium, and long-term planning horizons.

| TIME HORIZON | RISK / OPPORTUNITY AREA | RISKS | OPPORTUNITIES |
|---|---|---|---|
| **Short Term (1–3 years)** | Environmental Regulations | • Increasingly stringent environmental regulations may lead to higher compliance costs and operational constraints. | • Proactively adopting sustainable practices and ensuring compliance with regulations such as NEA, BCA, and PDPA reduces regulatory risks, enhances reputation, and unlocks opportunities for green certifications or incentives. |
| | Sustainable Materials and Construction Methods | • Adoption of sustainable materials and advanced construction methods may increase upfront costs, impacting budgets and profits. | • Implementing energy-efficient machinery and recycled construction materials can reduce emissions and save costs.<br>• Eg, recycled materials used led to significant savings of $3.42 million in FY2025. |
| | Energy Management | • Dependence on fossil fuels exposes the company to price volatility and supply disruptions. | • Investments in renewable energy sources reduce dependence on non-renewable resources.<br>• Eg, the partial transition of selected sites to solar panels contributes to reduced operational costs. |
| | Greenhouse Gas Emissions | • Construction activities contribute to carbon emissions, increasing regulatory costs and scrutiny. | • Use of energy-efficient machinery and recycled materials reduces emissions and achieves cost savings. |

| TIME HORIZON | RISK / OPPORTUNITY AREA | RISKS | OPPORTUNITIES |
|---|---|---|---|
| **Medium Term (3–5 years)** | Materials Sourcing | • Use of non-sustainable materials may cause reputational risks, non-compliance, and affect project eligibility and trust. | • Strengthening partnerships with certified suppliers and using green-labelled or recycled materials enhances the sustainability profile and meets client expectations. |
| | Market Competitiveness for Sustainable Practices | • Poor ESG visibility may limit access to government contracts and investor relations. | • Improving sustainability credentials differentiates the Group and improves brand reputation and tender success<br>• Eg, attained ISO 14001 and the Green & Gracious Builder Award differentiates Ley Choon Group in public tenders and investor screening. |
| | Technological Investments in Green Materials | • Transitioning to green materials may require upfront investment, new suppliers, and face supply/cost challenges. | • Leveraging recycled materials and technology innovation improves lifecycle performance and attracts environmentally-conscious clients. |
| **Long Term (beyond 5 years)** | Physical Climate Risks | • Increased frequency or intensity of extreme weather causes operational delays, infrastructure damage, safety hazards, and reputational risk. | • Commitment to sustainability via recycled materials and digital monitoring reduces vulnerability, and minimises delays and response costs. |
| | Innovation in Circular Economy Practices | • Transitioning to circular economy models requires investments, staff retraining, procurement changes, and faces supply and regulatory challenges. | • Scaling circular practices, such as the reuse of excavated materials, debris recycling and alternative aggregates, supports regulation compliance, and unlocks green procurement opportunities. |
| | Market and Policy Shifts | • Policy shifts towards decarbonisation may render conventional practices uncompetitive. | • Positioning our Group in low-carbon infrastructure unlocks future market opportunities in green roads and climate-resilient underground systems, while aligning with the objectives of Singapore's Green Plan. |

# SUSTAINABILITY REPORT

### IMPACT ON ORGANISATIONAL STRATEGY

The Group systematically integrates climate-related considerations into its strategic and financial planning frameworks, recognising the escalating significance and materiality of climate impacts throughout the entire construction lifecycle. This proactive approach underscores our commitment to resilience and sustainability in the face of evolving environmental challenges. The following sections detail how these considerations translate into tangible impacts across our operational practices, strategic integration, and financial planning, demonstrating our approach to managing climate-related risks and opportunities.

- **Operational Impact**
  In response to climate-related risks, we have implemented dedicated piping systems for NEWater, reducing potable water usage in dormitories and operational sites. By adopting this measure, the Group not only enhances overall resource efficiency but also mitigates its vulnerability to water scarcity and regulatory constraints associated with freshwater usage. Such targeted interventions contribute to sustainable resource management and reinforce our resilience against climate-induced water stress risks.

- **Strategic Integration**
  Climate adaptation and mitigation strategies are being integrated into project design, procurement, and execution. This includes evaluating environmental risks during project bidding, Continuous monitoring of greenhouse gas emissions, energy consumption, and resource usage throughout the infrastructure lifecycle, ensuring that projects maintain compliance and align with evolving sustainability standards. This integrated strategic approach enables us to proactively manage climate risks while capitalising on opportunities to innovate and improve environmental performance.

- **Financial Planning**
  Capital investments are being progressively allocated to renewable energy adoption, sustainable construction materials, and energy-saving technologies. These financial strategies support the national frameworks, notably the Singapore Green Plan 2030, ensuring that our growth trajectory remains consistent with Singapore's broader environmental goals and global climate commitments, while fostering long-term cost optimisation and positioning the Group as a forward-looking leader in sustainable infrastructure development.

We will subject this strategy to ongoing review and refinement as we monitor emerging climate science, regulatory changes, and evolving stakeholder expectations. If future expansion leads us into sectors such as renewables or climate infrastructure, the relevance of climate-related financial risks will be revisited and integrated more comprehensively.

## RISK MANAGEMENT

### APPROACH TO RISK MANAGEMENT

As part of our risk management pillar under the TCFD framework, Ley Choon Group adopts a structured Enterprise Risk Management ("**ERM**") framework to govern the identification, assessment, and oversight of material risks, including those arising from climate-related and broader environmental factors. This risk management framework is embedded across both project and corporate levels, ensuring a consistent and systematic approach. Climate-related risks are recognised as cross-cutting issues that intersect with strategic, operational, financial, and compliance dimensions, reinforcing their integration into the Group's overall risk governance structure.

Risk management responsibilities are decentralised. Business and operational units are empowered to own and manage risks within their areas, supported by the PMO, which leads implementation of the sustainability strategy. The AC oversees climate-related risk processes by working closely with the PMO to ensure structured governance and risk controls.

### ASSESSMENT AND IDENTIFICATION OF CLIMATE-RELATED AND ENVIRONMENTAL RISKS

Our Group evaluates risks using a structured matrix that systematically measures both likelihood and impact across strategic, financial, operational, compliance, information technology, and climate-related dimensions. Climate-related risks are assessed in tandem with other material enterprise risks, ensuring their integration within the Group's broader strategic and operational risk management framework. These integrated assessments support resourcing decisions, contingency planning, and project-level mitigation actions that address climate exposure effectively.

We classify climate risks into two broad categories as follows, which are identified through ongoing regulatory monitoring, stakeholder engagement, and internal sustainability assessments:

a) **Physical risks**
   Climate-related physical hazards can manifest as sudden disruptive events or gradual environmental shifts, each carrying the potential to impact organisational resilience. These exposures may translate into financial strain through asset impairment, operational downtime, or disruptions across interconnected value chains. Variations in water resources, food security, and ambient temperatures may influence site viability, logistical continuity, workforce welfare, and overall operational efficiency. For instance, the heightened incidence of extreme heat events poses significant risks to workforce health and operational productivity on-site, while flood hazards jeopardise the structural integrity of infrastructure and may cause critical disruptions to site accessibility and project continuity.

Addressing these risks is essential to safeguard project timelines, cost controls, and employee welfare, all of which are critical to maintaining our reputation and financial performance.

b) **Transition risks**
Transition risks arise from the societal and economic shift towards a low-carbon and climate-resilient economy, driven by evolving regulations, market preferences, technological innovation, and legal requirements. This transition involves substantial changes in policy frameworks, such as stricter emissions standards, carbon pricing mechanisms, and green procurement mandates, which can impact project costs, compliance burdens, and competitive positioning. Ley Choon Group faces financial and reputational risks linked to the speed and scale of these changes, particularly where adaptation requires new technologies or practices. For instance, Singapore's national policy shift towards a low-carbon economy is driving the progressive transition to electric vehicles ("**EVs**"), with measures such as the increased cost of renewing the Certificate of Entitlement ("**COE**") for fuel-based vehicles. This evolving regulatory landscape poses a transition risk for Ley Choon Group, potentially requiring significant capital outlays to replace existing fuel-powered fleets with compliant EV alternatives in order to maintain operational continuity and meet future compliance expectations.

## RISK MITIGATION AND CONTROL

Our Group implements a range of mitigation strategies to manage climate-related risks, including:

- Embedding climate risks within our ERM framework, which enables anticipatory identification, monitoring, and strategic mitigation;
- Prioritising the use of recycled construction materials, resulting in cost savings in FY2025 and reducing environmental impact;
- Conducting ongoing staff training and awareness programmes to improve responsiveness and safety during extreme weather events;
- Monitoring sustainability developments and updating the climate-related risk framework to remain aligned with evolving regulatory requirements and stakeholder expectations.

In parallel, we are progressively strengthening our operational risk management by exploring the use of climate scenario analysis to assess the potential long-term impacts of both physical and transition climate risks on our operations, supply chain, and financial performance. This forward-looking approach forms part of our ongoing efforts to align with the TCFD recommendations and is considered for incorporation into future sustainability reporting.

## INTEGRATION INTO STRATEGIC DECISION-MAKING

Climate-related risks and broader sustainability imperatives are systematically embedded into our project planning, procurement processes, and operational frameworks to reinforce long-term organisational resilience and adherence to evolving regulatory standards. The PMO collaborates closely with the AC to ensure coherence between ERM and the Group's sustainability agenda. Existing initiatives, such as the incorporation of recycled construction materials, demonstrate a proactive and strategic orientation, while the ongoing exploration of climate scenario analysis aims to strengthen the Group's adaptive capacity in response to future environmental uncertainties.

# SUSTAINABILITY
# REPORT

## TARGETS & PERFORMANCE

We have charted an EHS roadmap, which we have been pursuing since FY2018. Key performance metrics for these areas are being reviewed and are being established in accordance with the following temporal horizons for targets:

- Short term: 1-3 years
- Medium to long term: beyond 3 years

| ASPECTS | OBJECTIVE | TARGETS (SHORT TERM) | TARGET (MEDIUM TO LONG) | PROGRESS | FY2025 PROGRESS AND POLICY |
|---|---|---|---|---|---|
| **Environment** | | | | | |
| **Environmental Compliance** | • To ensure we conform to environmental laws, regulations, standards and other industry requirements | • Reduce the number of environmental-related cases brought by external authorities | • Achieve zero environmental-related cases brought by external authorities | | • No environmental-related cases reported in this FY.<br>• We comply with all national and international legal regulations to uphold the highest level of environmental standards at our worksites. |
| **Climate Change and greenhouse gas emission management** | • Minimise the environmental impact by reducing GHG emission | • Reduce carbon footprint intensity by 5% compared to previous year | • Reduce carbon footprint intensity by 10% compared to the baseline year<br>• Achieve carbon neutrality in HQ building | | • Our carbon footprint increased by 7.3% in FY2025, primarily due to higher electricity consumption and the application of enhanced emissions factors. We will taking our continuous initiatives to monitor the electricity consumption to lower its utilisation in the coming FY.<br>• We are committed to reducing our carbon footprint by 5% in the future FY, reflecting efforts to improve energy efficiency, adopt lower-emission technologies, and implement sustainable practices across our operations.<br>• We implement a data-driven approach to monitor and review our GHG emissions and ensure effective management of the environmental impact. |

# SUSTAINABILITY REPORT

| ASPECTS | OBJECTIVE | TARGETS (SHORT TERM) | TARGET (MEDIUM TO LONG) | PROGRESS | FY2025 PROGRESS AND POLICY |
|---|---|---|---|---|---|
| Energy Efficiency | • Preserve our environment by reducing energy consumption and avoiding pollution | • Reduce the total energy consumption by 1% per headcount in the HQ building compared to the previous year | • Reduce the total energy consumption by 5% per headcount in the HQ building compared to the baseline year<br>• Achieve carbon neutrality in HQ building | | • In FY2025, our energy intensity increased by approximately 1% compared to the previous financial year, primarily due to the greater number of construction projects undertaken and the additional electricity required to power the newly acquired recycling crusher.<br>• We are committed to increasing our efforts in reducing our total energy consumption by 1% compared to previous FY.<br>• We implement energy-efficient practices, technology, and equipment to reduce energy consumption within our premises. |
| Water Conservation | • Preserve our environment by reducing the use of water for our activities | • Reduce the total water consumption by 1% per headcount in the HQ building compared to the previous year | • Reduce total water consumption by 5% per headcount in the HQ building compared to the baseline year | | • In FY2025, we effectively achieved a 7.1% reduction in water consumption intensity compared to FY2024, attributable to the strategic utilisation of NEWater and the implementation of advanced water-efficient fixtures within dormitory facilities.<br>• We are committed to maintaining our efforts in reducing our total water consumption per headcount in the HQ building by 1% compared to previous years. |
| Biodiversity Preservation | • Deploy the necessary resources to preserve biodiversity and ensuring the sustainability of ecosystems | • Engage specialists/ experts to set up the environmental programme for the protected area prior to the commencement of works | • Develop and implement comprehensive environmental management plans for all projects in protected areas<br>• Achieve Singapore Environmental Achievement Award for Systems and Management | | • We maintain zero significant issues related to biodiversity in FY2025.<br>• We implement environmentally friendly practices, technology, and equipment to preserve biodiversity. |
| Waste management | • Ensure all the contaminated waste are sent for proper disposal by NEA approved General Disposal Facilities | • Employ an environmental control office or specialist for environmental control measures | • Standardise environmental control measures across all operations<br>• Achieve comprehensive environmental management across all projects | | • Achieved zero generation of hazardous waste throughout our business operations.<br>• We implement effective waste management measures and technology to ensure we maximise the mAterials we use and the waste disposal or discharge is responsibly managed. |

# SUSTAINABILITY REPORT


## SOCIAL

Our strong commitment to social responsibility is exemplified by our prioritisation of employee health, safety, and overall well-being. We cultivate an inclusive and diverse organisational culture while contributing meaningfully to the communities in which we operate. Emphasis is placed on maintaining a secure working environment, encouraging work-life harmony, facilitating continuous professional growth, and upholding equitable labour standards.

Creating a welcoming and supportive atmosphere for our migrant workforce has become a meaningful part of our approach, with effort that has yielded significant and measurable benefits. In appreciation of their contributions, we host a range of engagement activities such as sports day, collaborative exercises, and an annual appreciation dinner with the aim of strengthening social cohesion and fostering mutual respect.


In celebration of our achievements in innovation, excellence, and growth, a company incentive trip to Yunnan was organised, which provided an opportunity for rest and rejuvenation, while also strengthening team cohesion and honouring the hard work of our people. For many, these shared moments nurture a sense of belonging and continuity beyond the workplace. We believe such experiences enhance informed decision-making, long-term well-being, and a motivated, connected workforce.

These ongoing initiatives underscore our institutional commitment to responsible stewardship and the promotion of a nurturing and empowering workplace environment.

## LABOUR REGULATIONS COMPLIANCE

The Group adopts a comprehensive human capital strategy grounded in principles of equity, inclusivity, continuous growth, and the promotion of employee well-being, including a balanced professional and personal life. Our Human Resource ("**HR**") policies are thoughtfully aligned with Singapore's legislative landscape, including the Employment Act (Cap. 91), Employment of Foreign Manpower Act (Cap. 91A), and statutory social protection mechanisms such as the Central Provident Fund. We remain fully accountable for regulatory adherence across all operational jurisdictions and diligently meet the requisite standards mandated by the BCA and the Ministry of Manpower ("**MOM**").

In FY2025, we are pleased to report zero breaches of applicable labour legislation, a testament to the robustness of our compliance framework and the effectiveness of our internal controls. This achievement highlights our enduring dedication to upholding ethical employment standards, fostering a safe and respectful workplace, and safeguarding the rights and dignity of every employee.

## EMPLOYEE WELFARE AND HR ENGAGEMENT

In alignment with the Tripartite Guidelines on FWA, our Group adopted a FWA model in July 2024 that supports both flexible working hours and hybrid work modes, subject to supervisory approval. This approach was formalised through the introduction of a comprehensive FWA policy, outlining eligibility criteria and application procedures. This policy reflects our commitment to cultivating a progressive workplace culture that values adaptability, inclusivity and mutual trust.

Furthermore, we introduced the HR Connection Session Programme in August 2024, providing employees with a dedicated platform to openly communicate their concerns, feedback, and suggestions directly to HR via a designated email address. This initiative encourages candid dialogue on both personal and work-related matters, fostering a supportive and responsive work environment. This programme enhances transparency and trust by ensuring employees feel heard and valued, which contributes to improved morale and job satisfaction. It also enables HR to proactively identify and address issues early, reducing potential conflicts and supporting employee well-being. By facilitating ongoing communication, the programme strengthens organisational cohesion, promotes a culture of openness, and ultimately supports retention and productivity. This progress aligns with our strategic sustainability aims and contributes to the organisation's lasting growth and stability.

## PRESIDENT'S CHALLENGE ENABLING EMPLOYMENT PLEDGE

Our Group underscored its commitment to inclusivity by signing the President's Challenge Enabling Employment Pledge, a national initiative supporting the employment of persons with disabilities ("**PWDs**"). During the current financial year, we have actively advanced this commitment by integrating inclusive HR practices, providing tailored training and workplace support, and fostering a culture that values diversity and equitable participation.

These ongoing efforts have not only aligned with our core values but have also contributed to a more engaged workforce, an enriched organisational culture, and a broader, more diverse talent pipeline. By continuing to embed disability inclusion into our operational framework in FY2025, we further strengthen our social impact credentials and reinforce our standing as a responsible and forward-looking employer.

## PROGRESSIVE WAGE MARK

Since achieving certification under the Progressive Wage Mark in FY2024, we have consistently demonstrated our commitment to fair wages and equitable treatment for lower-wage workers. This ongoing dedication enhances our corporate social responsibility profile and distinguishes us as a socially responsible employer. The accreditation continues to strengthen our positioning for public sector contracts, while fostering improved employee morale and retention through the promotion of workplace well-being and career development opportunities.

In FY2025, we have effectively utilised financial support from the Progressive Wage Credit Scheme to manage the transition towards progressive wage structures, reinforcing our focus on sustainable and inclusive growth. By emphasising these milestones, we highlight our proactive stance on social sustainability and ethical business conduct, contributing to a fair and equitable economy and bolstering our corporate reputation and competitive advantage within the industry.

## GRIEVANCE AND HARASSMENT MANAGEMENT

We have implemented a Grievances Policy designed to uphold fairness, transparency, and accountability in addressing employee concerns. This policy establishes a clear and structured mechanism through which individuals can voice issues related to employment terms, workplace conditions, or interpersonal dynamics within the organisation.

The policy contributes to enhanced employee well-being and organisational effectiveness, including:

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

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

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

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

Our Grievances Policy embodies our commitment to fostering a workplace culture that honours and respects every individual.

Additionally, in accordance with the Tripartite Advisory on Managing Workplace Harassment, we developed a Workplace Harassment Policy that reinforces our commitment to maintaining a respectful and dignified working environment. By aligning with these guidelines and embedding them into our organisational values, we aim to implement fair and effective workplace practices that benefit both employees and the organisation.

## EMPLOYEE ENGAGEMENT AND WELL-BEING

The Group remains committed to recognising and appreciating the invaluable contributions of our employees, exemplified by the annual appreciation dinner held in January 2025. A key highlight of the event was the presentation of Long Service Awards, which honoured 125 employees for their enduring dedication. This celebration not only marks significant individual milestones but also reflects the strength of our employee engagement and retention strategies. We continue to prioritise a positive and appreciative work culture by enhancing the support and opportunities available to our workforce.

In December 2024, we actively supported and collaborated with the MOM, Assurance, Case and Engagement ("**ACE**") Group in commemorating International Migrants Day, reaffirming our deep appreciation for the invaluable contributions of our migrant workers. To mark this initiative, we organised a dedicated employee games day, an event created to honour the contributions of our migrant workers while offering them a meaningful opportunity to unwind and foster stronger interpersonal connections among colleagues. The celebration featured a wide array of activities, including basketball, badminton, cricket, baseball, and a mini carnival, with enthusiastic participation from both local and migrant employees. This inclusive platform not only allowed individuals to showcase their talents beyond the workplace but also fostered cross-cultural interaction, teamwork, and a spirit of friendly competition. The event embodied our commitment to inclusivity and employee well-being, while also reinforcing our broader sustainability agenda by nurturing a cohesive and resilient workforce. By recognising and valuing the role of migrant workers, we continue to build a more equitable, supportive, and socially responsible organisational culture.

Furthermore, as we placed paramount importance on the health and well-being of our employees, recognising that a healthy workforce is essential for sustained organisational success, we conducted a health screening programme designed to empower employees to take proactive control of their health. The programme included a variety of essential medical assessments, such as blood pressure monitoring, blood tests, and other key health indicators, enabling early detection and prevention of potential health issues. This initiative forms part of our broader employee wellness strategy, which promotes healthy lifestyle choices and cultivates a supportive work environment, with the goal of helping employees maintain optimal health so they can thrive both professionally and personally.

Moreover, as part of our incentive programme, we organised an incentive trip to Yunnan Province to acknowledge the exemplary contributions of our employees. This initiative serves not only as recognition of their dedication and hard work but also as an opportunity to foster team cohesion and collective motivation. This programme reflects our dedication to a balanced work-life, stronger team bonds, and a nurturing workplace culture.

These initiatives collectively manifest our profound appreciation for the dedication and commitment demonstrated by our workforce. By investing in these meaningful employee engagement activities, we not only celebrate individual and collective achievements but also foster a strong sense of belonging and loyalty. Such efforts align closely with our sustainability agenda by promoting employee well-being, enhancing morale, and nurturing a cohesive, inclusive workplace culture. Through these sustained commitments, we reinforce our vision of a resilient organisation that values social responsibility and cultivates long-term growth grounded in respect, recognition, and mutual support.

*Ley Choon's Annual Appreciation Dinner and Chinese New Year Celebration*


*Long Service Award Appreciation Ceremony*

*Employee Games Day in Celebration of International Migrants Day*

*Employee Health Screening Programme*

*Incentive trip to Yunnan Province*

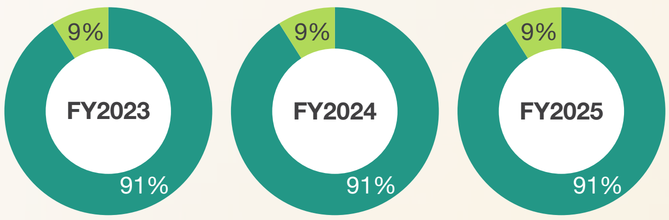
# SUSTAINABILITY REPORT

## DIVERSITY, EQUITY AND ANTI-DISCRIMINATION

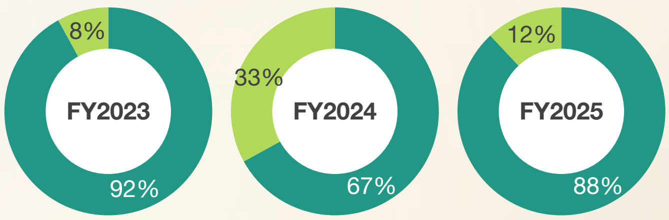
Our Group is committed to harnessing the value of workforce diversity, as reflected in the inclusive representation of employees across various nationalities and age groups. This diversity forms a vital foundation of our organisational strength, enhancing our ability to respond effectively to the needs of our core market in Singapore. While we continue to promote gender inclusivity and equal access to opportunities across all levels, we acknowledge the existing gender imbalance.

Due to the physically intensive and field-based nature of our operations in underground utilities infrastructure and roadworks, roles often require on-site deployment and result in over 91% of our employees are male.

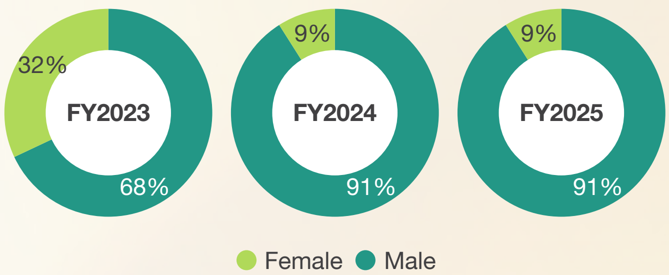
Total Employees by Gender




New Hires by Gender




Employee Turnover by Gender

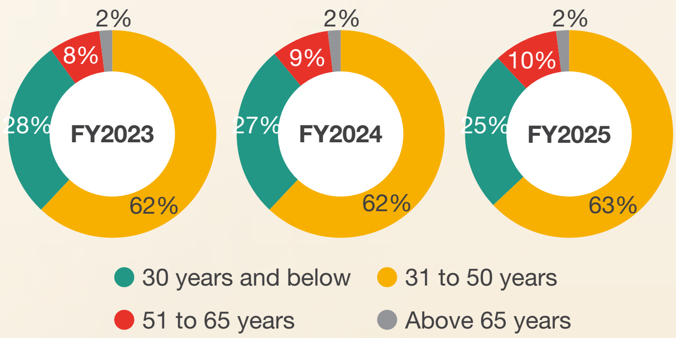



We are unwavering in our commitment to cultivating a diverse and inclusive workplace where every employee, regardless of gender, is afforded equal opportunities for personal and professional advancement. We deeply value the significant contributions made by our female employees across all levels, particularly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

Moreover, we place immense value on age diversity within our workforce. In FY2025, 12% of our employees were aged above 50 years, bringing with them a wealth of experience and expertise that enriches our organisation and elevates the quality of our services.

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

Total Employees by Age Group




## RECRUITMENT AND RETENTION

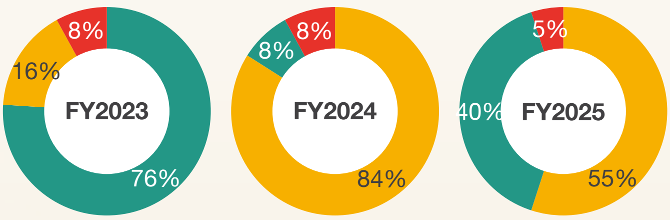
In FY2025, approximately 55% of new hires fell between the ages of 31 and 50, a demographic whose professional experience has significantly strengthened our project execution capabilities. Markedly, 58% of resignations were recorded in this same age bracket, representing a 6% decrease from the preceding financial year.

To ensure a smooth transition for incoming employees, we conduct a structured orientation programme commencing with a briefing on employment contracts to clarify the terms of engagement. This is followed by a guided office tour to help new team members familiarise themselves with their work environment. They are subsequently introduced to colleagues to encourage early interpersonal connections. A welcome email is also dispatched, offering key information on the company intranet and website, which offers centralised platforms for essential organisational resources. Furthermore, new employees are supported through a buddy system, where buddies are appointed to provide guidance and peer-level support during the initial phase of their employment.

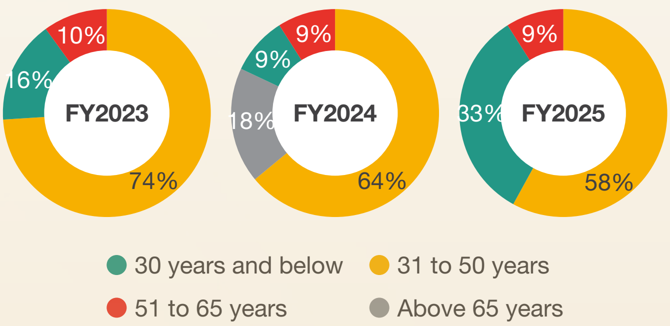
# SUSTAINABILITY REPORT

Collectively, this onboarding initiative is designed to cultivate a sense of belonging and contribute positively to employee retention from the outset.

New Hired by Age Group




Employee Turnover by Age Group



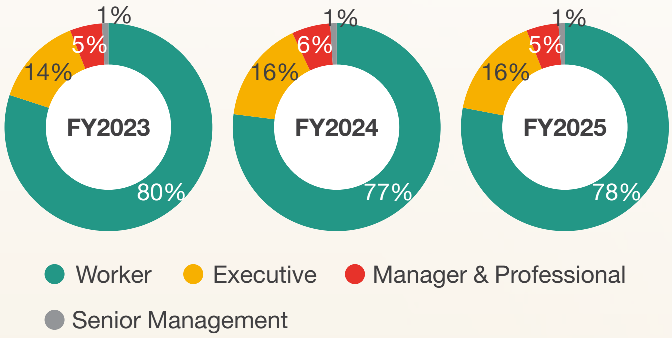

## TALENT INVENTORY

The Group comprises a proficient workforce of 941 individuals engaged across a broad spectrum of occupational functions in FY2025. Guided by the belief in equal opportunity, our recruitment approach is grounded in fairness and objectivity, with opportunities extended based on individual capability rather than personal attributes such as age, gender, ethnicity, or nationality.

To cultivate strong leadership and support sustainable organisational development across distinct operational areas, we adopt a strategically calibrated distribution of talent across professional and managerial tiers, as depicted in the accompanying chart below. This deliberate configuration enables us to harness a diverse reservoir of expertise and perspectives, thereby reinforcing our institutional resilience and adaptability.

In addition, women represent 13% of senior leadership roles, where they contribute meaningfully to high-level decision-making and bring critical insights to long-term strategic planning.

Total Employee by Job Position




In FY2025, the Group benefited from the presence of seasoned professionals comprising 5% of the workforce. These individuals contribute a wealth of industry-acquired insights that enhance our strategic positioning and readiness to respond to evolving market dynamics. Beyond operational impact, senior personnel assume a pivotal function in nurturing emerging talent through structured guidance and knowledge transfer. Acknowledging the value of continuous professional growth, we remain dedicated to cultivating the capabilities and potential of our people.

Affirming our stance on age inclusivity, we have adopted the Tripartite Standard on Age-friendly Workplace Practices ("**AFW**") since FY2022. This nationally endorsed framework, developed in collaboration with government, unions, and employer bodies, outlines exemplary employment standards across key domains such as equitable hiring, adaptable work arrangements, conflict resolution processes, and age-responsive management.

Key practices under the AFW Standard include:

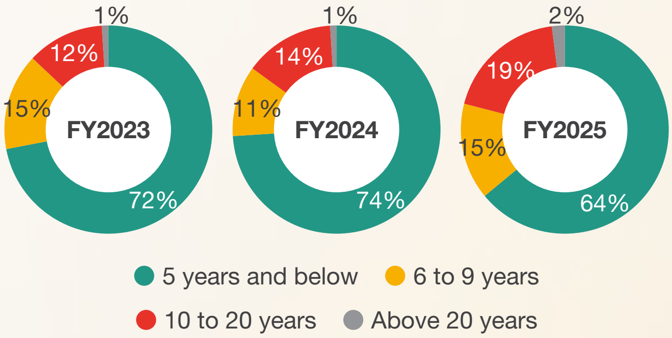
- Age is not a selection criterion in recruitment processes.
- A senior management member champions age-friendly practices.
- Older employees receive training to perform their jobs effectively.
- Implementation of workplace health programmes tailored for older employees.
- Designing jobs and workplaces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

# SUSTAINABILITY REPORT

Our adoption of these standards reflects a sustained commitment to cultivating an inclusive and supportive organisational culture. This proactive stance enhances our employer brand, strengthening our capacity to attract and retain high-calibre talent. As an official Tripartite Standards adopter, we are authorised to display the TS logo across our outreach and hiring platforms, an emblem of our adherence to progressive workforce practices and a testament to our reputation as a preferred employer.

By promoting an environment that values age diversity, we enable experienced personnel to remain actively engaged, thereby contributing strategic insight and continuity. Their ongoing involvement reinforces our developmental trajectory and inspires the broader workforce to realise their full potential.

Total Employee by Years of Service

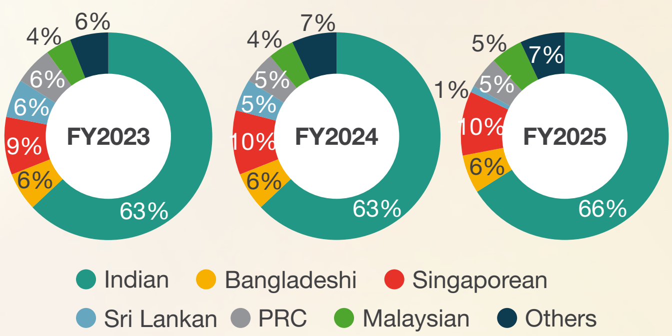



## MANPOWER RESOURCE

The Group values its multicultural workforce, comprising individuals of varied national origins, as reflected in the chart below, where employees of Indian descent represent the most prominent demographic segment.

We recognise the invaluable contributions each team member brings to the organisation. The breadth of perspectives, lived experiences, and cultural richness they offer significantly enhances the organisational milieu. This heterogeneity plays a critical role in shaping a workplace that is grounded in cross-functional collaboration, creativity, and inclusive engagement.

Employee by Geographical Region

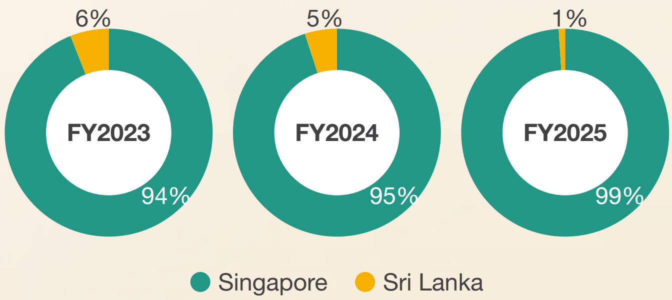



The Group emphasises strategic optimisation of labour resources for on-site operations. We employ manpower histograms alongside a forward-looking schedule to allocate personnel with precision. By rigorously overseeing project demands and workload fluctuations, we ensure adequate rest periods for staff following their shifts.

Recognising the importance of employee well-being, we remain committed to promoting a sustainable work-life balance for our personnel. As illustrated in the charts below, our workforce is primarily located in Singapore and Sri Lanka. In FY2025, employees based in Sri Lanka constituted only 1% of the total headcount, largely due to the completion of most projects in that region. During this period, construction activities were primarily based in Singapore, necessitating a larger deployment of manpower and resulting in the highest workforce concentration in Singapore.

In FY2025, no incidents of discrimination were reported, reflecting a positive workplace environment throughout the year.

Allocation of Employee by Geographical Region



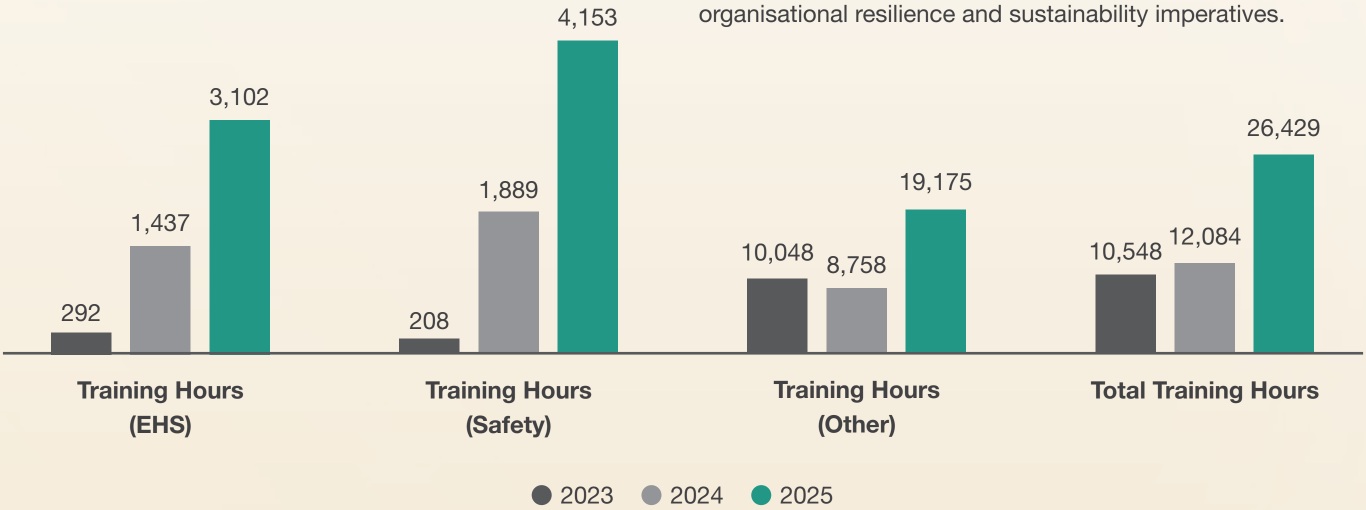

## TRAINING AND DEVELOPMENT

To enhance field personnel's competence in EHS protocols, the Group strategically reallocated training resources, prioritising EHS and safety-related modules over other areas. This adjustment aims to deepen employee expertise and vigilance in critical safety domains.

The organisation acknowledges the pivotal role of systematic performance appraisals in advancing professional growth, optimising skill management, and cultivating human capital. Notably, the cohort undergoing such evaluations expanded from 495 to 542, signifying a reinforced focus on comprehensive employee development initiatives, including coaching and mentoring that extend beyond conventional review mechanisms.

Collectively, these measures demonstrate our commitment to nurturing a secure, knowledgeable, and growth-oriented workplace, equipping our workforce to effectively drive organisational resilience and sustainability imperatives.

Employee Training Hours




In FY2025, the total training hours increased substantially to 26,429 hours, reflecting an enhanced and strategic commitment to employee development across all levels of the organisation. This growth was driven by an expanded EHS training programme, internship programme and the phased rollout of the Operations Supervisor Training Programme, which provides in-house training on safety compliance, resource management, leadership and communications skills for all Operations Supervisors. These programmes are carefully designed to address both foundational skills and advanced leadership capabilities, ensuring a well-rounded approach to workforce growth. Our training efforts combine a comprehensive mix of internal knowledge-sharing sessions and externally facilitated courses, enabling employees to benefit from both company-specific expertise and industry-leading practices. By fostering continuous learning and professional growth, these initiatives aim to equip our workforce with the necessary tools to navigate a rapidly evolving business environment and contribute effectively to organisational success.

Complementing this, our internal training programmes are custom-designed to align closely with the operational needs. This tailored approach addresses specific challenges and opportunities unique to our business, ensuring relevance and effectiveness. Additionally, internal training supports continuous learning through regular updates and refresher courses, thereby strengthening employee skills and competencies across diverse functional areas.

This integrated training strategy underscores our dedication to fostering a culture of continuous enhancement and talent cultivation, ensuring our workforce remains proficient and resilient in addressing both present and emergent challenges. Moreover, it aligns with our broader sustainability objectives by promoting long-term organisational adaptability and sustainable human capital development.

# SUSTAINABILITY REPORT

## DIVISIONAL SAFETY TRAINING AND INTERACTIVE FORUM

In FY2025, the Group advanced its commitment to employee safety by extending the safety enhancement programme to the divisional level. This initiative marks a significant progression in safeguarding the workforce's well-being through stringent safety oversight and comprehensive training protocols. The programme equips employees with essential knowledge and tools to uphold a secure operational environment.

To deepen comprehension of safety procedures, a dedicated Question & Answer ("**Q&A**") session is conducted immediately following each training module. This interactive segment is designed to actively engage employees, providing them with a supportive platform to seek clarifications, address concerns, and discuss real-world applications of the safety protocols presented. This approach not only promotes a culture of safety awareness but also empowers employees to take ownership of their roles in maintaining a secure work environment.

## DORMITORIES ENVIRONMENT

The Group is committed to enhancing the welfare and comfort of foreign workers within Singapore's construction sector, acknowledging the significance of their non-working hours. Emphasis is placed on elevating the standard of accommodation provided in our dormitories to foster a supportive living environment.

With this aim, a comprehensive suite of quality amenities is offered, including washing machines, fitness centres, recreational beer gardens, and dependable Wi-Fi connectivity. Periodic entertainment events are organised to promote leisure and social engagement, thereby fostering a supportive community atmosphere that enhances the well-being and sense of dignity among residents. These initiatives align with our broader commitment to sustainable workforce welfare, recognising that a positive living environment contributes to long-term employee satisfaction and retention.

We remain dedicated to the ongoing evaluation and enhancement of living standards, ensuring alignment with statutory and ethical obligations for workforce well-being.

## BUSINESS PARTNER AND STAKEHOLDER ENGAGEMENT

Fostering enduring and constructive alliances with key external counterparts remains integral to our organisational ethos. We acknowledge that meaningful dialogue and clarity in communication are instrumental in facilitating mutual awareness of our evolving priorities and initiatives.

Accordingly, the Group adopts a proactive stance in sustaining consistent interaction, offering timely updates on strategic undertakings and relevant progress. By upholding openness and reciprocity in our communications, we aim to reinforce collaborative synergy and shared understanding. For a detailed exposition of our engagement methodologies, please refer to the **Stakeholder Engagement** section.

## LABOUR-MANAGEMENT RELATIONS

Our Group recognises that a well-informed and engaged workforce is fundamental to organisational cohesion and long-term success. With this principle, we prioritise the establishment of robust internal communication frameworks to facilitate the consistent flow of information and contribute to a constructive workplace environment.

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

- **Bi-monthly Management Meetings:**
  These gatherings primarily focus on reviewing the physical and financial progress of ongoing projects, offering insights into our collective achievements and areas for improvement.

- **Chief Executive Officer ("CEO") Dialogue Sessions:**
  Regular sessions are conducted between our CEO and operational staff to gain a deeper understanding of their day-to-day challenges and identify opportunities for enhancing productivity. This open dialogue facilitates agile adjustments to workflows and business processes.

- **Weekly/Monthly Team Meetings:**
  Team Managers convene regular meetings to discuss operational reviews and project progress, fostering collaboration and alignment across all levels of the organisation.

# SUSTAINABILITY REPORT

- **Quarterly Board Meetings:**
  Quarterly meetings are held for the Board of Directors to delve into strategic business development initiatives and financial matters, ensuring transparency and alignment with our overarching objectives.

- **Informal Small Group Gatherings:**
  Management frequently organises informal meetings to provide a platform for employees to voice their concerns and grievances, fostering a culture of openness and trust within the organisation.

By employing these diverse communication strategies, we strive to maintain a cohesive and engaged workforce, enabling employees to make impactful contributions toward our shared success.

## SUPPLY CHAIN MANAGEMENT

Our vendor assessment framework is strategically developed to emphasise critical attributes that underpin operational excellence. These encompass product quality, price competitiveness, certifications and accolades, adherence to delivery schedules, and responsiveness to instructions. Prior to acceptance onto our Approved Vendor List ("**AVL**"), all prospective vendors are subjected to a structured and rigorous evaluation against these stringent criteria. Similarly, vendors currently engaged in projects are subject to periodic assessments to ensure alignment with our standards and retain their position on the AVL.

To strengthen supply chain resilience and minimise potential operational disruptions, our AVL as of 31 March 2025 reflects a diverse composition of qualified vendors. This strategic approach safeguards against over-reliance on a limited pool of suppliers and strengthens our capacity to pursue alternative vendors for competitive pricing and uninterrupted supply continuity. Furthermore, we conduct regular performance evaluations for local suppliers, optimising our partnerships for sustained success.

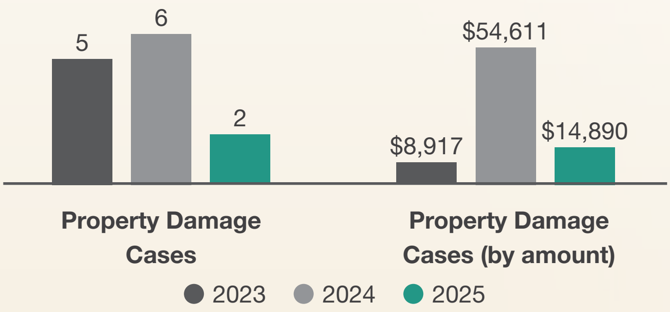
While not mandatory, we prioritise vendors with environmental certifications such as ISO 14001:2015, reflecting our commitment to sustainability. Conversely, vendors involved in environmentally or socially detrimental incidents, such as pollution or unethical labour practices, are critically reviewed and may be subject to disqualification.

In FY2025, 93% of our procurement budget was allocated to local suppliers, reinforcing our contribution to local economic vitality and community development.

## PRODUCTS RESPONSIBILITY

In FY2025, property damage incidents decreased to 2 cases, resulting in a 73% reduction in repair costs to $14,890 compared to the previous financial year. This improvement underscores the effectiveness of our ongoing efforts to maintain work quality while curtailing repair expenses and mitigating property damage in line with our established targets.

Products Responsibility

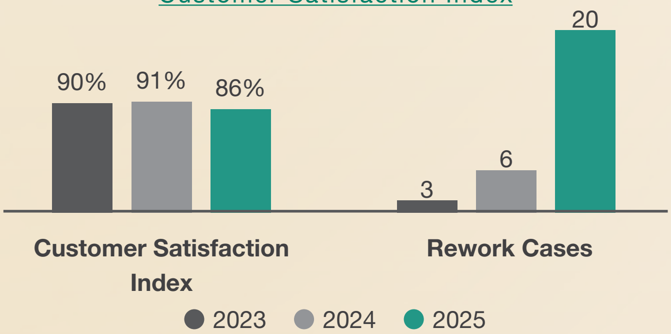



## CUSTOMER SATISFACTION INDEX

In FY2025, the Group achieved a Customer Satisfaction Index of 86%, reflecting a decline from the previous year. Nonetheless, we deeply value the feedback provided by our clientele and reaffirm our commitment to perpetually advancing our service standards to better align with evolving expectations.

In FY2025, the Group reported a total of 20 rework cases, of which 3 were associated with private works. This notable increase was largely ascribed to the higher frequency of wet weather during the soil compaction phase, which affects the quality and stability of the soil. As a result, corrective actions were undertaken to address the deficiencies. Our Group aims to maintain its positive momentum by keeping the number of rework cases below 10 in the upcoming financial year compared to the previous financial year. Through the implementation of robust quality management protocols and a continuous commitment to operational excellence, we seek to consistently deliver high-quality services and optimise value for our valued clients.

Customer Satisfaction Index



# SUSTAINABILITY REPORT

## TARGETS & PERFORMANCE

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

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

We are systematically reviewing and setting the key performance metrics for our human resource management system based on the temporal horizons for targets as follows:

- Short term: 1-3 years
- Medium to long term: beyond 3 years

| ASPECTS | OBJECTIVE | TARGETS (SHORT TERM) | TARGET (MEDIUM TO LONG) | PROGRESS | FY2025 PROGRESS AND POLICY |
|---|---|---|---|---|---|
| **Social** | | | | | |
| **Employee Wellness** | Enhance employee wellness in both physical and mental state of well-being | • Immediate wellness initiatives: Through organised activities for employees to participate in | • Strengthen wellness initiatives: Through wellness programmes to promote work-life balance and mental health<br>• Develop wellness metrics to measure employees' well-being on a regular basis | | • We coordinated a range of employee engagement activities to foster participation and enhance workforce morale.<br>• We aspire to position Ley Choon as the employer of choice for existing and potential employees.<br>• We strive to provide a healthy workplace, recognising that employee well-being enhances productivity, engagement, and overall corporate growth. |

| ASPECTS | OBJECTIVE | TARGETS (SHORT TERM) | TARGET (MEDIUM TO LONG) | PROGRESS | FY2025 PROGRESS AND POLICY |
|---|---|---|---|---|---|
| **Employee Engagement** | Foster a highly engaged, cohesive, and motivated workforce | • Initiate well-designed employee engagement programmes | • Refine engagement programmes and conduct regular engagement assessment sessions<br>• Sustain high level of engagement and develop programmes targetting other aspects such as leadership | | • In FY2025, we organised bonding activities such as Employee Games Day to foster a sense of connection and interactions among employees.<br>• We strive to achieve at least 90% employee engagement to enhance the communication and cohesion of the organisation.<br>• We promote greater social interaction among employees via company-wide programmes and both external and internal communications channels. |
| **Employee Loyalty** | Foster strong employee loyalty by enhancing morale, motivation, and social cohesion | • Launch employee loyalty strategies and programmes | • Enhance loyalty programmes with competitive benefits and career development<br>• Sustain and implement more loyalty-enhancing programmes | | • We persist to uphold the tradition of conferring long-service awards to duly acknowledge and honour the dedicated contributions of our employees.<br>• We aspire to position Ley Choon as the employer of choice for existing and potential employees.<br>• We strive to attain 80% employee loyalty to enhance the employee morale, motivation, and cohesion of the organisation. |

# SUSTAINABILITY REPORT

| ASPECTS | OBJECTIVE | TARGETS (SHORT TERM) | TARGET (MEDIUM TO LONG) | PROGRESS | FY2025 PROGRESS AND POLICY |
|---|---|---|---|---|---|
| **Compensation and Benefits** | Ensure fair and competitive remuneration and benefits to attract, retain, and motivate top talent, aligning with employees' skills and experience | • Provide fair and competitive remuneration and staff benefits that meet the Company's goals of attracting and retaining good talent | • Improve remuneration packages for staff that correspond to their work experience and skillset<br>• Sustain compensation and remuneration benefits that aptly reflect changes in the job market, economic conditions and employee needs | | • Certification under the Singapore Government's Progressive Wage Mark programme elucidates our commitment to ensuring fair wages for lower-wage employees, who constitute the majority of our workforce.<br>• We strive to achieve fair, non-discriminatory, and competitive remuneration packages for staff which commensurate with their work experience and skillset.<br>• We endeavour to attain a satisfaction rating exceeding 80% for remuneration and benefits, as reflected in employee exit interview responses. |
| **Recruitment** | Embrace an open recruitment approach to attract the best talent to join the Group | • Conduct fair recruitment to employ employees with a good profile and required skillset | • Develop a strong employer branding and referral programmes<br>• Sustain programmes and regularly review and update recruitment strategies | | • We recruited 78 new hires across different ages, genders and nationalities.<br>• We embrace an open recruitment policy to uphold the principle of fairness and meritocracy in our recruitment and selection process. |
| **Diversity** | Foster a diverse workforce by achieving balanced representation in gender, age, and nationality | • Review and update HR policies and practices | • Implement diversity recruitment initiatives and inclusive policies and practices<br>• Establish mechanisms for continuous monitoring and evaluation of diversity metrics to track progress over time | | • In FY2025, 12% of employees were above 50 years old, 25% were below the age of 30, and 9% of our employees were female. This highlights the Group's ongoing commitment towards gender, age, and nationality diversity in the workforce.<br>• We strive to achieve a fair proportion of diversity in terms of gender, age and nationality in our workforce. |

# SUSTAINABILITY REPORT

| ASPECTS | OBJECTIVE | TARGETS (SHORT TERM) | TARGET (MEDIUM TO LONG) | PROGRESS | FY2025 PROGRESS AND POLICY |
|---|---|---|---|---|---|
| **Training & Development** | Empower employees through comprehensive training programmes | • Implement training programmes which will upgrade and enhance the technical skillsets and professional competencies of our employees for them to excel in their current position | • Implement advanced training programmes that go beyond basic skill enhancement to develop specialised skills and competencies required for career advancement<br>• Establish leadership development programmes | | • Total training hours increased to 26,429 hours in this FY compared to the previous financial year, driven by an expansion of EHS training for employees, alongside the introduction of the Operations Supervisor Training Programme designed to enhance the competencies and leadership capabilities of Operations Supervisors.<br>• We are committed to providing a minimum of 8 hours of training to each employee, ensuring their continuous professional development and encouraging skills upgrading for all members of our workforce.<br>• We deliver training programmes to our employees, including operations supervisors, aimed at advancing their professional competencies and technical skillsets to fulfil the requisite scope of work. |
| **Employee Performance** | Create a culture of high performance and motivation by implementing a fair and effective employee performance strategy | • Develop an employee performance system that will provide a fair evaluation and a high motivation system for employees | • Establish a continuous feedback mechanism and recognition reward programme<br>• Regularly review and refine the performance management system | | • In FY2025, 542 employees underwent performance reviews, representing an increase from 495 in the previous financial year. This upward trend underscores our sustained commitment to performance management as an integral element of our comprehensive employee development strategy.<br>• We adopt a fair employee performance system that provides a fair evaluation system for employees and motivates high employee performance. |

# SUSTAINABILITY REPORT

## GOVERNANCE

In FY2025, our Group upheld high standards under the governance pillar, maintaining full legal compliance, reporting no whistle-blowing incidents, and safeguarding customer data through strong privacy controls. With consideration of TCFD recommendations, climate-related risks and opportunities are overseen at both the Board and management levels. The Board regularly reviews climate matters, ensures strategic and regulatory alignment, and approves related disclosures. The AC integrates climate risks into the broader risk framework, while the PMO drives implementation and tracks environmental performance. These efforts reinforce our commitment to sustainable value creation and responsible corporate stewardship.

### COMPLIANCE AND CORPORATE GOVERNANCE

The Group places significant emphasis on maintaining exemplary standards of corporate governance and regulatory compliance. Our decision-making frameworks conform to all applicable legal and regulatory mandates, including the Code of Corporate Governance issued by the Monetary Authority of Singapore, alongside guidelines from the BCA, LTA, NEA, and MOM.

In FY2025, we sustained an immaculate compliance record, with no notifications or correspondence concerning material regulatory breaches. Furthermore, the AC reported no whistle-blowing incidents during the fiscal year. These results affirm our resolute dedication to governance and compliance excellence. We are equally honoured to report no environmental infractions since FY2021 as well, underscoring our ongoing commitment to responsible and sustainable operational practices. These accomplishments reflect the continuous enhancement of our sustainability initiatives, initiated with the publication of our first sustainability report in FY2018.

We remain resolute in our pledge to uphold these rigorous standards of compliance and governance, recognising their critical role in securing the Group's enduring success and contributing positively to the communities we serve.

### ANTI-CORRUPTION AND ANTI-FRAUD

To uphold the highest standards of integrity and accountability, our Group committed to implementing robust anti-corruption and anti-fraud measures within our corporate governance framework.

Employees are encouraged to report any actual or suspected misconduct related to the Company's operations. The whistle-blowing policy ensures that individuals can raise concerns without fear of retaliation, discrimination, or any form of disadvantage. It is designed to protect and empower employees to voice serious issues internally, thereby mitigating the need for external escalation. The Group is committed to promptly addressing all reported matters through investigations and the implementation of corrective measures to prevent recurrence. This policy cultivates a culture of transparency and accountability, reinforcing the Company's reputation and maintaining public trust. To facilitate effective utilisation, detailed guidelines and a comprehensive Q&A section accompany the policy.

Furthermore, we have instituted a robust Code of Conduct that delineates the ethical standards and behavioural expectations for all personnel. The HR disciplinary framework specifies the consequences of non-compliance, ensuring employees are held accountable and adhere to organisational policies. A structured demerit system is employed to record and manage instances of misconduct, promoting consistency and fairness in disciplinary actions. Regular evaluations and updates to the framework are conducted to maintain its relevance and effectiveness in alignment with the Company's evolving requirements.

### CUSTOMER PRIVACY AND DATA PROTECTION

In FY2025, the Group upheld its strong track record in protecting customer privacy and data security, with no substantiated incidents involving breaches of customer confidentiality or data loss. This outcome reflects the effectiveness of our data governance protocols and the stringency with which we align with the PDPA. To fortify our information security framework, we have made substantial investments in a proprietary IT infrastructure that complies with rigorous cybersecurity benchmarks. Complementing this, sensitive physical documents are disposed of securely via accredited waste management providers, ensuring end-to-end confidentiality.

Our sustained performance in information protection affirms the Group's resolute dedication to safeguarding stakeholder trust and enhancing organisational credibility. By embedding data security as a core operational priority, we continue to uphold the principles of discretion, accountability, and ethical responsibility in all client interactions.

# SUSTAINABILITY REPORT

## ENVIRONMENTAL HEALTH AND SAFETY

At Ley Choon Group, we recognise that placing strong emphasis on quality, environmental responsibility, and the health and safety of our workforce is essential in fulfilling the expectations of our customers, partners, employees, and the broader community.

This commitment is guided by our Group-wide principle, "*Safety is everybody's responsibility*", which forms the foundation of our efforts to create a secure and supportive working environment. This principle has been embedded into our integrated management system, reinforcing our accountability to employees, stakeholders, and the public.

Aligned with our integrated management system policy, we are committed to nurturing a workplace culture that prioritises employee well-being, actively prevents property damage, supports environmental stewardship, and reduces public disturbances such as noise pollution. To uphold these commitments, we commit to:

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

We endeavour to uphold the highest standards of safety, health, and environmental management across all aspects of our operations through these proactive measures and sustained commitment.

## PURSUING EHS EXCELLENCE

We are committed to achieving excellence in EHS standards by consistently meeting the rigorous criteria set by the BCA, the Green and Gracious Builder Award and the bizSAFE STAR certification annually for the following subsidiaries:

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

In addition, we have been awarded the following awards:

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

# SUSTAINABILITY REPORT

## OCCUPATIONAL HEALTH AND SAFETY

Our strong commitment to workplace safety and health is demonstrated through our SEP, which is fully embedded within our EHS management system. This programme is designed to raise safety standards and reduce both the Accident Frequency Rate and Accident Severity Rate across our operations.

Safety is deeply rooted in our organisational culture, not just a policy, but a shared responsibility. Our PMO conducts monthly meetings with key project team members, including the EHS Manager, to review project progress and ensure compliance with safety requirements. These meetings, attended by our CEO, enable prompt decisions on matters such as additional training or resource deployment, reinforcing safety as a leadership priority. At each session, the Corporate Safety Manager presents group-wide EHS statistics, which are carefully analysed to inform continuous improvement efforts. The Project Management Director contributes insights focused on enhancing occupational health, workplace safety, and overall employee well-being.

To ensure all personnel are adequately equipped with essential knowledge and practical competencies, we have implemented a structured and multifaceted safety training framework. This encompasses a series of targeted initiatives tailored to reinforce safety awareness and promote consistent adherence to best practices across all levels of the workforce. Key components of this framework include Toolbox Meetings, which serve as brief, focused sessions to communicate immediate site-specific hazards, safe work procedures, and behavioural expectations. These meetings foster ongoing awareness and encourage proactive risk identification and mitigation among workers. In addition, monthly refresher training sessions are conducted to reinforce critical safety protocols and address any gaps identified through incident reviews or site observations. All new employees also undergo structured EHS inductions prior to deployment, ensuring they are familiar with the Group's safety standards, procedures, and expectations. Topics such as environmental care, workplace hygiene, and personal safety are covered under the supervision of the Corporate Safety Manager and conducted by the Work Safety and Health Officers at project sites. This training structure strengthens compliance while simultaneously cultivating a safety-first culture that is embedded throughout the organisation.

Beyond in-house training, we also partner with external experts to deliver specialised safety programmes. These cover areas such as risk management and emergency preparedness, including participation in national anti-terrorism initiatives and fire drills to enhance response capabilities across the workforce. To promote shared accountability, we have introduced the Environmental, Health & Safety Monitoring Plan. Monthly meetings, chaired by the CEO and PMO, provide a complete overview of EHS performance at each site, allowing timely and effective decision-making. A dedicated EHS WhatsApp group supports rapid communication of critical safety issues, ensuring swift action where needed.

We are committed to ongoing improvements in safety management. Our Safety Management System is routinely reviewed and enhanced, incorporating tools such as competency assessments for site supervisors and data-driven incident analysis. These efforts help us strike a careful balance between operational efficiency and workforce protection, underscoring our goal of maintaining a safe, healthy, and productive work environment.

## WORKPLACE SAFETY AND HEALTH

In FY2025, we have reported zero fatalities, high-consequence injuries, and recordable work-related ill health cases, reflecting our unwavering commitment to maintaining the highest standards of workplace safety. However, total recordable and non-recordable injuries increased to 28 cases compared to the previous financial year, primarily attributable to a rise in non-recordable workplace injuries, which typically involve minor injuries not necessitating medical treatment beyond first aid.

As we progress, safety remains a central focus of our operations, with the objective of achieving zero incident rates. we remain dedicated to our commitment to safety management, striving to reduce the occurrence of incidents and injuries across all operations. As guided by the requirement of the Code of Practice ("**COP**") from the Workplace Safety and Health ("**WSH**") Council, we have incorporated WSH as an agenda item at our Board meetings. As part of this process, EHS statistics are also presented, reinforcing our continuous oversight at the governance level. Additionally, to facilitate this objective, the Group's Board and management have implemented a range of strategic initiatives and plans to strengthen safety performance across all levels of our organisation as below:

- **Safety Enhancement Programme Implementation:**
  The Project Management Office conducts comprehensive monthly reviews to identify opportunities for improvement and ensure the ongoing advancement of safety protocols.

- **Consistent Training Initiatives:**
  We have established an extensive training programme on EHS practices tailored for both new hires and existing employees, supplemented by regular internal refresher sessions held directly at worksites.

- **Focused Recruitment and Retention:**
  Our recruitment strategy prioritises attracting and retaining individuals who demonstrate a strong commitment to health and safety, fostering a workforce dedicated to maintaining a secure work environment across all divisions.

- **Regular Toolbox Meetings:**
  We hold frequent toolbox meetings to reinforce safe working procedures and provide incentives to workers who consistently demonstrate adherence to safety standards.

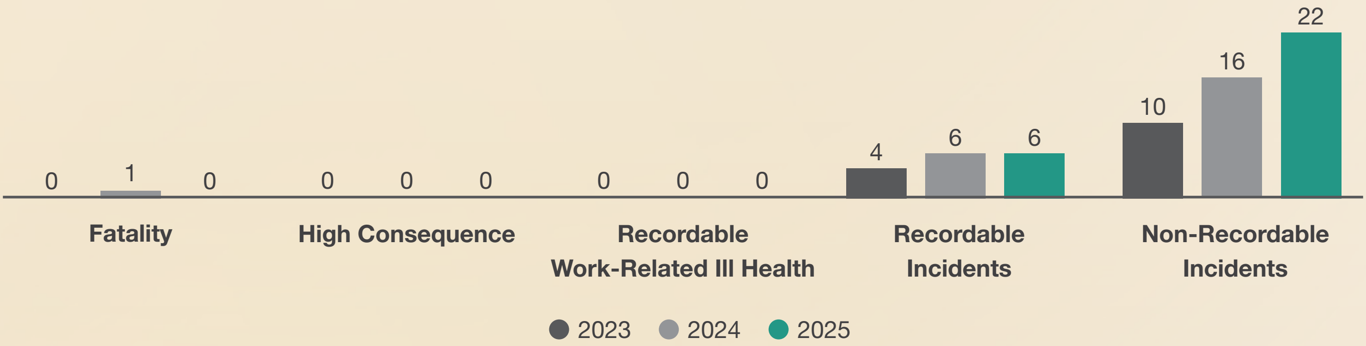
- **Buddy Care System:**
  We have implemented a buddy care system organisation-wide to foster a culture of mutual support and vigilance, which strengthens safety awareness and responsiveness among employees.

- **Improved Dormitory Facilities:**
  We have enhanced worker accommodations to ensure better rest and comfort, promoting overall well-being and readiness for work.

- **Active Management Engagement:**
  We actively engage our leadership team in regular visits to worksites, underscoring their commitment to EHS and elevating safety awareness through direct interaction with employees.

Through these collective initiatives, we remain committed to realising our goal of zero incidents, placing the highest importance on employee safety and well-being while maintaining our strong focus on operational excellence.

Workplace Safety and Health



# SUSTAINABILITY REPORT

## ENSURING GOOD INVESTOR RELATIONS

Amid heightened regulatory scrutiny and increasing expectations for corporate responsibility, both globally and in Singapore, expectations for transparency and strong governance practices among listed companies have reached unprecedented levels. We recognise the importance of meeting these rising expectations and remain committed to maintaining the highest standards of transparency and disclosure across key areas of our operations.

### TIMELY AND RELIABLE INFORMATION

We are committed to providing timely and reliable updates on our strategic initiatives, financial performance, and other significant developments, deeply recognising the importance of keeping our investors well informed. In addition to regular financial reports, investor presentations, and engagement sessions, we ensure that investors have access to key information through announcements related to our operations.

These important updates, including our half-year financial statements, are readily accessible on the SGX announcements page and in the newsroom on the official Ley Choon website. Through these thoughtfully maintained channels, we aim to equip our investors with the essential information needed to make informed decisions.

### SUPPORTING INFORMED INVESTMENT DECISIONS

At Ley Choon Group, we uphold the principle that transparent communication is fundamental to strengthening investor trust and enhancing stakeholder engagement. We are committed to the timely dissemination of accurate and relevant information, empowering stakeholders to make judicious investment decisions grounded in a comprehensive understanding of our strategic orientation, operational risks, and growth prospects.

To facilitate constructive dialogue and institutionalise accountability, we convene Annual General Meetings (“**AGMs**”), which serve as an essential forum for shareholders to engage in direct discussions with the Board and management. These sessions provide valuable opportunities for clarifying strategic initiatives and addressing stakeholder concerns.

Our approach to corporate disclosure is deeply integrated into our broader sustainability agenda. By fostering a culture rooted in openness and mutual respect, we aim to reinforce confidence in our governance practices and deliver enduring value across our stakeholder base.

# SUSTAINABILITY REPORT

## OUR PERFORMANCE THROUGH THE ISSB LENS

Guided by the International Sustainability Standards Board ("**ISSB**") framework for the Engineering & Construction Services sector, our Group disclosed relevant environmental, safety, and climate-related performance indicators for FY2025. These disclosures reflect the Group's commitment to transparency, industry accountability, and sustainability best practices based on the ISSB topics as follows:

| ISSB TOPIC | REPORTING DIMENSION | METRIC | FY2025 KEY DATA AND DISCLOSURE |
|---|---|---|---|
| Environmental Impacts of Project Development | Environmental Compliance | • Incidents of non-compliance with environmental standards | • There were no reported incidents of non-compliance with environmental permits, standards, or regulations.<br>• We continue to uphold stringent environmental compliance standards aligned with the NEA and BCA regulations. |
| | Environmental Risk Management | • Process for assessing environmental risks during project lifecycle | • We adopt a practical and structured approach to assessing environmental risks throughout project planning and execution.<br>• This includes identifying environmentally sensitive areas early in the planning stage, conducting environmental impact assessments when required by local authorities, and embedding appropriate mitigation strategies into construction methods. Project teams are supported with environmental control plans and guided to implement responsible environmental practices throughout project execution. |
| Structural Integrity & Safety | Structural Integrity & Rework | • Cost of defect/ safety-related rework | • The total costs of rework cases amounted to S$127,000, driven by a higher frequency of wet weather conditions during the soil compaction phase. In response, we are taking steps to strengthen our operational planning to enhance resilience against construction disruptions while maintaining our commitment to safety and project quality reliability. |
| | Legal Liability from Safety Issues | • Monetary losses from defect/safety-related legal proceedings | • We recorded no significant monetary losses from legal proceedings related to safety incidents in FY2025, highlighting the effectiveness of our safety management system. |
| Lifecycle Impacts of Buildings & Infrastructure | Sustainability Certifications | • Certified & active projects with sustainability certification | • The projects undertaken by Ley Choon Constructions and Engineering Pte Ltd, Chin Kuan Engineering and Contractors Pte Ltd, and Teacly (S) Pte Ltd have each been honoured with the BCA Green & Gracious Builder Award, recognising their commitment to sustainable building practices and excellence in environmental management within the construction industry. |
| | Energy & Water Efficiency | • Integration of operational energy/ water efficiency in design | • We have minimised its environmental impact by implementing piping infrastructure that enables NEWater use in dormitories and operation sites, reducing reliance on potable water for non-potable needs.<br>• The integration of renewable energy improves energy efficiency across the building lifecycle, advancing sustainability objectives and decreasing greenhouse gas emissions. |
| Climate Impacts of Business Mix | Business Mix & Climate Impact | • Backlog for hydrocarbon, renewable, and climate-aligned infrastructure projects | • Our Group's project portfolio remained primarily focused on climate-aligned infrastructure developments, including underground utility works that support water recycling (NEWater), and green urban infrastructure.<br>• While we do not have exposure to hydrocarbon-based projects, our total project backlog is linked to climate-aligned infrastructure, supporting Singapore's Green Plan and long-term environmental goals, including the construction of water and sewer pipelines supporting the circular water economy. |

# SUSTAINABILITY REPORT

## TARGETS & PERFORMANCE

We are systematically reviewing and setting the key performance metrics for our compliance, and environmental health and safety based on the temporal horizons for targets as follows:

- Short term: 1-3 years
- Medium to long term: beyond 3 years

| ASPECTS | OBJECTIVE | TARGETS (SHORT TERM) | TARGET (MEDIUM TO LONG) | PROGRESS | FY 2025 PROGRESS AND POLICY |
|---|---|---|---|---|---|
| **Governance** | | | | | |
| **Legal compliance** | Maintain full compliance with local laws and regulatory requirement and minimise impact on the environment | • Ensure continuous full legal compliance | • Conduct periodic internal assessments and external audits to verify compliance and identify opportunities for improvement | | • Achieved full compliance with local regulatory requirements in FY2025.<br>• Achieved zero violations against laws and regulations relevant to the environment in FY2025.<br>• We are committed to continuing to comply with laws and local regulatory requirements. |
| **Customer Privacy & Data Protection** | Protect customers' personal information as per PDPA | • Maintain zero complaints | • Implement advanced data protection technologies<br>• Conduct regular risk assessments | | • Achieved zero complaints concerning breaches of customer privacy or losses of customer data in FY2025.<br>• We are committed to continuing to safeguard our client's information and maintain zero complaints concerning breaches of customer privacy or losses of customer data. |
| **Environmental Health Safety** | Ensure workplace safety and health | • Achieve a 50% reduction in Accident Frequency Rate and Accident Severity Rate | • Achieve a 100% reduction in Accident Frequency Rate and Accident Severity Rate<br>• Continuously improve EHS management systems and improve safety training sessions | | • We collaborate with external service providers for specialised training on risk management.<br>• We remain dedicated to balancing productivity and safety, ensuring workforce well-being and operational excellence. |

| ASPECTS | OBJECTIVE | TARGETS (SHORT TERM) | TARGET (MEDIUM TO LONG) | PROGRESS | FY 2025 PROGRESS AND POLICY |
|---|---|---|---|---|---|
| **Anti-Corruption and Anti-Fraud** | Ensure the highest standards of integrity and accountability of all employees | • Implement training sessions to educate employees | • Conduct regular audits and reviews of the whistle-blowing policy and HR disciplinary framework<br>• Achieve and sustain zero whistle-blowing incidents | | • Achieved zero whistle-blowing incidents in FY2025 and in the recent financial years.<br>• We seek to maintain a strong ethical foundation, ensuring the Group operates with the highest standards of integrity and accountability. |
| **Good Investor Relations** | Supporting informed investment decisions | • Continue to maintain transparent communication | • Expand engagement opportunities<br>• Establish robust channels for ongoing engagement with stakeholders | | • Conducted an annual general meeting and regularly published announcements and updates on our website.<br>• We set up regular dialogue sessions with stakeholders and investors, such as Annual General Meetings.<br>• We are committed to delivering timely and reliable information regarding our Group and operations. |
| | Maintain good risk management and adaptability | • Enhance risk identification and monitoring | • Strengthen the risk management framework<br>• Maintain a track record for risk management | | • Regularly keep up with market trends and industry regulations.<br>• We committed to identifying risks through continuous monitoring and comprehensive analysis. |

# SUSTAINABILITY REPORT

## APPENDIX A: SUSTAINABILITY SCORECARD

### ECONOMIC CONTRIBUTION AND GOVERNANCE

| METRICS | UNITS | FY2023 | FY2024 | FY2025 |
|---|---|---|---|---|
| Revenue | $ ‘mil | 124 | 129 | 131 |
| Number of whistleblowing incidents | Number | – | – | – |
| Number of environmental violations | Number | – | – | – |
| Number of breaches of customer privacy and losses of customer data incident | Number | – | – | – |
| Number issues concerning biodiversity conservation | Number | – | – | – |

### ENVIRONMENTAL SUSTAINABILITY

| METRICS | UNITS | FY2023 | FY2024 | FY2025 |
|---|---|---|---|---|
| **Carbon emission** | | | | |
| Carbon emission (scope 1) | $tCO_2e$ | 9,323.4 | 8,645.9 | 9,207.2 |
| Carbon emission (scope 2) | $tCO_2e$ | 775.1 | 930.2 | 1,065.8 |
| Total carbon emission | $tCO_2e$ | 10,098.5 | 9,576.1 | 10,273.0 |
| Carbon emission intensity | $tCO_2e$/ $ ‘000 | 81.4 | 74.2 | 78.7 |
| **Energy consumption** | | | | |
| Fuel energy consumption | MWh | 33,538.5 | 36,385.1 | 36,297.2 |
| Electricity consumption | MWh | 1,899.9 | 2,230.8 | 2,586.9 |
| Energy consumption | MWh | 35,438.4 | 38,615.9 | 38,884.1 |
| Energy consumption intensity | MWh/ $ ‘000 | 285.8 | 299.4 | 298.0 |
| **Water consumption** | | | | |
| Water consumption (municipal) | $m^3$ | 62,564.2 | 81,391.8 | 75,771.0 |
| Water consumption intensity (municipal) | $m^3$/ $ ’000 | 504.6 | 630.9 | 580.6 |
| Water consumption (NEWater) | $m^3$ | 6,786.9 | 27,977.6 | 26,988.3 |
| Water consumption intensity (NEWater) | $m^3$/ $ ’000 | 54.6 | 216.9 | 206.8 |
| Total water consumption | $m^3$ | 69,351.1 | 109,369.4 | 102,759.3 |
| Water consumption intensity | $m^3$/ $ ’000 | 559.2 | 847.8 | 787.4 |
| **Waste consumption** | | | | |
| Use of recycled asphalt | tonnes | 4,000 | 120,000 | 120,000 |
| Use of recycled backfill material | tonnes | 6,000 | 60,000 | 60,000 |

## EMPLOYMENT AND LABOUR PRACTICES

| METRICS | UNITS | FY2023 | FY2024 | FY2025 |
|---|---|---|---|---|
| **Employment** | | | | |
| Total number of employees | Number | 941 | 996 | 941 |
| Employee turnover | % | 2% | 1% | 4% |
| Female representation in senior management | Number | 1 | 1 | 1 |
| Female representation in senior management | % | 13% | 13% | 13% |
| ***Current employees by gender*** | | | | |
| Male employee | Number (%) | 859(91%) | 910(91%) | 855(91%) |
| Female employee | Number (%) | 82(9%) | 86(9%) | 86(9%) |
| ***Current employees by age group*** | | | | |
| 30 years and below | Number (%) | 264(28%) | 268(27%) | 238(25%) |
| 31 to 50 years | Number (%) | 590(62%) | 624(62%) | 595(63%) |
| 51 to 65 years | Number (%) | 72(8%) | 87(9%) | 94(10%) |
| Above 65 years | Number (%) | 15(2%) | 17(2%) | 14(2%) |
| ***Current employees by employment level*** | | | | |
| Senior Management | Number (%) | 8(1%) | 8(1%) | 8(1%) |
| Managers and Professionals | Number (%) | 49(5%) | 59(6%) | 50(5%) |
| Executives | Number (%) | 133(14%) | 159(16%) | 149(16%) |
| Workers | Number (%) | 751(80%) | 770(77%) | 734(78%) |
| ***Current employees by years of service*** | | | | |
| 5 years and below | Number (%) | 680(72%) | 737(74%) | 600(64%) |
| 6 to 9 years | Number (%) | 140(15%) | 112(11%) | 145(15%) |
| 10 to 20 years | Number (%) | 116(12%) | 140(14%) | 179(19%) |
| Above 20 years | Number (%) | 5(1%) | 7(1%) | 17(2%) |
| ***Current employees by geographical region*** | | | | |
| Foreigner – Indian | Number (%) | 594(63%) | 633(63%) | 619(66%) |
| Foreigner – Bangladeshi | Number (%) | 52(6%) | 56(6%) | 56(6%) |
| Local – Singaporean | Number (%) | 88(9%) | 103(10%) | 98(10%) |
| Foreigner – Sri Lankan | Number (%) | 52(6%) | 47(5%) | 11(1%) |
| Foreigner – PRC | Number (%) | 52(6%) | 47(5%) | 45(5%) |
| Foreigner – Malaysian | Number (%) | 45(4%) | 44(4%) | 45(5%) |
| Others | Number (%) | 58(6%) | 66(7%) | 67(7%) |
| ***Allocation of employees by geographical region*** | | | | |
| Singapore | Number (%) | 888(94%) | 942(95%) | 936(99%) |
| PRC | Number (%) | – | – | – |
| Sri Lanka | Number (%) | 53(6%) | 54(5%) | 5(1%) |
| ***Current employees by employment type*** | | | | |
| Full-time | Number (%) | 941(100%) | 996[1](100%) | 941(100%) |
| Part-time | Number (%) | – | – | – |
| ***Employee turnover by gender*** | | | | |
| Male resigned employee | Number (%) | 13(68%) | 10(91%) | 30(91%) |
| Female resigned employee | Number (%) | 6(32%) | 1(9%) | 3(9%) |
| ***Employee turnover by age group*** | | | | |
| 30 years and below | Number (%) | 3(16%) | 1(9%) | 11(33%) |
| 31 to 50 years | Number (%) | 14(74%) | 7(64%) | 19(58%) |
| 51 to 65 years | Number (%) | 2(10%) | 1(9%) | 3(9%) |
| Above 65 years | Number (%) | – | 2(18%) | – |

1 Restated

# SUSTAINABILITY REPORT

| METRICS | UNITS | FY2023 | FY2024 | FY2025 |
|---|---|---|---|---|
| ***Employee turnover by nationality*** | | | | |
| Singapore | Number (%) | 4(21%) | 3(27%) | 4(12%) |
| Other | Number (%) | 15(79%) | 8(73%) | 29(88%) |
| ***New hires by gender*** | | | | |
| Male new hire | Number (%) | 35(92%) | 8(67%) | 69(88%) |
| Female new hire | Number (%) | 3(8%) | 4(33%) | 9(12%) |
| ***New hires by age group*** | | | | |
| 30 years and below | Number (%) | 29(76%) | 1(8%) | 31(40%) |
| 31 to 50 years | Number (%) | 6(16%) | 10(84%) | 43(55%) |
| 51 to 65 years | Number (%) | 3(8%) | 1(8%) | 4(5%) |
| Above 65 years | Number (%) | – | – | – |
| ***New hires by nationality*** | | | | |
| Singaporean | Number (%) | 7(18%) | 3(25%) | 7(9%) |
| Others | Number (%) | 31(82%) | 9(75%) | 71(91%) |
| **Training** | | | | |
| Training hours (Safety) | Hours | 208 | 1,889 | 4,153 |
| Training hours (EHS) | Hours | 292 | 1,437 | 3,102 |
| Training hours (Others) | Hours | 10,048 | 8,758 | 19,175 |
| Training hours (Total) | Hours | 10,548 | 12,084 | 26,429 |
| Average training hours per employee | Hours | 11.2 | 12.1 | 28.1 |
| Average training hours per male employee | Hours | 12.0 | 13.3 | 30.9 |
| Average training hours per female employee | Hours | 1 | 1 | 1 |
| **Workplace Safety** | | | | |
| Number of cases related to fatalities | Number | – | 1 | – |
| High-consequence injuries | Number | – | – | – |
| Recordable injuries | Number | 4 | 6 | 6 |
| Non-recordable injuries | Number | 10 | 16 | 22 |
| Recordable work-related ill health cases | Number | – | – | – |
| Incidents and injuries (Total) | Number | 14 | 23 | 28 |

## OPERATING PRACTICES

| METRICS | UNITS | FY2023 | FY2024 | FY2025 |
|---|---|---|---|---|
| ***Supply Chain Management*** | | | | |
| Total purchase | $ '000 | 40,326 | 36,747 | 32,192 |
| Purchase from local suppliers | $ '000 | 33,350 | 34,909 | 30,080 |
| Purchase from local suppliers | % | 82.7% | 95.0% | 93.4% |
| ***Products Responsibility*** | | | | |
| Number of customer surveys conducted | Number | 7 | 4 | 11 |
| Customer satisfactory index | % | 90% | 91% | 86% |
| Number of rework cases | Number | 3 | 6 | 20 |
| Number of property damage cases | Number | 5 | 6 | 2 |
| Amount of property damage cases | $ | 8,917 | 54,611 | 14,890 |
| ***Anti-Corruption*** | | | | |
| Violations against relevant laws and regulations | Number | – | – | – |

## APPENDIX B: GRI CONTENT INDEX

### GRI STANDARDS CONTENT INDEX

The GRI Content Index references the Ley Choon Group Holdings Limited Annual Report FY2025 ("**AR**").

| DISCLOSURE NUMBER | | DISCLOSURE TITLE | PAGE REFERENCE AND REMARKS |
|---|---|---|---|
| **GRI 2: General disclosures** | | | |
| **Organisational profile** | 2-1 | Organisational details | • AR: Corporate Profile |
| | 2-2 | Entities included in the organisation's sustainability reporting | • AR: Subsidiaries – Note 5 to the Financial Statements |
| | 2-3 | Reporting period, frequency and contact point | • SR: Scope of Sustainability Report |
| | 2-4 | Restatements of information | • SR: Scope of Sustainability Report |
| | 2-5 | External assurance | • No external assurance |
| **Activities and workers** | 2-6 | Activities, value chain and other business relationships | • SR: Social |
| | 2-7 | Employees | • SR: Stakeholder Engagement |
| **Governance** | 2-9 | Governance structure and composition | • AR: Report on Corporate Governance |
| | 2-10 | Nomination and selection of the highest governance body | • AR: Report on Corporate Governance |
| | 2-11 | Chair of the highest governance body | • AR: Report on Corporate Governance |
| | 2-1 | Role of the highest governance body in overseeing the management of impacts | • SR: Sustainability Materiality |
| | 2-13 | Delegation of responsibility for managing impacts | • SR: Sustainability Materiality |
| | 2-14 | Role of the highest governance body in sustainability reporting | • SR: Sustainability Governance Structure |
| | 2-15 | Conflicts of interest | • AR: Report on Corporate Governance |
| | 2-16 | Communication of critical concerns | • SR: Sustainability Materiality |
| | 2-17 | Collective knowledge of the highest governance body | • AR: Report on Corporate Governance |
| | 2-18 | Evaluation of the performance of the highest governance body | • AR: Report on Corporate Governance |
| | 2-19 | Remuneration policies | • AR: Report on Corporate Governance |
| | 2-20 | Process to determine remuneration | • AR: Report on Corporate Governance |
| | 2-21 | Annual total compensation ratio | • AR: Report on Corporate Governance |

# SUSTAINABILITY REPORT

| DISCLOSURE NUMBER | | DISCLOSURE TITLE | PAGE REFERENCE AND REMARKS |
|---|---|---|---|
| **Strategy, policies and practices** | 2-22 | Statement on sustainable development strategy | • SR: Sustainability Materiality |
| | 2-23 | Policy commitments | • SR: Sustainability Materiality |
| | 2-24 | Embedding policy commitments | • SR: Sustainability Materiality |
| | 2-25 | Processes to remediate negative impacts | • SR: Sustainability Materiality |
| | 2-26 | Mechanisms for seeking advice and raising concerns | • SR: Sustainability Materiality |
| | 2-27 | Compliance with laws and regulations | • SR: Sustainability Materiality |
| | 2-28 | Membership associations | • SR: Sustainability Materiality |
| **Stakeholder engagement** | 2-29 | Approach to stakeholder engagement | • SR: Stakeholder Engagement |
| **GRI 3: Material topics** | | | |
| **Disclosures on material topics** | 3-1 | Process to determine material topics | • SR: Sustainability Materiality |
| | 3-2 | List of material topics | • SR: Sustainability Materiality |
| | 3-3 | Management of material topics | • SR: Sustainability Materiality |
| **GRI 200: Economic disclosures (applicable sections only)** | | | |
| **Economic performance** | 201-1 | Direct economic value generated and distributed | • AR: Financial Highlights |
| **Market presence** | 202-2 | Proportion of senior management hired from the local community | • Our senior management is 87.5% hired from the local community |
| **Procurement practices** | 204-1 | Proportion of spending on local suppliers | • Majority of our business expenditure in Singapore is on locally registered companies. |
| **Anti-corruption** | 205-1 | Operations assessed for risks related to corruption | • AR: Report on Corporate Governance<br>• SR: Governance |
| | 205-2 | Communication and training about anti-corruption policies and procedures | • AR: Report on Corporate Governance<br>• SR: Governance |
| | 205-3 | Confirmed incidents of corruption and actions taken | • There is no incidents of corruption. |
| **Anti-competitive behavior** | 206-1 | Legal actions for anti-competitive behaviour, antitrust, and monopoly practices | • There are no legal actions for anti-competition. |
| **GRI 300: Environment disclosures (applicable sections only)** | | | |
| **Energy** | 302-1 | Energy consumption within the organisation | • SR: Environment |
| | 302-4 | Reduction of energy consumption | • SR: Environment |
| **Water** | 303-1 | Water withdrawal by source | • SR: Environment |
| | 303-3 | Water recycled and reused | • SR: Environment |

| DISCLOSURE NUMBER | | DISCLOSURE TITLE | PAGE REFERENCE AND REMARKS |
|---|---|---|---|
| **Biodiversity** | 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | • SR: Environment |
| | 304-2 | Significant impacts of activities, products, and services on biodiversity | • SR: Environment |
| **Emissions** | 305-1 | Direct (Scope 1) GHG emissions | • SR: Environment |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | • SR: Environment |
| **Effluents and waste** | 306-1 | Water discharge by quality and destination | • SR: Environment |
| | 306-2 | Waste by type and disposal method | • SR: Environment |
| **GRI 400: Social disclosures (applicable sections only)** | | | |
| **Employment** | 401-1 | New employee hires and employee turnover | • SR: Social |
| **Labor / management relations** | 402-1 | Minimum notice periods regarding operational changes | • SR: Social |
| **Occupational health and safety** | 403-1 | Workers representation in formal joint management–worker health and safety committees | • SR: Environment |
| | 403-2 | Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities | • SR: Environment |
| **Training and education** | 404-1 | Average hours of training per year per employee | • SR: Environment<br>• SR: Social |
| | 404-2 | Programmes for upgrading employee skills and transition assistance programmes | • SR: Environment<br>• SR: Social |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | • SR: Social |
| **Diversity and equal opportunity** | 405-1 | Diversity of governance bodies and employees | • SR: Social |
| | 405-2 | Ratio of basic salary and remuneration of women to men | • Workers' remuneration is ascertained based on work experience and academic qualifications. Individual work performance and not based on any gender consideration. |
| **Non-discrimination** | 406-1 | Incidents of discrimination and corrective actions taken | • There are no incidents of discrimination. |
| **Child labor** | 408-1 | Operations and suppliers at significant risk for incidents of child labor | • Child labour is strictly prohibited. |
| **Forced or compulsory labor** | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | • Forced and compulsory labour is strictly prohibited. |
| **Customer privacy** | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | • SR: Governance |

## APPENDIX C: METHODOLOGIES AND DATA BOUNDARIES

This section outlines the fundamental definitions, methodologies, and data boundaries employed in the Ley Choon Group Holdings Limited Sustainability Report. This approach aims to enhance transparency and enable comparability of the disclosed data. The definitions and methodologies have been adapted in alignment with the GRI Standards Glossary 2021, Reporting Recommendations and Guidance set out in the respective GRI disclosures and various authoritative intergovernmental instruments.

### CARBON EMISSIONS

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

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

In alignment with the TCFD recommendations, we have strengthened the rigour of our emissions accounting by incorporating updated and more precise emission factors for FY2025. This enhancement provides a clearer and more transparent depiction of the GHG emissions profile. Given that the changes in emission factors are immaterial relative to prior years, no restatement has been made to the carbon emissions reported in previous disclosures.

### CARBON EMISSIONS INTENSITY

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

### ENERGY CONSUMPTION

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

### ENERGY CONSUMPTION INTENSITY

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

### WATER CONSUMPTION

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

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

### WATER CONSUMPTION INTENSITY

This is the ratio of water consumed relative to the revenue generated by the Group. Water consumption intensity is expressed in cubic meters per thousand dollars ($m^3$/ $'000).

### NEW HIRES AND TURNOVER

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

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

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

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

### TRAINING HOURS

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

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

### LOCAL SUPPLIER

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

## APPENDIX D: TCFD RECOMMENDATIONS CONTENT INDEX

### TCFD RECOMMENDATIONS CONTENT INDEX

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

| TCFD THEMATIC AREAS | RECOMMENDED DISCLOSURES | REFERENCE AND REMARKS |
|---|---|---|
| **Governance** | | |
| Disclose the organisation's governance around climate-related risks and opportunities | Describe the board's oversight of climate-related risks and opportunities | SR: Governance |
| | Describe management's role in assessing and managing climate-related risks and opportunities | SR: Governance |
| **Strategy** | | |
| Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material | Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term | SR: Climate Strategy: Risks, opportunities and resilience |
| | Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning | SR: Climate Strategy: Risks, opportunities and resilience |
| | Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | The Group currently does not employ scenario analysis in identifying climate-related risks and opportunities. However, we are exploring the integration of scenario analysis as part of our forward-looking approach to enhance the assessment of climate risks and opportunities. |
| **Risk Management** | | |
| Disclose how the organisation identifies, assesses, and manages climate-related risks | Describe the organisation's processes for identifying and assessing climate-related risks | SR: Risk Management |
| | Describe the organisation's processes for managing climate-related risks | SR: Risk Management |
| | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management | SR: Risk Management |
| **Metrics and Targets** | | |
| Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. | Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process | SR: Environment |
| | Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks | SR: Environment |
| | Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets | SR: Environment |

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### TOH CHOO HUAT
Executive Chairman and Chief Executive Officer

### RAGAVENDRAN SRINIVASAN
Executive Director, Chief Financial Officer and Deputy Chief Executive Officer

### REANNE TOH TING XUAN
Executive Director, Head (Tender, Contracts & Sales)

### WILLIAM TAN KWANG HWEE
Lead Independent Director

### BUHDY BOK SIN SWEE
Independent Director

### CHUA HOCK THAK
Independent Director

### TEO HO BENG
Non-Executive Director

## AUDIT COMMITTEE
William Tan Kwang Hwee (Chairman)
Buhdy Bok Sin Swee
Chua Hock Thak
Teo Ho Beng

## REMUNERATION COMMITTEE
Buhdy Bok Sin Swee (Chairman)
William Tan Kwang Hwee
Chua Hock Thak
Teo Ho Beng

## NOMINATING COMMITTEE
Chua Hock Thak (Chairman)
William Tan Kwang Hwee
Buhdy Bok Sin Swee
Teo Ho Beng

## COMPANY SECRETARIES
Ong Beng Hong
Tan Swee Gek

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

## SHARE REGISTRAR

### IN.CORP CORPORATE SERVICES PTE. LTD.
36 Robinson Road
#20-01 City House
Singapore 068877

## CATALIST SPONSOR

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

## INDEPENDENT AUDITORS

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

## PRINCIPAL BANKERS

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

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

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

# RISK ASSESSMENT AND MANAGEMENT

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

## 1. POTENTIAL SHORTAGE OF LABOUR AND INCREASE IN LABOUR COST

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

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

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

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

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

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

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

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

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

# RISK ASSESSMENT AND MANAGEMENT

## 3. DEPENDENCY ON PUBLIC SECTOR DEMAND IN SINGAPORE

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

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

## 4. DEPENDENCY ON PROJECT TENDER SUCCESS

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

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

## 5. INABILITY TO ATTRACT AND RETAIN KEY PERSONNEL

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

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

# RISK ASSESSMENT AND MANAGEMENT

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

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

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

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

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

## 7. POSSIBILITY OF COST OVERRUNS

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

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

# FINANCIAL CONTENTS

# REPORT ON CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") of Ley Choon Group Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**"), is committed to high standards of corporate governance and adopting the corporate governance practices contained in the Code of Corporate Governance issued on 6 August 2018 (the "**Code**") by the Corporate Governance Committee, so as to ensure greater transparency and protection of shareholders' interests. The Board recognises the need for accountability, creating and preserving shareholder value and achieving its corporate vision for the Group. This report describes the Group's corporate governance practices and activities, with specific reference to the Code, during the financial year ended 31 March 2025 ("**FY2025**"), and is presented in a tabular form, stipulating each principle and provision, and explaining any variation from any provisions of the Code (together with an explanation on how the practices it had adopted are consistent with the intent of the relevant principle). The Company has also adopted, where appropriate, best practices set out in the Practice Guidance issued on 6 August 2018 (the "**Practice Guidance**"), which complements the Code by providing guidance on the application of the principles and provisions of the Code and setting out best practices for companies.

## (A) BOARD MATTERS

**The Board's Conduct of Affairs**

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

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

*Provision 1.1 of the Code: The Board's role*

The Board's principal duties include the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Provision 1.5 of the Code: Board to meet regularly*

# REPORT ON CORPORATE GOVERNANCE

In the financial year under review[1], the attendance of the Directors at the scheduled meetings of the Board and Board Committees and general meetings held during FY2025 were as follows:

| | BOARD OF DIRECTORS | AUDIT COMMITTEE | REMUNERATION COMMITTEE | NOMINATING COMMITTEE | GENERAL MEETINGS |
|---|---|---|---|---|---|
| **No. of Meetings** | **3** | **3** | **1** | **2** | **1** |
| **Director** | | | | | |
| Toh Choo Huat | 3/3 | 3/3 | 1/1 | 1/2 | 1/1 |
| Ragavendran Srinivasan[2] | 2/2 | 2/2 | – | – | – |
| Reanne Toh Ting Xuan[2] | 2/2 | 2/2 | – | – | – |
| William Tan Kwang Hwee[2] | 2/2 | 2/2 | – | – | – |
| Buhdy Bok Sin Swee[2] | 2/2 | 2/2 | – | – | – |
| Chua Hock Thak | 2/3 | 2/3 | 0/1 | 1/2 | 1/1 |
| Teo Ho Beng | 3/3 | 3/3 | 1/1 | 2/2 | 1/1 |
| Ling Chung Yee[3] | 1/1 | 1/1 | 1/1 | 2/2 | 1/1 |
| Chia Soon Hin William[3] | 1/1 | 1/1 | 1/1 | 2/2 | 1/1 |

**Notes:**

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

(2) Mr Ragavendran Srinivasan, Ms Reanne Toh Ting Xuan, Mr William Tan Kwang Hwee and Mr Buhdy Bok Sin Swee were appointed as Directors of the Company with effect from 2 September 2024.

(3) Prof. Ling Chung Yee and Mr Chia Soon Hin William ceased as Directors of the Company with effect from 2 September 2024.

# REPORT ON CORPORATE GOVERNANCE

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

*Provision 1.3 of the Code: Matters requiring Board approval*

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

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

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

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

(v) material acquisitions and disposals;

(vi) corporate or financial restructuring and share issuances;

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

(viii) appointments of new Directors or key personnel.

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

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

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

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

(i) major capital expenditure;

(ii) capital management;

(iii) banking facilities;

(iv) acquisition and disposal of entities/business;

(v) diversifying into new business; and

(vi) any other significant material transaction.

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

*Provision 1.1 of the Code: Directors facing conflicts of interest*

# REPORT ON CORPORATE GOVERNANCE

*Provision 1.2 of the Code: Directors to receive appropriate training*

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

The Directors are updated, from time to time, when new laws or regulations affecting the Group are introduced. The Directors are encouraged to attend seminars and training courses at the Company's expense that will assist them in executing their obligations and responsibilities as directors to the Company. As of the date of this Annual Report, the Directors have participated in various seminars and other such external programmes. Some of the programmes and seminars include the Listed Entity Director Essentials and Environmental, Social and Governance Essentials organised by the Singapore Institute of Directors, and various courses organised by the Singapore Institute of Chartered Accountants, including Tech3 Forum 2024 Accounting and Finance Track: Technology in Finance: The Future Imagined, The CFO & Finance Function and Anti-Corruption: Cultivating an Integrated Mindset, Ethics and Integrity in Public Sector Finance, Updates on Group Audit for Practitioners - Stay in the Know!, Navigating the Family Office Landscape in Singapore: What, Why & How, Green & Sustainable Finance: Guide for SMEs, Capital Raising - Mergers & Acquisitions, RPA for Accountants by Accountants: Creating an Action Plan, Optimising Capital Allowance Claims for your Business, Highlights of Mini Conference Series: Embracing New Opportunities in the Changing Climate, Strategic Integration of Enterprise Risk Management in Planning and Decision-Making and Current Trends in Capital Markets.

## Access to Information

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

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

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

In addition, the Directors have, at all times:

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

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

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

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

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

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

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

**Board Composition and Guidance**

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

The Board comprises seven (7) Directors, of which three (3) are Independent Directors. As at the date of this Annual Report, the composition of the Board is as follows:

Executive Directors

Toh Choo Huat (Executive Chairman and Chief Executive Officer)
Ragavendran Srinivasan (Executive Director, Chief Financial Officer and Deputy Chief Executive Officer)
Reanne Toh Ting Xuan (Executive Director and Department Head (Tender, Contract and Sales Department))

Independent Directors

William Tan Kwang Hwee (Lead Independent Director)
Chua Hock Thak (Independent Director)
Buhdy Bok Sin Swee (Independent Director)

Non-Executive Director

Teo Ho Beng (Non-Executive Director)

# REPORT ON CORPORATE GOVERNANCE

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

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

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

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

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

While the present Board composition, which is chaired by a non-independent Chairman, does not comprise a majority of Independent Directors, the Board is of the view that the Board continues to abide by Principle 2 of the Code, which requires the Board to have 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. In coming to the above conclusion, the Board, through the Nominating Committee, has considered the following:

(a) three (3) out of seven (7) directors are Independent Directors, and in compliance with Provision 2.3 of the Code, Non-Executive Directors (which include the Independent Directors) make up a majority of the Board. As the Board is made up of a majority of Non-Executive Directors, this serves to reinforce management accountability and which is adequate to ensure that there is an appropriate balance or power within the Board even though Independent Directors do not make up a majority;

(b) although the Chairman and CEO roles are held by the same individual, a distinct separation of duties has been maintained between the roles of the Chairman and the CEO, as well as between the Chairman, the CEO and the Executive Directors, in order to ensure an appropriate balance of power, enhance accountability, and strengthen the Board's ability to make independent decisions;

(c) appointment of a Lead Independent Director, William Tan Kwang Hwee, has been appointed to provide leadership to the Independent Directors and Non-Executive Director; and

(d) Independent and Non-Executive Directors are provided with full access to the Management and external advisers, as required, to support their oversight roles.

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

The Group's size is relatively modest and its business and operations are not unduly complex. The Board, through the Nominating Committee, has examined its size and composition and is of the view that the present composition of the Board demonstrates independence and is appropriate for effective decision making. To address the issue of independence, the Board has put in place a Lead Independent Director, who is available to shareholders where they have concerns. The Board is of the view that the Independent Directors demonstrate a strong level of independence and judgement in discharging their duties and responsibilities in the best interest of the Company and the shareholders. They have expressed individual and independent viewpoints, debated issues, and objectively scrutinised the Management. All major decisions made at the Board are unanimous and the Independent Directors have not been out-voted.

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

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

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

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

<table>
<tr><th><u>Target</u></th><th><u>Progress and plans towards achieving target</u></th></tr>
<tr><td>Gender Representation<br><br>To enhance gender diversity by appointing at least one (1) female director within the next three (3) years.</td><td>Achieved. Reanne Toh Ting Xuan was appointed as Director of the Company on 2 September 2024.<br><br>The Company will continue to work towards having female directors on the Board, whenever practicable. The Company shall in any case endeavour, where appropriate and practicable, that female candidates are included for consideration when identifying candidates to be appointed as new directors, and if external search consultants are engaged to identify candidates for appointment to the Board, the consultants will be asked to present female candidates for consideration.</td></tr>
<tr><td>Skills and Experience<br><br>To ensure skillset of directors on the Board with relevant skills and experience. The Board has identified the following core competencies as important:<br><br>(i) Accounting/finance<br>(ii) Legal/corporate governance/sustainability<br>(iii) Investment, risk management, business and management experience<br>(iv) Relevant industry knowledge</td><td>Currently the proportion of the Board with the identified core competencies is as follows:<br><br><table>
<tr><th>CORE COMPETENCIES</th><th>NUMBER OF DIRECTORS</th></tr>
<tr><td>Accounting/finance</td><td>3</td></tr>
<tr><td>Legal/corporate governance/ sustainability</td><td>3</td></tr>
<tr><td>Investment, risk management, business and management experience</td><td>4</td></tr>
<tr><td>Relevant industry knowledge</td><td>3</td></tr>
</table><br>When identifying new director(s) for appointment to the Board, the Company strives to ensure that candidates who have the relevant skills, expertise and/or experience in the abovementioned core competencies are included for consideration by the Nominating Committee.</td></tr>
<tr><td>Board Independence<br><br>To have more than 50% Independent Director representation on the Board where the Chairman of the Board is not independent within the medium term.</td><td>In progress. While the present Board composition does not comprise a majority of Independent Directors, the Board is of the view that the Board continues to abide by Principle 2 of the Code as explained on pages 77 to 78. The Nominating Committee and the Board will continue to assess the Board's independence, composition and diversity. While the Company is working towards adjusting its Board composition with a view to complying with Provision 2.2 of the Code, it is cognisant that it is also in the interest of the Group to preserve the balance and mix of skills, experience and knowledge offered by the current Board, which is appropriate for the nature and scope of the Group's current operations.</td></tr>
</table>

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

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

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

The Non-Executive Directors (including the Independent Directors) will constructively challenge and assist in the development of proposals on strategy, assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. The Non-Executive Directors have engaged in regular discussions amongst themselves without the presence of the Management and the Executive Directors throughout the year. In FY2025, the Independent Directors and Non-Executive Director met several times in the absence of key management personnel and the Lead Independent Director provided feedback to the Executive Chairman after such meetings.

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

### Executive Chairman and Chief Executive Officer

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

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

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

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

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

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

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

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

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

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

(iii) independent review of the Management's performance by the Independent Directors; and

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

*Provision 3.3 of the Code: Appointment of lead independent director*

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

## Board Membership

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

As at the date of this Annual Report, the Nominating Committee comprises the Company's three (3) Independent Directors, namely Chua Hock Thak (Chairman of the Nominating Committee), William Tan Kwang Hwee (Member of the Nominating Committee), Buhdy Bok Sin Swee (Member of the Nominating Committee) and one (1) Non-Executive Director, Teo Ho Beng (Member of the Nominating Committee). The Nominating Committee meets at least once annually. The Lead Independent Director is a member of the Nominating Committee.

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

The Nominating Committee is responsible for:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# REPORT ON CORPORATE GOVERNANCE

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

**TOH CHOO HUAT**

Other existing directorships with public listed companies:

| COMPANY | POSITION |
|---|---|
| Nil | – |

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

| COMPANY | POSITION |
|---|---|
| Nil | – |

Other present principal commitments:

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

**RAGAVENDRAN SRINIVASAN**

Other existing directorships with public listed companies:

| COMPANY | POSITION |
|---|---|
| Nil | – |

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

| COMPANY | POSITION |
|---|---|
| Nil | – |

Other present principal commitments:

| COMPANY/ ORGANISATION | POSITION |
|---|---|
| Nil | – |

**REANNE TOH TING XUAN**

Other existing directorships with public listed companies:

| COMPANY | POSITION |
|---|---|
| Nil | – |

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

| COMPANY | POSITION |
|---|---|
| Nil | – |

Other present principal commitments:

| COMPANY/ ORGANISATION | POSITION |
|---|---|
| LC International Trading Co Pte. Ltd. | Director |
| Multiform Developments & Construction Pte. Ltd. | Director |
| Chin Kuan Engineering and Contractors Pte. Ltd. | Director |

**WILLIAM TAN KWANG HWEE**

Other existing directorships with public listed companies:

| COMPANY | POSITION |
|---|---|
| Nil | – |

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

| COMPANY | POSITION |
|---|---|
| Nil | – |

Other present principal commitments:

| COMPANY/ ORGANISATION | POSITION |
|---|---|
| Tiong Woon Corporation Holding Ltd. | Group Chief Financial Officer |
| Tiong Woon (Huizhou) Industrial Services Co., Ltd. | Director |

# REPORT ON CORPORATE GOVERNANCE

**BUHDY BOK SIN SWEE**

Other existing directorships with public listed companies:

| COMPANY | POSITION |
|---|---|
| Nil | – |

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

| COMPANY | POSITION |
|---|---|
| Nil | – |

Other present principal commitments:

| COMPANY/ ORGANISATION | POSITION |
|---|---|
| Mount Faber Leisure Group Pte Ltd | Managing Director |
| Mr Barber Pte Ltd | Director |

**CHUA HOCK THAK**

Other existing directorships with public listed companies:

| COMPANY | POSITION |
|---|---|
| Nil | – |

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

| COMPANY | POSITION |
|---|---|
| Nil | – |

Other present principal commitments:

| COMPANY/ ORGANISATION | POSITION |
|---|---|
| Nil | – |

**TEO HO BENG**

Other existing directorships with public listed companies:

| COMPANY | POSITION |
|---|---|
| Hiap Hoe Limited | Executive Chairman |

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

| COMPANY | POSITION |
|---|---|
| Nil | – |

Other present principal commitments:

| COMPANY | POSITION |
|---|---|
| Nil | – |

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

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

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

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

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

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

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

| NAME OF DIRECTORS | DATE OF INITIAL APPOINTMENT | DATE OF LAST RE-ELECTION |
|---|---|---|
| Toh Choo Huat | 25 July 2012 | 30 July 2024 |
| Ragavendran Srinivasan | 2 September 2024 | – |
| Reanne Toh Ting Xuan | 2 September 2024 | – |
| William Tan Kwang Hwee | 2 September 2024 | – |
| Buhdy Bok Sin Swee | 2 September 2024 | – |
| Chua Hock Thak | 29 March 2018 | 30 July 2024 |
| Teo Ho Beng | 28 September 2015 | 28 July 2023 |

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

Under Regulation 117 of the Constitution, any newly appointed Director shall hold office only until the next Annual General Meeting of the Company, and shall be eligible for re-election. Accordingly, pursuant to Regulation 117 of the Constitution, Ragavendran Srinivasan, Reanne Toh Ting Xuan, William Tan Kwang Hwee and Buhdy Bok Sin Swee will be due for retirement and re-election at the forthcoming Annual General Meeting.

Details on the experiences, professional qualifications and responsibilities of the Directors are set out in pages 10 and 11 of this Annual Report. In addition, information on shareholdings in the Company and its related companies held by each Director is set out in the "Directors' Statement" section of this Annual Report. Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F of the Catalist Rules relating to Teo Ho Beng, Ragavendran Srinivasan, Reanne Toh Ting Xuan, William Tan Kwang Hwee and Buhdy Bok Sin Swee, who are the Directors seeking re-election at the forthcoming Annual General Meeting, is set out in pages 112 to 129 of this Annual Report.

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

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

**Board Performance**

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

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

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

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

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

(i) the size and composition of the Board;

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

(iii) the Board's access to information;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

No external facilitators were used in the assessment of the Board, its Board Committees and the individual directors for FY2025.

## (B) REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

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

As at the date of this Annual Report, the Remuneration Committee comprises the Company's three (3) Independent Directors, namely Buhdy Bok Sin Swee (Chairman of the Remuneration Committee), William Tan Kwang Hwee (Member of the Remuneration Committee), Chua Hock Thak (Member of the Remuneration Committee) and one (1) Non-Executive Director, Teo Ho Beng (Member of the Remuneration Committee). The Remuneration Committee meets at least once annually.

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

The Remuneration Committee is principally responsible for:

*Provision 6.1 of the Code: Remuneration Committee to make recommendations to the Board on certain relevant matters*

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

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

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

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

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

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

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

The Remuneration Committee will be provided with access to expert professional advice on remuneration matters, as and when necessary. The expenses of such services shall be borne by the Company. If so required, it may seek expert advice in the field of executive compensation outside the Company upon approval by the Board. The Remuneration Committee ensures that in the event of such advice being sought, existing relationships if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The Company has not appointed any remuneration consultants for FY2025.

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

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

### Level and Mix of Remuneration

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

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

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

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

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

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

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

The Remuneration Committee administers the Company's performance share plan (the "**Ley Choon Performance Share Plan 2018**"), which was approved by the Shareholders at the Annual General Meeting held on 30 July 2018. Please refer to pages 98 to 99 of this Annual Report for more details. Save for the Ley Choon Performance Share Plan 2018, the Company currently does not have any long-term incentive scheme.

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

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

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

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

### Disclosure on Remuneration

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

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

The breakdown of remuneration (in percentage terms) of the Directors of the Company paid and payable for FY2025 is set out below:

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

| REMUNERATION BAND AND NAME OF DIRECTORS | FEES (%) | SALARY (%) | AWS (%) | BONUS (%) | EMPLOYER CPF + SDL (%) | ALLOWANCES/ INCENTIVE (%) | TOTAL (S$) |
|---|---|---|---|---|---|---|---|
| Ling Chung Yee(1) | 100 | – | – | – | – | – | 27,083 |
| Chia Soon Hin William(1) | 100 | – | – | – | – | – | 22,917 |
| William Tan Kwang Hwee(2) | 100 | – | – | – | – | – | 37,917 |
| Buhdy Bok Sin Swee(2) | 100 | – | – | – | – | – | 32,083 |
| Chua Hock Thak | 100 | – | – | – | – | – | 55,000 |
| Teo Ho Beng | 100 | – | – | – | – | – | 55,000 |
| Toh Choo Huat | – | 56 | 5 | 38 | 1 | – | 1,177,049 |
| Ragavendran Srinivasan(2) | – | 65 | – | 24 | 5 | 6 | 376,222 |
| Reanne Toh Ting Xuan(2) | – | 59 | – | 22 | 12 | 7 | 268,788 |

**Notes:**

(1) Prof. Ling Chung Yee and Mr Chia Soon Hin William ceased as Directors of the Company with effect from 2 September 2024.

(2) Mr Ragavendran Srinivasan, Ms Reanne Toh Ting Xuan, Mr William Tan Kwang Hwee and Mr Buhdy Bok Sin Swee were appointed as Directors of the Company with effect from 2 September 2024.

The breakdown of remuneration of the top seven (7) Key Management (Executive Officers) for FY2025 is set out below:

| REMUNERATION BAND AND NAME OF EXECUTIVE OFFICER | SALARY (%) | AWS (%) | BONUS (%) | EMPLOYER CPF + SDL (%) | ALLOWANCES /INCENTIVE (%) | TOTAL (%) |
|---|---|---|---|---|---|---|
| **Executive Officers who received S$0 to S$99,999** | | | | | | |
| – | – | – | – | – | – | – |
| **Executive Officers who received S$100,000 to S$249,999** | | | | | | |
| Toh Kai Sheng | 69 | – | 12 | 9 | 10 | 100 |
| Ou Zhiyong[(1)] | 62 | – | 22 | 9 | 7 | 100 |
| **Executive Officers who received S$250,000 to S$499,999** | | | | | | |
| Zhang Weiqiang[(1)] | 68 | – | 24 | – | 8 | 100 |
| Toh Kai Hock | 66 | – | 24 | 8 | 2 | 100 |
| Toh Chew Chai | 60 | – | 30 | 4 | 6 | 100 |
| **Executive Officers who received S$500,000 to S$799,999** | | | | | | |
| Toh Swee Kim | 56 | 5 | 28 | 3 | 8 | 100 |
| Toh Chew Leong | 60 | 5 | 30 | 3 | 2 | 100 |

**Note:**

(1) Mr Ou Zhiyong and Mr Zhang Weiqiang were appointed as Executive Officers of the Company with effect from 1 April 2024.

In aggregate, the total remuneration paid to the top five (5) key management personnel (who are not Directors or the Chief Executive Officer) in FY2025 is approximately S$2.0 million.

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

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

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

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

Pursuant to Rule 704(10) of the Catalist Rules, the Company has disclosed in its full year results announcement released via SGXNET on 29 May 2025, a list of persons occupying managerial positions who are related to a Director, Chief Executive Officer or Substantial Shareholder of the Group ("**Related Employees**"). The breakdown of Related Employees for FY2025 is set out below:

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

| REMUNERATION BAND AND NAME OF RELATIVE | FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR SUBSTANTIAL SHAREHOLDER | SALARY (%) | AWS (%) | BONUS (%) | EMPLOYER CPF + SDL + PMBS (%) | ALLOWANCES/ INCENTIVE (%) | TOTAL (%) |
|---|---|---|---|---|---|---|---|
| **S$50,001 to S$100,000** | | | | | | | |
| Toh Wanni | Daughter of Toh Choo Huat ("**TCH**") (the Executive Chairman and Chief Executive Officer of the Company), sister of Reanne Toh Ting Xuan ("**RT**") (Executive Director of the Company) and niece of Toh Chew Leong ("**TCL**"), Toh Swee Kim ("**TSK**") and Toh Chew Chai ("**TCC**") (substantial shareholders of the Company) | 72 | – | 9 | 15 | 4 | 100 |
| **S$100,001 to S$150,000** | | | | | | | |
| Toh Wei Dong | Nephew of TCH, TCL, TSK and TCC and cousin of RT | 60 | – | 11 | 16 | 13 | 100 |
| Toh Qiu Ling | Daughter of TSK and niece of TCH, TSK and TCC and cousin of RT | 63 | – | 11 | 15 | 11 | 100 |
| Toh Chiew Boon | Brother of TCH, TCL, TSK and TCC and uncle of RT | 68 | – | 5 | 11 | 16 | 100 |
| **S$150,001 to S$200,000** | | | | | | | |
| – | – | – | – | – | – | – | – |
| **S$200,001 to S$250,000** | | | | | | | |
| Toh Wei Jie | Son of TCL and nephew of TCH, TCL, TSK and TCC and cousin of RT | 59 | – | 21 | 11 | 9 | 100 |
| Toh Kai Sheng | Son of TCC and nephew of TCH, TCL and TSK and cousin of RT | 69 | – | 12 | 9 | 10 | 100 |

| REMUNERATION BAND AND NAME OF RELATIVE | FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR SUBSTANTIAL SHAREHOLDER | SALARY (%) | AWS (%) | BONUS (%) | EMPLOYER CPF + SDL + PMBS (%) | ALLOWANCES/ INCENTIVE (%) | TOTAL (%) |
|---|---|---|---|---|---|---|---|
| **S$250,001 to S$300,000** | | | | | | | |
| – | – | – | – | – | – | – | – |
| **S$300,001 to S$350,000** | | | | | | | |
| Toh Kai Hock | Son of TCC and nephew of TCH, TCL and TSK and cousin of RT | 66 | – | 24 | 8 | 2 | 100 |
| **S$350,001 to S$400,000** | | | | | | | |
| Toh Chew Chai | Substantial shareholder and brother of TCH, TCL and TSK and uncle of RT | 60 | – | 30 | 4 | 6 | 100 |
| **S$400,001 to S$450,000** | | | | | | | |
| – | – | – | – | – | – | – | – |
| **S$450,001 to S$500,000** | | | | | | | |
| Toh Swee Kim | Substantial shareholder and brother of TCH, TSK and TCC and uncle of RT | 56 | 5 | 28 | 3 | 8 | 100 |
| Toh Chew Leong | Substantial shareholder and brother of TCH, TCL and TCC and uncle of RT | 60 | 5 | 30 | 3 | 2 | 100 |

*Provision 8.3 of the Code: Details of employee share schemes*

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

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

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

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

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

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

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

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

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

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

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

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

## (C) ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

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

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

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

(i) effectiveness and efficiency of operations;

(ii) reliability of financial reporting; and

(iii) compliance with applicable laws and regulations."

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

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

During FY2025, Crowe Horwath First Trust Risk Advisory Pte Ltd (the "**Internal Auditors**") conducted an independent review of the effectiveness and adequacy of the Group's internal controls and risk management policies and processes. Subsequent to the internal audit fieldwork and the detailed review of internal controls in specific identified areas with respect to FY2025, the Internal Auditors submitted a report to the Audit Committee covering their findings and recommendations to improve the internal controls in the respective identified areas. The Internal Auditors' recommendations were accepted and implementation of the recommendations is in progress. The Audit Committee and the Board monitors the Management's implementation of such recommendations.

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

Based on the internal controls established and maintained by the Group, work performed by Messrs Foo Kon Tan LLP (the "**External Auditors**") and Internal Auditors and reviews performed by Management, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at 31 March 2025.

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

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

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

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

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

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

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

## Audit Committee

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

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

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

The Company has appointed William Tan Kwang Hwee as the Chairman of the Audit Committee as he has extensive finance and accounting experience, being a chartered accountant and having held chief financial officer positions in a number of listed and unlisted companies. William Tan Kwang Hwee possesses strong working knowledge of the Catalist Rules and the Code, having served as Chief Financial Officer ("**CFO**") in 4 SGX-listed groups spanning multiple industries. Beginning his career in Liang Huat Aluminium (erstwhile SGX: 1C5), his previous roles include CFO of EnGro Corporation (SGX: S44), Assistant Vice President, Finance - Casino Accounting & Credit of Resorts World Sentosa (SGX: G13), CFO of Ley Choon Group Holdings (SGX: Q0X), CFO of Metal Component Engineering (SGX: 5DX) and auditor with KPMG. William is presently Group CFO of SGX Mainboard-listed Tiong Woon Corporation Holding (SGX: BQM) and serves as member of the ACCA Singapore Members Network Panel. An MBA, qualified accountant and engineer by training, he was named Executive of the Year – Construction & Materials at the Singapore Business Review Management Excellence Awards 2016.

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

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

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

*Provision 10.1 of the Code: Duties of Audit Committee*

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

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

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

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

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

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

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

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

(viii) any potential conflicts of interest;

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

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

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

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

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

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

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

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

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

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

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

(iii) evaluate and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, ensure co-ordination between the External Auditors, the Internal Auditors and the Group's management, review the assistance given by the Group's management to the auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of the Group's management, where necessary); and

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

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

For FY2025, the Audit Committee has reviewed the Company's financial reporting function, internal controls and processes and is satisfied with the effectiveness and adequacy of the same.

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

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

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

Messrs Foo Kon Tan LLP is an audit firm registered with the Singapore Accounting & Corporate Regulatory Authority and was appointed on 22 January 2016. Messrs Foo Kon Tan LLP was also re-appointed to audit the accounts of the Company and its Singapore incorporated subsidiaries for FY2025. The fees paid/payable to the External Auditors for their audit and non-audit (taxation) services in FY2025 are S$240,000 (FY2024: S$240,000) and S$50,000 (FY2024: S$47,000), respectively. The Company is in compliance with Rule 712 and Rule 715 of the Catalist Rules.

The Audit Committee has reviewed the arrangements by which the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters within the Group, with the objectives of ensuring that arrangements are in place for independent investigations of such matters and for appropriate follow-up action as and when the need arises. As at the date of this Annual Report, the Company has put in place a whistle-blowing policy for this purpose. Under the Company's whistle-blowing policy, employees may submit a complaint (which may be on an anonymous basis) to the Independent Directors and Non-Executive Director, who also form the Audit Committee. The Audit Committee is obliged to review all reports received and take or approve the appropriate actions. There were no whistle blowing reports received during FY2025 and until the date of this report.

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

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

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

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

| SIGNIFICANT MATTERS | ACTION |
|---|---|
| **Revenue recognition over time** | The Audit Committee, with the assistance of the internal audit function, considered the internal controls established and maintained by the Management over project management, costing and revenue recognition. The Audit Committee noted the periodic reviews conducted by the Management in respect of long-term projects where the Group satisfies its performance obligations over time, which include the assessment of reasonableness of the estimated total budgeted costs of each project, and whether any provision for onerous contracts is required.<br><br>Revenue recognition over time was also an area of focus for the External Auditors. The External Auditors had included this item as a key audit matter in their report for FY2025. Please refer to page 136 of this Annual Report. |

### Internal Audit

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

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

The Board acknowledges that it is responsible for maintaining an internal audit function independent of the activities it audits. The effectiveness of the internal control systems and procedures are monitored by the Management and also by the internal audit function. During FY2025, the Company had in place an internal audit function, whereby the Company's finance team supports the Audit Committee in ensuring that the Company maintains a sound system of internal controls by monitoring and assessing the adequacy and the effectiveness of the key controls and procedures.

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

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

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

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

## (D) SHAREHOLDER RIGHTS AND ENGAGEMENT AND MANAGING STAKEHOLDERS RELATIONSHIPS

### Shareholder Rights and Conduct of General Meetings

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

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

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

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

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

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

The Directors, Senior Management and the Company Secretary will be available to answer questions from the Shareholders present. The Chairmen of the Audit Committee, Remuneration Committee and Nominating Committee are normally available at the Annual General Meeting as well to answer questions relating to the work of the Board Committees. The External Auditors are also invited to attend the Annual General Meeting and will assist the Directors in addressing relevant queries by the Shareholders relating to the conduct of the audit and the preparation and content of the External Auditors' report. All Directors attended the last Annual General Meeting held on 30 July 2024.

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

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

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

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

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

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

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

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. The Board is pleased to recommend a dividend of 0.3 Singapore cents per ordinary share for FY2025 for approval by shareholders at the forthcoming Annual General Meeting.

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

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

For further accountability, the announcements containing the half-yearly interim financial statements in the course of FY2025 were signed jointly by the Executive Chairman and Chief Executive Officer, Toh Choo Huat and the Lead Independent Director, William Tan Kwang Hwee, for and on behalf of the Board, to confirm that it is to the best of the Board's knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results contained in the announcement to be false or misleading in any material aspects.

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

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

### Engagement with Shareholders and Stakeholders

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

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

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

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

The Company communicates regularly through the following channels:

(i) SGXNET;

(ii) news and press releases; and

(iii) the annual report.

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

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

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

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

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

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

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

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

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

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

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2025 can be found on page 18 of this Annual Report in the Sustainability Report.

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

## (E) DEALING IN SECURITIES

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

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

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

## (F) INTERESTED PERSON TRANSACTIONS

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

The Company has implemented, *inter alia*, the following procedures to ensure that all Interested/Related Person Transactions are undertaken on normal commercial terms:

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

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

*Provision 1.1 of the Code: Directors facing conflicts of interest*

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

No interested person transactions were entered into during FY2025.

## (G) MATERIAL CONTRACTS

Save for the service agreement entered into between the Company and the Executive Chairman and Chief Executive Officer, there were no material contracts of the Company or its subsidiaries involving the interests of the Executive Chairman, Chief Executive Officer, any Director or Controlling Shareholder subsisting at the end of FY2025, or if not then subsisting, entered into since the end of the previous financial period.

## (H) NON-SPONSOR FEES

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The current Continuing Sponsor of the Company is RHT Capital Pte. Ltd. ("**RHT Capital**"). RHT Capital was appointed as the Company's Continuing Sponsor with effect from 22 February 2017. No non-sponsor fees were paid to RHT Capital by the Company for FY2025.

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

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

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

There were no whistle-blowing reports received during FY2025 and as of the date of this Annual Report.

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Ragavendran Srinivasan, Ms Reanne Toh Ting Xuan, Mr William Tan Kwang Hwee, Mr Buhdy Bok Sin Swee and Mr Teo Ho Beng are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 30 July 2025 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

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

| | **RAGAVENDRAN SRINIVASAN** | **REANNE TOH TING XUAN** |
|---|---|---|
| Date of Appointment | 2 September 2024 | 2 September 2024 |
| Date of last re-appointment | N.A. | N.A. |
| Age | 60 | 36 |
| Country of principal residence | Singapore | Singapore |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr Ragavendran Srinivasan for re-appointment as an Executive Director of the Company. The Board has reviewed and concluded that Mr Ragavendran Srinivasan possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. | The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Ms Reanne Toh Ting Xuan for re-appointment as an Executive Director of the Company. The Board has reviewed and concluded that Ms Reanne Toh Ting Xuan possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. |
| Whether appointment is executive, and if so, the area of responsibility | Executive | Executive |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Executive Director, Chief Financial Officer and Deputy Chief Executive Officer | Executive Director and Department Head (Tender, Contract and Sales Department) |
| Professional qualifications and working experience and occupation(s) during the past 10 years | Mr Srinivasan is the Executive Director, Chief Financial Officer (CFO), and Deputy Chief Executive Officer (DCEO) of the Group. He was appointed CFO in January 2021, promoted to DCEO in April 2024, and subsequently appointed to the Board on 2 September 2024. In his current roles, Mr Srinivasan leads the Group's financial strategy and business management, supporting the CEO in steering the Group's overall direction and performance. His responsibilities encompass financial reporting, treasury, management accounting, taxation, corporate compliance, and strategic oversight of the Group's financial and corporate functions. Mr Srinivasan joined the Group in 2012 as Senior Assistant Financial Controller and was promoted to Group Financial Controller in 2016. Before joining the Group, he | Ms Toh was appointed as Executive Director on 2 September 2024 and is currently the Director and Department Head (Tender, Contract and Sales Department) of the Group. Ms Toh plays a pivotal role in the Group's strategic and commercial growth, overseeing the execution of contracts, driving sales revenue, and formulating business and tender strategies. She brings strong industry acumen and excels in fostering strategic partnerships, client engagement, and supplier relationship management.<br><br>Ms Toh led the Group's project management division as Deputy Director (Project Management Office) from 2019 to 2022 and Director (Project Management Office) from 2022 to 2024, where she ensured that projects were delivered on schedule, within budget, and in full |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | RAGAVENDRAN SRINIVASAN | REANNE TOH TING XUAN |
|---|---|---|
| | served as Group Finance Manager of Ultro Technologies Ltd from 1997.<br><br>With over 25 years of extensive experience in accounting and finance, Mr Srinivasan has held leadership roles for more than 15 years in financial reporting, management accounting, tax planning, and corporate compliance across various industries including electronics components distribution, manufacturing, coal mining, and construction. Mr Srinivasan holds a Bachelor of Commerce degree and is a Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants. He is also a Fellow of the Association of Chartered Certified Accountants (ACCA), UK. | compliance with stringent safety and health standards. Her earlier experience as an Estimator in Melbourne, Australia, laid the foundation for her deep understanding of market trends, industry practices, and project execution—from competitive bidding to successful delivery. Over time, she developed a passion for navigating complex market dynamics, mastering trade-specific skills, and bridging the gap between commercial strategy and on-ground execution.<br><br>Ms Toh holds a Bachelor's degree in Planning & Design (Property and Construction) from the University of Melbourne, Australia. She is an Associate Member of the Singapore Institute of Arbitrators (SIArb) and a member of the Singapore Institute of Directors (SID). |
| Shareholding interest in the listed issuer and its subsidiaries | No | 1,400,000 ordinary shares in the Company |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | No | Yes. Ms Toh is the daughter of Mr Toh Choo Huat (Executive Chairman, CEO and substantial shareholder of the Company), the niece of Mr Toh Chew Leong (Advisor, a substantial shareholder of the Company, and a director of the Company's subsidiary, Ley Choon Constructions and Engineering Pte Ltd), Mr Toh Swee Kim (Advisor, a substantial shareholder of the Company, and a director of the Company's subsidiary, Chin Kuan Engineering and Contractors Pte Ltd), and Mr Toh Chew Chai (Advisor, a substantial shareholder of the Company, and a director of the Company's subsidiary, Chin Kuan Engineering and Contractors Pte Ltd); cousin of Mr Toh Kai Hock (IT Director & Head of Fleet Department of the Group), Mr Toh Kai Sheng Adam (a director of the Company's subsidiaries, Ley Choon Constructions and Engineering Pte Ltd and Pan Alliance Technology International Pte. Ltd. and Director of Operations & HR of the Group), Ms Toh Qiu Ling (a director of the Company's subsidiaries, Pan Alliance Technology International Pte. Ltd. and Multiform Developments & Construction Pte Ltd, and Group Senior Manager (Business Development)), and Mr Toh Wei Jie (a director of the Company's subsidiary, Teacly (S) Pte. Ltd. and Deputy Director of the Group). |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | RAGAVENDRAN SRINIVASAN | REANNE TOH TING XUAN |
|---|---|---|
| Conflict of Interest (including any competing business) | No | No |
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes |
| Other Principal Commitments* Including Directorships#<br><br>* "Principal Commitments" has the same meaning as defined in the Code.<br># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9) | Past (for the last 5 years):<br><br>Director, Unisem Electronics Pte Ltd<br><br>Present:<br><br>Nil | Past (for the last 5 years):<br><br>Nil<br><br>Present:<br><br>Director, LC International Trading Co Pte. Ltd.<br><br>Director, Multiform Developments & Construction Pte. Ltd.<br><br>Director, Chin Kuan Engineering and Contractors Pte. Ltd. |
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No |
| (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No | No |
| (c) Whether there is any unsatisfied judgment against him? | No | No |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | | RAGAVENDRAN SRINIVASAN | REANNE TOH TING XUAN |
|---|---|---|---|
| (d) | Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No | No |
| (e) | Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No |
| (f) | Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No | No |
| (g) | Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No |
| (h) | Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No | No |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | | RAGAVENDRAN SRINIVASAN | REANNE TOH TING XUAN |
|---|---|---|---|
| (i) | Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No |
| (j) | Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– | | |
| | (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No | No |
| | (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No | No |
| | (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or | No | No |
| | (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, | No | No |
| | in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | | |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | WILLIAM TAN KWANG HWEE | BUHDY BOK SIN SWEE |
|---|---|---|
| Date of Appointment | 2 September 2024 | 2 September 2024 |
| Date of last re-appointment | N.A. | N.A. |
| Age | 45 | 52 |
| Country of principal residence | Singapore | Singapore |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr William Tan Kwang Hwee for re-appointment as an Independent Director of the Company. The Board has reviewed and concluded that Mr William Tan Kwang Hwee possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. | The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr Buhdy Bok Sin Swee for re-appointment as an Independent Director of the Company. The Board has reviewed and concluded that Mr Buhdy Bok Sin Swee possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. |
| Whether appointment is executive, and if so, the area of responsibility | Non-Executive | Non-Executive |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Lead Independent Director, Chairman of the Audit Committee and member of the Remuneration Committee and Nominating Committee | Independent Director, Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee |
| Professional qualifications and working experience and occupation(s) during the past 10 years | Mr Tan is Group CFO of SGX Mainboard-listed Tiong Woon Corporation Holding (SGX: BQM), and presently serves as member of the ACCA Singapore Members Network Panel. An MBA, qualified accountant and engineer by training, he was named Executive of the Year – Construction & Materials at the Singapore Business Review Management Excellence Awards 2016.<br><br>Mr Tan possesses strong working knowledge of SGX listing rules and corporate governance, having served as CFO in 4 SGX-listed groups spanning multi-industries. | Mr Bok is a seasoned leader with extensive experience in the travel and tourism industry, spanning various sectors such as airlines, cruise lines, and attractions across Asia. He has held several key leadership positions throughout his career, significantly contributing to the growth and success of each organisation he has been a part of.<br><br>Mr Bok is currently Managing Director of Mount Faber Leisure Group Pte. Ltd., one of Singapore's largest attraction companies. In this role, he has been responsible for overseeing the company's overall operations and strategy. |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | WILLIAM TAN KWANG HWEE | BUHDY BOK SIN SWEE |
|---|---|---|
| | Beginning his career in Liang Huat Aluminium (erstwhile SGX: 1C5), his previous roles include CFO of EnGro Corporation (SGX: S44), Assistant Vice President, Finance - Casino Accounting & Credit of Resorts World Sentosa (SGX: G13), CFO of Ley Choon Group Holdings (SGX: Q0X), CFO of Metal Component Engineering (SGX: 5DX) and auditor with KPMG.<br><br>A Chartered Accountant of Singapore and Fellow of the Association of Chartered Certified Accountants (ACCA), UK, Mr Tan graduated with Honours with a Bachelor of Engineering (Mechanical) from National University of Singapore, holds a Bachelor of Science in Applied Accounting (First Class Honours) from Oxford Brookes University, UK and obtained his MBA from Manchester Business School, UK. He was also an ACCA Prize Winner and Top 30 Affiliate, and is a Member and Accredited Board Director of the Singapore Institute of Directors (SID). | Prior to his current role, Mr Bok held several senior leadership positions in the travel and tourism industry. He served as Chief Commercial Officer at NokScoot Airlines, President of Carnival Asia at Carnival Corporation & PLC, and President of Costa Group Asia at Costa Crociere S.p.A., overseeing operations across Asia. Earlier in his career, he spent 15 years at Singapore Airlines, working in various roles from Finance to Planning, with overseas postings in China and Italy.<br><br>Mr Bok's contributions to the industry have been recognised, including the Magnolia Silver Award in 2016 by the Shanghai Municipal People's Government for his contributions to Shanghai's economic construction, social development and international exchange. He holds a Bachelor's degree in Accountancy from Nanyang Technological University, a Bachelor's degree in Law from the University of London, and an MBA from Duke University's Fuqua School of Business in the USA.<br><br>He brings extensive expertise and leadership experience to the Board, contributing to the organisation's strategic direction and governance. |
| Shareholding interest in the listed issuer and its subsidiaries | No | 10,060,000 ordinary shares in the Company |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | No | No |
| Conflict of Interest (including any competing business) | No | No |
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | WILLIAM TAN KWANG HWEE | BUHDY BOK SIN SWEE |
|---|---|---|
| Other Principal Commitments* Including Directorships#<br><br>* "Principal Commitments" has the same meaning as defined in the Code.<br># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9) | Past (for the last 5 years):<br><br>Chief Financial Officer, EnGro Corporation Ltd<br><br>Director, Ssangyong Cement (S) Pte Ltd<br><br>Director, Juniper Capital Ventures (Pte) Ltd<br><br>Director, R&P Technologies Pte Ltd<br><br>Director, Top-Mix Concrete Pte Ltd<br><br>Director, R&P (Pte) Ltd<br><br>Present:<br><br>Group Chief Financial Officer, Tiong Woon Corporation Holding Ltd.<br><br>Director, Tiong Woon (Huizhou) Industrial Services Co., Ltd. | Past (for the last 5 years):<br><br>Director of Blue World Acquisition Corp.<br><br>Present:<br><br>Managing Director of Mount Faber Leisure Group Pte Ltd<br><br>Director of Mr Barber Pte Ltd |
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | WILLIAM TAN KWANG HWEE | BUHDY BOK SIN SWEE |
|---|---|---|
| (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– | | |
| (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No | No |
| (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No | No |
| (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or | No | No |
| (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, | No | No |
| in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | | |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | | WILLIAM TAN KWANG HWEE | BUHDY BOK SIN SWEE |
|---|---|---|---|
| (k) | Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | Yes. Mr Tan received a supervisory warning from the Monetary Authority of Singapore ("**MAS**") on 14 July 2014 for a breach of Section 137 of the Securities and Futures Act 2001 (the "**Act**") for failing to notify a listed corporation of a change in his interest in the voting shares of the corporation, within 2 business days of his becoming aware of the change. This warning was for the disposal by YK Holdings Pte Ltd ("**YKH**") of shares in LH Group Limited ("**LH**"), a company listed on the SGX-ST. YKH, a substantial shareholder of LH, disposed of the LH shares on 20 January 2014 and notified LH on 24 January 2014. There was a delay of 2 days in notifying LH. The disposal resulted in YKH ceasing to be a substantial shareholder of LH. As a result of this, YKH and the shareholders of YKH who were deemed interested in the LH shares held by YKH, who amongst others, Mr Tan, who holds 25% shares of YKH, received supervisory warnings from the MAS. | No |
| Any prior experience as a director of a listed company?<br><br>If yes, please provide details of prior experience.<br><br>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable). | | N.A.<br>This is a re-election of a director. | N.A.<br>This is a re-election of a director. |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | TEO HO BENG |
|---|---|
| Date of Appointment | 28 September 2015 |
| Date of last re-appointment | 28 July 2023 |
| Age | 70 |
| Country of principal residence | Singapore |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr Teo Ho Beng for re-appointment as an Independent Director of the Company. The Board has reviewed and concluded that Mr Teo Ho Beng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. |
| Whether appointment is executive, and if so, the area of responsibility | Non-Executive |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Non-Executive Director and member of the Audit Committee, Remuneration Committee and Nominating Committee |
| Professional qualifications and working experience and occupation(s) during the past 10 years | Mr Teo Ho Beng is presently the Executive Chairman of Hiap Hoe Group. Mr Teo Ho Beng has more than 40 years of experience in the construction and property industries and over 30 years of experience in the leisure industry. |
| Shareholding interest in the listed issuer and its subsidiaries | No |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | No |
| Conflict of Interest (including any competing business) | No |
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer | Yes |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | TEO HO BENG |
|---|---|
| Other Principal Commitments* Including Directorships#<br><br>* “Principal Commitments” has the same meaning as defined in the Code.<br># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9) | Past (for the last 5 years):<br>Director, Hiap Hoe Property Management Pte Ltd (struck off)<br>Director, SuperBowl Management Pte Ltd (struck off)<br>Director, SuperBowl Sentosa Pte Ltd (struck off)<br>Director, Meteorite Development (Pearl River) Pty Ltd (struck off)<br>Director, Meteorite Development Pty Ltd (struck off)<br>Director, Meteorite Development (Lonsdale Street) Pty Ltd (struck off)<br>Director, Meteorite Property (Bourke Street) Pty Ltd (struck off)<br>Director, Meteorite Property (Lonsdale Street) Pty Ltd (sold)<br><br>Present:<br>Executive Chairman, Hiap Hoe Limited<br>Director, Cavenagh Properties Pte. Ltd.<br>Director, Golden Bay Realty (Private) Limited<br>Director, HH Capital Pte. Ltd.<br>Director, HH Land Pte. Ltd.<br>Director, HH Properties Pte. Ltd.<br>Director, HH Residences Pte. Ltd.<br>Director, Hiap Hoe & Co. Pte. Ltd.<br>Director, Hiap Hoe Asset Management Pte. Ltd.<br>Director, Hiap Hoe Capital Pte. Ltd.<br>Director, Hiap Hoe Holdings Pte Ltd<br>Director, Hiap Hoe Investments Pte. Ltd.<br>Director, Hiap Hoe Realty (Pte.) Ltd.<br>Director, Hiap Hoe Strategic Pte. Ltd.<br>Director, Hiap Hoe Superbowl JV Pte. Ltd.<br>Director, Hiap Hoe Treasure Pte. Ltd.<br>Director, Hougang Point Ltd<br>Director, Keng Heng Investment Pte Ltd<br>Director, KHI Properties Pte. Ltd.<br>Director, Meteorite Assets Pte. Ltd.<br>Director, Meteorite Group Pte. Ltd.<br>Director, Prime Properties (Pte) Ltd<br>Director, Super Funworld Pte Ltd<br>Director & Managing Director, Superbowl Development Pte Ltd<br>Director, Superbowl Holdings Limited<br>Director, Superbowl Jurong Pte Ltd<br>Director, WestBuild Construction Pte. Ltd.<br>Director, Meteorite Land (Rowe Avenue) Pty Ltd<br>Director, Meteorite Land Pty Ltd<br>Director, Meteorite Land (Pearl River) Pty Ltd<br>Director, Meteorite Property (Stirling Street) Pty Ltd<br>Director, Meteorite Assets Limited<br>Director, Meteorite Manchester Limited<br>Director, Trafford City Hotel Limited |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | | TEO HO BENG |
|---|---|---|
| (g) | Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No |
| (h) | Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No |
| (i) | Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No |
| (j) | Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– | |
| | (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No |
| | (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No |
| | (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or | No |
| | (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, | No |
| | in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | |

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

# DIRECTORS' STATEMENT

for the financial year ended 31 March 2025

We submit this annual report to the members together with the audited consolidated financial statements of Ley Choon Group Holdings Limited (the "Company") and its subsidiaries (the "Group") and statement of financial position of the Company for the financial year ended 31 March 2025.

In our opinion:

(a) the accompanying statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

## NAMES OF DIRECTORS

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

Toh Choo Huat (Executive Chairman, Executive Director and Chief Executive Officer)
Ragavendran Srinivasan (Executive Director) (Appointed on 2 September 2024)
Reanne Toh Ting Xuan (Executive Director) (Appointed on 2 September 2024)
William Tan Kwang Hwee (Lead Independent Director) (Appointed on 2 September 2024)
Chua Hock Thak (Independent Director)
Buhdy Bok Sin Swee (Independent Director) (Appointed on 2 September 2024)
Teo Ho Beng (Non-Executive Director)

## ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

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

# DIRECTORS' STATEMENT

for the financial year ended 31 March 2025

## DIRECTORS' INTEREST IN SHARES OR DEBENTURES

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

| | HOLDINGS REGISTERED IN THE NAME OF DIRECTOR | | HOLDINGS IN WHICH DIRECTOR IS DEEMED TO HAVE AN INTEREST | |
|---|---|---|---|---|
| | AS AT 1.4.2024 OR DATE OF APPOINTMENT, IF LATER | AS AT 31.3.2025 AND 21.4.2025 # | AS AT 1.4.2024 OR DATE OF APPOINTMENT, IF LATER | AS AT 31.3.2025 AND 21.4.2025 # |
| The Company - | | | | |
| Ley Choon Group Holdings Limited | Number of ordinary shares | | | |
| Toh Choo Huat | 794,000 | 794,000 | 902,272,580 | 902,272,580 |
| Reanne Toh Ting Xuan (Appointed on 2 September 2024) | 1,400,000 | 1,400,000 | – | – |
| Buhdy Bok Sin Swee (Appointed on 2 September 2024) | 10,060,000 | 10,060,000 | – | – |
| Holding company - | | | | |
| Zheng Choon Holding Pte. Ltd. | Number of ordinary shares | | | |
| Toh Choo Huat | 24,391,371 | 24,391,371 | – | – |

# There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2025.

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

## SHARE OPTIONS

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

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

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

## PERFORMANCE SHARE PLAN

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

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

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

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

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

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

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

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

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

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

# DIRECTORS' STATEMENT

for the financial year ended 31 March 2025

## AUDIT COMMITTEE

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

William Tan Kwang Hwee (Chairman)
Chua Hock Thak
Buhdy Bok Sin Swee
Teo Ho Beng

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

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

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

(iii) reviewed the half-yearly financial information, the statement of financial position of the Company as at 31 March 2025 and the consolidated financial statements of the Group for the financial year ended 31 March 2025, as well as the auditor's report thereon;

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

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

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

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

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

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

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

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

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

# DIRECTORS' STATEMENT

for the financial year ended 31 March 2025

## AUDIT COMMITTEE (CONT'D)

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

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

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

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

## INDEPENDENT AUDITOR

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

On behalf of the Directors

.................................................................................
TOH CHOO HUAT

.................................................................................
WILLIAM TAN KWANG HWEE

Dated: 11 July 2025

# INDEPENDENT AUDITOR'S REPORT

to the members of Ley Choon Group Holdings Limited

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Ley Choon Group Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### Basis for Opinion

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

## Key Audit Matters

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

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

## Other Information

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

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

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

## Responsibilities of Management and Directors for the Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

### Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

# INDEPENDENT AUDITOR'S REPORT

to the members of Ley Choon Group Holdings Limited

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Cheong Wenjie.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
Singapore

11 July 2025

# STATEMENTS OF FINANCIAL POSITION

as at 31 March 2025

| | | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| | NOTE | S$'000 | S$'000 | S$'000 | S$'000 |
| **ASSETS** | | | | | |
| **Non-Current Assets** | | | | | |
| Property, plant and equipment | 3 | 12,819 | 15,095 | – | – |
| Right-of-use assets | 4 | 7,199 | 7,896 | – | – |
| Subsidiaries | 5 | – | – | 160,100 | 160,100 |
| Deferred tax assets | 6 | 734 | 229 | – | – |
| Club membership | | 229 | 229 | – | – |
| | | 20,981 | 23,449 | 160,100 | 160,100 |
| **Current Assets** | | | | | |
| Inventories | 7 | 6,465 | 6,409 | – | – |
| Contract assets | 8 | 27,954 | 28,477 | – | – |
| Trade and other receivables | 9 | 22,488 | 17,342 | 5,701 | 6,339 |
| Prepayments | 10 | 4,539 | 4,683 | 21 | 27 |
| Other investments | 11 | 20 | 21 | – | – |
| Cash and bank deposits | 12 | 15,149 | 9,371 | 1,144 | 6 |
| | | 76,615 | 66,303 | 6,866 | 6,372 |
| **Total assets** | | 97,596 | 89,752 | 166,966 | 166,472 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Capital and Reserves** | | | | | |
| Share capital | 13 | 97,889 | 97,889 | 164,108 | 164,108 |
| Accumulated losses | | (25,744) | (36,172) | (26,204) | (26,760) |
| Other reserves | 14 | (1,422) | (1,485) | 28,774 | 28,774 |
| **Equity attributable to owners of the Company** | | 70,723 | 60,232 | 166,678 | 166,122 |
| Non-controlling interest | | 1 | 2 | – | – |
| **Total equity** | | 70,724 | 60,234 | 166,678 | 166,122 |
| **Non-Current Liabilities** | | | | | |
| Deferred tax liabilities | 6 | 27 | 48 | – | – |
| Lease liabilities | 15 | 3,129 | 3,178 | – | – |
| | | 3,156 | 3,226 | – | – |
| **Current Liabilities** | | | | | |
| Lease liabilities | 15 | 2,356 | 2,521 | – | – |
| Borrowings | 16 | 1,226 | – | – | – |
| Trade and other payables | 17 | 18,902 | 23,347 | 288 | 350 |
| Provisions | 18 | 4 | 267 | – | – |
| Current tax payable | | 1,228 | 157 | – | – |
| | | 23,716 | 26,292 | 288 | 350 |
| **Total liabilities** | | 26,872 | 29,518 | 288 | 350 |
| **Total equity and liabilities** | | 97,596 | 89,752 | 166,966 | 166,472 |

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

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 March 2025

| | NOTE | 2025<br>S$'000 | 2024<br>S$'000 |
|---|---|---|---|
| Revenue | 19 | 130,500 | 129,140 |
| Cost of sales | | (103,499) | (108,043) |
| **Gross profit** | | 27,001 | 21,097 |
| Other income | 20 | 2,522 | 3,249 |
| Selling and distribution expenses | | (160) | (129) |
| Administrative expenses | | (13,036) | (11,624) |
| Impairment losses on trade receivables | 9 | (327) | (123) |
| Other operating expenses | 21 | (30) | (44) |
| Finance costs | 22 | (357) | (1,156) |
| Profit before taxation | | 15,613 | 11,270 |
| Taxation | 23 | (1,120) | (356) |
| **Profit for the year** | 24 | 14,493 | 10,914 |
| | | | |
| **Other comprehensive income/(loss) after tax:** | | | |
| **Items that are or may be reclassified subsequently to profit or loss** | | | |
| Foreign currency translation differences on consolidation | | 57 | 113 |
| **Items that will not be reclassified subsequently to profit or loss** | | | |
| Remeasurement of post-employment benefit obligations | | 6 | (12) |
| **Other comprehensive income for the year** | | 63 | 101 |
| **Total comprehensive income for the year** | | 14,556 | 11,015 |
| | | | |
| **Profit/(Loss) attributable to:** | | | |
| Owners of the Company | | 14,494 | 10,912 |
| Non-controlling interest | | (1) | 2 |
| **Profit for the year** | | 14,493 | 10,914 |
| | | | |
| **Total comprehensive income/(loss) attributable to:** | | | |
| Owners of the Company | | 14,557 | 11,013 |
| Non-controlling interest | | (1) | 2 |
| **Total comprehensive income for the year** | | 14,556 | 11,015 |
| | | | |
| **Earnings per share attributable to owners of the Company (Singapore cent)** | | | |
| - Basic and diluted | 25 | 0.963 | 0.725 |

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2025

| | SHARE CAPITAL S$'000 | ACCUMULATED LOSSES S$'000 | FOREIGN CURRENCY TRANSLATION RESERVE S$'000 | OTHER RESERVE S$'000 | EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY S$'000 | NON-CONTROLLING INTEREST S$'000 | TOTAL EQUITY S$'000 |
|---|---|---|---|---|---|---|---|
| **Balance at 1 April 2023** | 97,889 | (47,084) | (1,553) | (33) | 49,219 | – | 49,219 |
| Profit for the year | – | 10,912 | – | – | 10,912 | 2 | 10,914 |
| Other comprehensive income/(loss) for the year | | | | | | | |
| - Foreign currency translation differences | – | – | 113 | – | 113 | – | 113 |
| - Remeasurement of post-employment benefit obligations | – | – | – | (12) | (12) | – | (12) |
| Other comprehensive income/(loss) for the year | – | – | 113 | (12) | 101 | – | 101 |
| **Total comprehensive income/(loss) for the year** | – | 10,912 | 113 | (12) | 11,013 | 2 | 11,015 |
| **Balance at 31 March 2024** | 97,889 | (36,172) | (1,440) | (45) | 60,232 | 2 | 60,234 |
| | | | | | | | |
| **Balance at 1 April 2024** | 97,889 | (36,172) | (1,440) | (45) | 60,232 | 2 | 60,234 |
| Profit/(Loss) for the year | – | 14,494 | – | – | 14,494 | (1) | 14,493 |
| Other comprehensive income for the year | | | | | | | |
| - Foreign currency translation differences | – | – | 57 | – | 57 | – | 57 |
| - Remeasurement of post-employment benefit obligations | – | – | – | 6 | 6 | – | 6 |
| Other comprehensive income for the year | – | – | 57 | 6 | 63 | – | 63 |
| **Total comprehensive income/(loss) for the year** | – | 14,494 | 57 | 6 | 14,557 | (1) | 14,556 |
| **Contributions by and distributions to owners** | | | | | | | |
| - Dividends (Note 33) | – | (4,066) | – | – | (4,066) | – | (4,066) |
| **Transactions with owners in their capacity as owners** | – | (4,066) | – | – | (4,066) | – | (4,066) |
| **Balance at 31 March 2025** | 97,889 | (25,744) | (1,383) | (39) | 70,723 | 1 | 70,724 |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2025

| | NOTE | 2025 S$'000 | 2024 S$'000 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Profit before taxation | | 15,613 | 11,270 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 3 | 5,553 | 6,215 |
| Depreciation of right-of-use assets | 4 | 1,856 | 2,456 |
| Fair value loss/(gain) on other investments | 21/20 | 1 | (5) |
| Gain on derecognition of leases | 20 | – | (1) |
| Gain on disposal of property, plant and equipment | 20 | (244) | (718) |
| Impairment losses on trade receivables | 9 | 327 | 123 |
| Interest expense | 22 | 357 | 1,156 |
| Interest income | 20 | (87) | (50) |
| Inventories written off | 21 | – | 44 |
| Provision for onerous contracts (reversed)/recognised | 24 | (257) | 257 |
| Write-down on inventories | 7 | 150 | – |
| **Operating profit before working capital changes** | | 23,269 | 20,747 |
| Changes in inventories | | (200) | 1,266 |
| Changes in contract assets | | 526 | 2,341 |
| Changes in trade and other receivables | | (5,452) | 5,212 |
| Changes in prepayments | | 148 | (287) |
| Changes in provisions | | – | (22) |
| Changes in trade and other payables | | (3,197) | (1,866) |
| **Cash generated from operations** | | 15,094 | 27,391 |
| Income taxes paid | | (575) | – |
| **Net cash generated from operating activities** | | 14,519 | 27,391 |
| **Cash Flows from Investing Activities** | | | |
| Increase in fixed deposits with maturity of more than three months | | (20) | – |
| Interest received | | 87 | 50 |
| Purchase of property, plant and equipment and right-of-use assets | A | (1,865) | (4,198) |
| Proceeds from disposal of property, plant and equipment | | 318 | 3,075 |
| **Net cash used in investing activities** | | (1,480) | (1,073) |
| **Cash Flows from Financing Activities** | | | |
| Dividends paid | 33 | (4,066) | – |
| Fixed deposits pledged with banks | | – | 507 |
| Interest paid | | (357) | (1,156) |
| Repayment of lease liabilities | | (2,859) | (3,591) |
| Repayment of loans from financial institutions | | – | (19,858) |
| **Net cash used in financing activities** | | (7,282) | (24,098) |
| Net increase in cash and cash equivalents | | 5,757 | 2,220 |
| Cash and cash equivalents at beginning of year | | 9,371 | 7,124 |
| Exchange differences on translation of cash and cash equivalents | | 1 | 27 |
| **Cash and cash equivalents at end of year** | 12 | 15,129 | 9,371 |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

for the financial year ended 31 March 2025

## NOTE A

During the financial year ended 31 March 2025, the Group made cash payments of S$1,678,000 (2024: S$3,771,000) and S$187,000 (2024: S$427,000) to acquire property, plant and equipment and right-of-use assets, respectively, amounting to S$1,865,000 (2024: S$4,198,000). There were non-cash additions to right-of-use assets of S$2,640,000 (2024: S$3,825,000).

## NOTE B

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

| | FIXED DEPOSITS PLEDGED (NOTE 12) S$'000 | BORROWINGS (NOTE 16) S$'000 | LEASE LIABILITIES (NOTE 15) S$'000 | TOTAL S$'000 |
|---|---|---|---|---|
| **Balance at 1 April 2023** | (507) | 19,858 | 5,468 | 24,819 |
| **Changes from financing cash flows** | | | | |
| - Fixed deposits pledged with banks | 507 | – | – | 507 |
| - Interest paid | – | (779) | (377) | (1,156) |
| - Repayment of lease liabilities | – | – | (3,591) | (3,591) |
| - Repayment of loans from financial institutions | – | (19,858) | – | (19,858) |
| **Total changes from financing cash flows** | 507 | (20,637) | (3,968) | (24,098) |
| **Effect of changes in foreign exchange rates** | – | – | 8 | 8 |
| **Other changes** | | | | |
| - Interest expense | – | 779 | 377 | 1,156 |
| - Derecognition of leases | – | – | (28) | (28) |
| - Lease modification | – | – | 17 | 17 |
| - New leases | – | – | 3,825 | 3,825 |
| **Total liability-related other changes** | – | 779 | 4,191 | 4,970 |
| **Balance at 31 March 2024** | – | – | 5,699 | 5,699 |
| **Balance at 1 April 2024** | – | – | 5,699 | 5,699 |
| **Changes from financing cash flows** | | | | |
| - Interest paid | – | – | (357) | (357) |
| - Repayment of lease liabilities | – | – | (2,859) | (2,859) |
| **Total changes from financing cash flows** | – | – | (3,216) | (3,216) |
| **Other changes** | | | | |
| - Interest expense | – | – | 357 | 357 |
| - Invoice financing | – | 1,226 | – | 1,226 |
| - Derecognition of leases | – | – | (11) | (11) |
| - Lease modification | – | – | 16 | 16 |
| - New leases | – | – | 2,640 | 2,640 |
| **Total liability-related other changes** | – | 1,226 | 3,002 | 4,228 |
| **Balance at 31 March 2025** | – | 1,226 | 5,485 | 6,711 |

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2025

## 1 GENERAL INFORMATION

The financial statements of Ley Choon Group Holdings Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 March 2025 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

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

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

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

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

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

## 2(A) BASIS OF PREPARATION

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

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

**Significant accounting estimates and judgements**

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

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

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

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

**Significant judgements in applying accounting policies**

Determination of functional currencies

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

Control over a partnership

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

Income taxes

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

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

### Significant assumptions used and accounting estimates in applying accounting policies

Depreciation of property, plant and equipment and right-of-use assets

The costs of property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over the estimated economic useful lives of the assets or based on the shorter period of lease term and useful life of the right-of-use asset. The Group's business is capital intensive and the annual depreciation of property, plant and equipment and right-of-use assets forms a significant component of total costs charged to profit or loss. Management estimates the useful lives of property, plant and equipment and right-of-use assets to be 2 to 20 years and 1 to 13 years, respectively. The carrying amounts of the Group's property, plant and equipment and right-of-use assets at the end of the reporting period are disclosed in Note 3 and Note 4, respectively, to the financial statements. The estimation of useful lives is based on assumptions about wear and tear, ageing, changes in demand and the Group's historical experience with similar assets. The Group performs annual reviews on whether the assumptions made on useful lives continue to be valid. As changes in the expected level of usage, maintenance programmes and technological developments could affect the economic useful lives and the residual values of these assets, future depreciation charges could be revised. If depreciation on the Group's property, plant and equipment and right-of-use assets increases/decreases by 10% from management's estimates, the Group's profit for the year will decrease/increase by S$555,000 (2024: S$622,000) and S$186,000 (2024: S$246,000), respectively.

Allowance for inventory obsolescence

The Group reviews the ageing analysis of inventories at the end of each reporting period and applies judgement and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The net realisable values for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 7 to the financial statements. If the net realisable values of the inventories decrease by 10% below cost from management's estimates, the Group's profit for the year will decrease by S$647,000 (2024: S$641,000).

Revenue recognition over time

For the long-term projects where the Group satisfies its performance obligations over time, management has determined that the cost-based input method provides a faithful depiction of the Group's performance in transferring control to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred on the projects. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the projects. Significant judgement is required in determining the estimated total contract costs, as well as the recoverability of the contract costs incurred.

The estimation of total contract costs is based on historical experience and contractual arrangements with contractors/suppliers. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Where the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. The estimated total costs for each project are reviewed on a regular basis by the Group in order to determine the costs to be recognised in profit or loss at the end of each reporting period and to assess whether any provision for onerous contracts is required. Actual costs could differ from the estimates.

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

**Significant assumptions used and accounting estimates in applying accounting policies (cont'd)**

Revenue recognition over time (cont'd)

The carrying amount of the Group's contract assets at the end of the reporting period and the Group's contract revenue for the year are disclosed in Note 8 and Note 19, respectively, to the financial statements. If the contract costs of uncompleted contracts to be incurred had been higher/lower by 10% from management's estimates, the Group's profit for the year would have been lower/higher by S$4,646,000 (2024: S$3,618,000) and S$5,056,000 (2024: S$4,096,000), respectively.

Allowance for expected credit losses of trade and other receivables and contract assets

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar risk characteristics, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company apply the 3-stage general approach to determine ECLs for other receivables. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

The assessment of the correlation between historical observed default rates, forecast of economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information relating to ECLs on the Group's trade and other receivables and contract assets is disclosed in Note 30.1. If the loss rates on the respective ageing categories of trade receivables increase by 10% from management's estimates, the Group's allowance for impairment of trade receivables will increase by S$1,649,000 (2024: S$1,120,000).

## 2(B) ADOPTION OF NEW OR AMENDED SFRS(I)S EFFECTIVE IN 2025

On 1 April 2024, the Group adopted the following new or amended SFRS(I)s that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s.

| REFERENCE | DESCRIPTION |
|---|---|
| Amendments to SFRS(I) 1-1 | Classification of Liabilities as Current or Non-current |
| Amendments to SFRS(I) 16 | Lease Liability in a Sale and Leaseback |
| Amendments to SFRS(I) 1-1 | Non-current Liabilities with Covenants |
| Amendments to SFRS(I) 1-7 and SFRS(I) 7 | Supplier Finance Arrangements |

The adoption of these new or amended SFRS(I)s did not result in substantial changes to the Group's accounting policies or have any significant impact on these financial statements.

### Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

There is no material financial impact on the financial statements on adoption of the amendments.

## 2(C) NEW OR AMENDED SFRS(I)S NOT YET ADOPTED

The following are the new or amended SFRS(I)s issued that are not yet effective but may be early adopted for the current financial year. However, the Group has not early adopted the new or amended SFRS(I)s in preparing these financial statements:

| REFERENCE | DESCRIPTION | EFFECTIVE DATE (ANNUAL PERIODS BEGINNING ON OR AFTER) |
|---|---|---|
| Amendments to SFRS(I) 10 and SFRS(I) 1-28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Yet to be determined |
| Amendments to SFRS(I) 1-21 | Lack of Exchangeability | 1 January 2025 |
| SFRS(I) 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| Amendments to SFRS(I) 9 and SFRS(I) 7 | Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| SFRS(I) 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to SFRS(I) 9 and SFRS(I) 7 | Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| Annual Improvements to SFRS(I)s – Volume 11 | | |
| - Amendments to SFRS(I) 1 | Hedge Accounting by a First-Time Adopter | 1 January 2026 |
| - Amendments to SFRS(I) 7 | Gain or Loss on Derecognition | 1 January 2026 |
| - Amendments to SFRS(I) 7 | Disclosure of Deferred Difference between Fair Value and Transaction Price | 1 January 2026 |
| - Amendments to SFRS(I) 7 | Introduction and Credit Risk Disclosures | 1 January 2026 |
| - Amendments to SFRS(I) 9 | Derecognition of Lease Liabilities | 1 January 2026 |
| - Amendments to SFRS(I) 9 | Transaction Price | 1 January 2026 |
| - Amendments to SFRS(I) 10 | Determination of a ‘De Facto Agent’ | 1 January 2026 |
| - Amendments to SFRS(I) 1-7 | Cost Method | 1 January 2026 |

Management does not anticipate that the adoption of the above new or amended SFRS(I)s in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

## 2(C) NEW OR AMENDED SFRS(I)S NOT YET ADOPTED (CONT'D)

**SFRS(I) 18 *Presentation and Disclosure in Financial Statements***

SFRS(I) 18 which replaces SFRS(I) 1-1 *Presentation of Financial Statements:*

- introduces new categories and subtotals in the statement of profit or loss;
- requires disclosure of management-defined performance measures; and
- includes new requirements for the location, aggregation and disaggregation of financial information.

An entity will be required to:

- classify all income and expenses within its statement of profit or loss into five categories: operating, investing, financing, income taxes, and discontinued operations; and
- present subtotals for 'operating profit or loss' and 'profit or loss before financing and income taxes'.

An entity will need to assess whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity depends on the facts and circumstances and may require significant judgement. An entity may have more than one main business activity.

SFRS(I) 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity. Furthermore, SFRS(I) 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by SFRS(I) 18 or another standard.

SFRS(I) 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes, and introduces a principle for determining the location of information based on identified 'roles' of the primary financial statements and the notes. SFRS(I) 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. Guidance is also provided for determining meaningful descriptions, or labels, for items that are aggregated in the financial statements.

SFRS(I) 18 and consequential amendments to other standards are effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed.

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION

### Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive losses are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if, and only if, the Group has all of the following:

(i) power over the investee;

(ii) exposure, or rights or variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Non-controlling interest represents the equity in a subsidiary not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives, as follows:

| | |
|---|---|
| Property on leasehold land | Over the lease term of 11 years |
| Plant and equipment | 2 to 20 years |
| Office equipment, furniture and fittings | 3 to 10 years |
| Motor vehicles | 5 to 10 years |

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

### Property, plant and equipment (cont'd)

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the period in which it is incurred.

For acquisitions and disposals during the period, depreciation is recognised in profit or loss from the month that the property, plant and equipment are installed and are available for use, and to the month of disposal, respectively. Fully depreciated property, plant and equipment are retained in the accounts until they are no longer in use.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period as a change in estimates.

### Subsidiaries

In the Company's separate statement of financial position, subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

### Club membership

Club membership represents transferable membership in recreational club. The club membership is assessed as having an indefinite useful life as it entitles the members to enjoy the club facilities for its lifetime, and there is no foreseeable limit to the period over which the membership is expected to be used by the Group. Since it is with an indefinite useful life, it is tested for impairment annually or more frequently if the events and circumstances indicate that its carrying amount may be impaired either individually or at the cash-generating unit level. The useful life of the club membership with an indefinite life is reviewed annually to determine whether the assessment of useful life continues to be supportable.

### Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

### Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes party to the contractual provisions of the financial instruments. Financial assets are classified at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at FVTPL, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition. Refer to the accounting policy on "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)

- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

- Financial assets at FVTPL

The Group does not hold any financial assets at FVOCI.

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

### Financial assets (cont'd)

<u>Subsequent measurement (cont'd)</u>

*Financial assets at amortised cost (debt instruments)*

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group's financial assets at amortised cost comprise trade and other receivables and cash and bank deposits.

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

*Financial assets at FVTPL*

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity instruments are also recognised as other income in profit or loss when the right of payment has been established.

<u>Derecognition</u>

A financial asset is derecognised when the contractual rights to receive cash flows from the asset expire. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

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

### Financial assets (cont'd)

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its debt instrument financial assets carried at amortised cost and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECLs).

For trade receivables and contract assets, the Group measures the loss allowance at an amount equal to lifetime ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables, loss allowance is measured at an amount equal to 12-month ECLs. The 12-month ECLs are estimated by reference to the track record of the counterparties and their businesses and financial conditions.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

At the end of each reporting period, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

### Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

The Group's financial liabilities comprise borrowings, lease liabilities and trade and other payables (excluding net output taxes).

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVTPL, such as interest-bearing borrowings, are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

*Borrowings*

Borrowings due to be settled more than 12 months after the reporting period are included in non-current borrowings in the consolidated statement of financial position.

Borrowing costs are recognised in profit or loss using the effective interest method.

*Financial guarantees*

The Company has issued corporate guarantees to a bank for the borrowings of a subsidiary. A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantees. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of the loss allowance determined in accordance with the impairment model under SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition

A financial liability is derecognised when the obligation under the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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

### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from a customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability is recognised as revenue when the Group performs under the contract.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity.

Allowance is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and fixed deposits. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude fixed deposits which are pledged or have maturity of more than three months.

### Share capital

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

### Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

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

### Provision

Provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Present obligations arising from onerous contracts are recognised as provision.

Provision is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, the provision is discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Provision for onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract

### Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease (including extension option) unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

*Lease liabilities*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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

**Leases (cont'd)**

The Group as a lessee (cont'd)

*Lease liabilities (cont'd)*

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liabilities are presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

**Leases (cont'd)**

The Group as a lessee (cont'd)

*Right-of-use assets*

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and any impairment loss.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

| | |
|---|---|
| Leasehold land | Lease term of 1 to 13 years |
| Plant and equipment | Lease term of 1 to 10 years |
| Motor vehicles | Lease term of 2 to 5 years |

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the consolidated statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is a finance lease; if not, it is an operating lease. As part of this assessment, the Group considers certain indications such as whether the lease is for a major part of the economic life of the asset.

*Operating lease*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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

### Leases (cont'd)

The Group as a lessor (cont'd)

*Intermediate lessor in sublease*

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies recognition exemption, it classifies the sublease as an operating lease.

### Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from leases.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities provided they intend to settle current tax liabilities and assets on a net basis or the assets will be realised and the liabilities will be settled simultaneously.

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

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

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity.

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

### Valued-added taxes

Revenues, expenses and assets are recognised net of the amount of value-added tax ("VAT"), except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authorities, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and except that trade receivables and trade payables are recorded with the amount of VAT included. The net amount of VAT recoverable from or payable to the taxation authorities is included as part of other receivables or other payables in the statements of financial position.

### Employee benefits

Defined contribution plans

The Group participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. The Company and its Singapore-incorporated subsidiaries make contributions to the Central Provident Fund, a defined contribution pension scheme regulated and managed by the Government of Singapore.

A defined contribution national pension scheme is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions to national pension schemes are charged to profit or loss in the period to which the contributions relate.

Defined benefit plan

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The Group's branch office in Sri Lanka operates an unfunded defined benefit plan. The liability in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period together with adjustments for actuarial gains/losses and past service cost. The Group determines the present value of the defined benefit obligation with sufficient regularity such that the amounts recognised in the consolidated financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

The defined benefit obligation, calculated using the projected unit credit method, is determined by considering the estimated future cash outflows using market yields at the end of the reporting period of government securities which have currency and terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arise from experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and changes in actuarial assumptions. The amount of net actuarial gains and losses is charged or credited to profit or loss over the average remaining service lives of the related employees participating in the defined benefit plan.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plan in profit or loss.

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

### Employee benefits (cont'd)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

### Related parties

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Group and the Company if that person:

   (i) has control or joint control over the Company;

   (ii) has significant influence over the Company; or

   (iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.

b) An entity is related to the Group and the Company if any of the following conditions applies:

   (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   (iii) both entities are joint ventures of the same third party.

   (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

   (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

   (vi) the entity is controlled or jointly controlled by a person identified in (a).

   (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

   (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

### Related parties (cont'd)

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. Directors and certain management executives are considered key management personnel.

### Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use, based on an internal discounted cash flow evaluation. Impairment loss recognised for a cash-generating unit is charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist or may have decreased.

Any impairment loss is charged to profit or loss.

An impairment loss is reversed if there is an indication that the impairment loss previously recognised for an asset may no longer exist or may have decreased, and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that an asset's or cash-generating unit's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as income in profit or loss.

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

### Revenue from contracts with customers

Revenue from the sale of goods and rendering of services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The Group performs laying of pipes and roads on long-term contracts. The Group has assessed that these construction contracts qualify for recognition of revenue over time as (i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (ii) the Group's performance creates or enhances an asset (work in progress) that the customer controls as the asset is created or enhanced; and (iii) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The stage of completion is assessed by reference to the contract costs incurred till date in proportion to the total estimated contract costs of each contract.

For such construction contracts, the customer is invoiced on a milestone payment schedule. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date, the Group recognises a contract liability for the difference.

Revenue from short-term projects and maintenance services is recognised at a point in time when the services have been rendered.

Revenue from the sale of construction materials is recognised by the Group at a point in time when the goods are delivered to the customer, all criteria for acceptance have been satisfied, and the customer obtains control of the goods.

### Rental income

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease.

### Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

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

**Income from training services**

Income from training services is recognised when the service has been rendered.

**Government grants**

Government grants are recognised as a receivable at their fair value where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.

Government grants received are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

**Functional and presentation currency**

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is also the functional currency of the Company.

**Conversion of foreign currencies**

Transactions and balances

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

Foreign currency gains and losses are reported on a net basis as either other income or other expenses depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

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

### Conversion of foreign currencies (cont'd)

Group entities

The results and financial positions of all the entities (none of which has the currency of a hyperinflationary economy) within the Group that have a functional currency different from the presentation currency are translated into the presentation currency, as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of each reporting period;

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised as other comprehensive income in the foreign currency translation reserve in equity.

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

### Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are shown in Note 29 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

### Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period for the effects of any dilutive potential ordinary shares.

## 3 PROPERTY, PLANT AND EQUIPMENT

| THE GROUP | PROPERTY ON LEASEHOLD LAND S$'000 | PLANT AND EQUIPMENT S$'000 | OFFICE EQUIPMENT, FURNITURE AND FITTINGS S$'000 | MOTOR VEHICLES S$'000 | TOTAL S$'000 |
|---|---|---|---|---|---|
| Cost | | | | | |
| At 1 April 2023 | 24,353 | 54,659 | 640 | 12,884 | 92,536 |
| Additions | – | 2,556 | 136 | 1,079 | 3,771 |
| Disposals | – | (7,078) | (57) | (2,316) | (9,451) |
| Transfer from right-of-use assets (Note 4) | – | 1,983 | – | 606 | 2,589 |
| Exchange difference on translation | – | 132 | 6 | 15 | 153 |
| At 31 March 2024 | 24,353 | 52,252 | 725 | 12,268 | 89,598 |
| Additions | – | 943 | 36 | 699 | 1,678 |
| Disposals | – | (1,870) | (250) | (976) | (3,096) |
| Transfer from right-of-use assets (Note 4) | – | 824 | – | 2,151 | 2,975 |
| Exchange difference on translation | – | 10 | – | – | 10 |
| **At 31 March 2025** | 24,353 | 52,159 | 511 | 14,142 | 91,165 |
| Accumulated depreciation | | | | | |
| At 1 April 2023 | 19,184 | 41,467 | 474 | 12,223 | 73,348 |
| Depreciation (Note 24) | 2,138 | 3,445 | 133 | 499 | 6,215 |
| Disposals | – | (4,753) | (57) | (2,284) | (7,094) |
| Transfer from right-of-use assets (Note 4) | – | 1,491 | – | 410 | 1,901 |
| Exchange difference on translation | – | 113 | 5 | 15 | 133 |
| At 31 March 2024 | 21,322 | 41,763 | 555 | 10,863 | 74,503 |
| Depreciation (Note 24) | 2,138 | 2,799 | 89 | 527 | 5,553 |
| Disposals | – | (1,851) | (246) | (925) | (3,022) |
| Transfer from right-of-use assets (Note 4) | – | 168 | – | 1,134 | 1,302 |
| Exchange difference on translation | – | 10 | – | – | 10 |
| **At 31 March 2025** | 23,460 | 42,889 | 398 | 11,599 | 78,346 |
| Carrying amount | | | | | |
| **At 31 March 2025** | 893 | 9,270 | 113 | 2,543 | 12,819 |
| At 31 March 2024 | 3,031 | 10,489 | 170 | 1,405 | 15,095 |

## 4 RIGHT-OF-USE ASSETS

| THE GROUP | LEASEHOLD LAND S$'000 | PLANT AND EQUIPMENT S$'000 | MOTOR VEHICLES S$'000 | TOTAL S$'000 |
|---|---|---|---|---|
| Cost | | | | |
| At 1 April 2023 | 3,428 | 3,042 | 4,861 | 11,331 |
| Additions | 417 | 2,185 | 1,650 | 4,252 |
| Derecognition | (860) | – | – | (860) |
| Lease modification | 17 | – | – | 17 |
| Transfer to property, plant and equipment (Note 3) | – | (1,983) | (606) | (2,589) |
| Exchange difference on translation | 11 | – | – | 11 |
| At 31 March 2024 | 3,013 | 3,244 | 5,905 | 12,162 |
| Additions | 1,063 | 599 | 1,165 | 2,827 |
| Derecognition | (1,022) | – | – | (1,022) |
| Lease modification | 16 | – | – | 16 |
| Transfer to property, plant and equipment (Note 3) | – | (824) | (2,151) | (2,975) |
| Exchange difference on translation | 1 | – | – | 1 |
| **At 31 March 2025** | 3,071 | 3,019 | 4,919 | 11,009 |
| Accumulated depreciation | | | | |
| At 1 April 2023 | 2,201 | 1,140 | 1,194 | 4,535 |
| Depreciation (Note 24) | 997 | 696 | 763 | 2,456 |
| Derecognition | (833) | – | – | (833) |
| Transfer to property, plant and equipment (Note 3) | – | (1,491) | (410) | (1,901) |
| Exchange difference on translation | 9 | – | – | 9 |
| At 31 March 2024 | 2,374 | 345 | 1,547 | 4,266 |
| Depreciation (Note 24) | 770 | 359 | 727 | 1,856 |
| Derecognition | (1,011) | – | – | (1,011) |
| Transfer to property, plant and equipment (Note 3) | – | (168) | (1,134) | (1,302) |
| Exchange difference on translation | 1 | – | – | 1 |
| **At 31 March 2025** | 2,134 | 536 | 1,140 | 3,810 |
| Carrying amount | | | | |
| **At 31 March 2025** | 937 | 2,483 | 3,779 | 7,199 |
| At 31 March 2024 | 639 | 2,899 | 4,358 | 7,896 |

## 4 RIGHT-OF-USE ASSETS (CONT'D)

Leasehold land comprises 6 parcels (2024: 7 parcels) of land located in Singapore and Sri Lanka at which the Group's operational, office and storage premises are located. Details of the leasehold land are as follows:

| LEASEHOLD LAND | GROSS LAND AREA (SQUARE METRE) | TENURE |
|---|---|---|
| Leasehold land I | 9,370.0 | Till 31 May 2025 |
| Leasehold land II | 4,006.1 | Till 31 May 2027 |
| Leasehold land III | 5,437.9 | Till 14 July 2025 |
| Leasehold land IV | 13,135.5 | Till 8 September 2025 |
| Leasehold land V | 4,161.1 | Till 8 September 2025 |
| Leasehold land VI | 5,457.0 | Till 30 June 2026 |

## 5 SUBSIDIARIES

| THE COMPANY | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Unquoted equity investments, at cost | | |
| At beginning and end of year | 160,100 | 160,100 |

Details of the subsidiaries are as follows:

| NAME | PRINCIPAL ACTIVITIES | COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS | PERCENTAGE OF EQUITY INTEREST 2025 % | 2024 % |
|---|---|---|---|---|
| Held by the Company | | | | |
| Ley Choon Constructions and Engineering Pte Ltd (1) | Non-building construction and manufacture of asphalt premix | Singapore | 100 | 100 |
| LC International Trading Co Pte. Ltd. (1) | Trading of building materials, consumable tools, machinery and equipment spare parts and accessories | Singapore | 100 | 100 |
| Ley Choon (M) Sdn. Bhd. (3) | Dormant | Malaysia | 100 | 100 |

## 5 SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):

| NAME | PRINCIPAL ACTIVITIES | COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS | PERCENTAGE OF EQUITY INTEREST | |
|---|---|---|---|---|
| | | | 2025 | 2024 |
| | | | % | % |
| Held by Ley Choon Constructions and Engineering Pte Ltd | | | | |
| Multiform Developments & Construction Pte Ltd (1) | Road construction and mixed construction activities | Singapore | 100 | 100 |
| Chin Kuan Engineering and Contractors Pte Ltd (1) | Mixed construction activities and civil engineering | Singapore | 100 | 100 |
| Teacly (S) Pte. Ltd. (2) | Non-building construction, building cleaning and maintenance services | Singapore | 100 | 100 |
| Ley Choon Gim Tian Joint Venture LLP (4),(5) | Tendering of road construction contracts | Singapore | 51 | 51 |
| Held by Teacly (S) Pte. Ltd. | | | | |
| Pan Alliance Technology International Pte. Ltd. (1) | Water and gas pipe-line and sewer construction | Singapore | 100 | 100 |

(1) Audited by Foo Kon Tan LLP, principal member firm of HLB International in Singapore.
(2) Audited by Foo Kon Tan LLP, with the branch office in Sri Lanka audited by Nihal Hettiarachchi & Company, a member firm of HLB International in Sri Lanka.
(3) Audited by other auditor.
(4) Audited for the purpose of the consolidated financial statements.
(5) Registered in Singapore on 30 December 2022, whereby Ley Choon Constructions and Engineering Pte Ltd ("LCCE") and Gim Tian Civil Engineering Pte Ltd ("GTCE") are the sole partners of Ley Choon Gim Tian Joint Venture LLP ("LCGTLLP") and each hold 51% and 49% equity interest, respectively, in LCGTLLP. Under the limited liability partnership agreement, any matter or issue relating to LCGTLLP must be decided by resolution passed by a majority of the votes, and for this purpose, LCCE shall have 51 votes and GTCE shall have 49 votes. The Group has determined that it has control over LCGTLLP on the basis that it holds the majority voting rights and is able to direct the relevant activities of LCGTLLP to significantly affect its returns. The activities of LCGTLLP are insignificant to the Group as at 31 March 2025 and 31 March 2024.

## 6 DEFERRED TAXATION

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| At beginning of year | 181 | 433 |
| Recognised in profit or loss (Note 23) | 526 | (252) |
| At end of year | 707 | 181 |

Deferred taxation comprises the following:

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Deferred tax assets | 734 | 229 |
| Deferred tax liabilities | (27) | (48) |
| | 707 | 181 |

Deferred tax assets/(liabilities) are attributable to the following:

| THE GROUP | PROPERTY, PLANT AND EQUIPMENT S$'000 | RIGHT-OF-USE ASSETS S$'000 | LEASE LIABILITIES S$'000 | UNUSED TAX LOSSES S$'000 | TOTAL S$'000 |
|---|---|---|---|---|---|
| At 1 April 2023 | 336 | – | – | 97 | 433 |
| Recognised in profit or loss | (167) | (117) | 129 | (97) | (252) |
| At 31 March 2024 | 169 | (117) | 129 | – | 181 |
| Recognised in profit or loss | (1,082) | (46) | 40 | 1,614 | 526 |
| **At 31 March 2025** | (913) | (163) | 169 | 1,614 | 707 |

Unrecognised temporary differences

Deferred tax assets have not been recognised in respect of the following temporary differences:

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Unused tax losses | – | 3,235 |
| Unutilised capital allowances | – | 130 |

The unused tax losses and unutilised capital allowances are allowed to be carried forward and used to offset against future taxable profits of the Company and its subsidiaries in which the items arose, subject to agreement by the relevant tax authorities and compliance with the applicable tax regulations in the respective countries in which the Company and its subsidiaries operate. Deferred tax assets have not been recognised in respect of these items due to the uncertainty whether future taxable profits will be available against which the Company and its subsidiaries can utilise the benefits. As at 31 March 2024, the unused tax losses and unutilised capital allowances had no expiry date, except for unused tax losses of S$2,354,000 which would expire in six years.

## 7 INVENTORIES

| THE GROUP | 2025<br>S$'000 | 2024<br>S$'000 |
|---|---|---|
| Construction materials, at cost | 6,465 | 6,409 |

The cost of inventories recognised in cost of sales amounted to S$21,287,000 (2024: S$22,123,000) (Note 24) for the financial year ended 31 March 2025.

Write-down of inventories amounting to S$150,000 (2024: S$nil) (Note 24) was recognised in cost of sales due to the obsolescence of certain inventories for the financial year ended 31 March 2025.

Inventories amounting to S$44,000 (Note 21) were written off for the financial year ended 31 March 2024.

## 8 CONTRACT ASSETS

| THE GROUP | 2025<br>S$'000 | 2024<br>S$'000 |
|---|---|---|
| Contract assets | 27,954 | 28,477 |

As at 1 April 2023, the Group's gross contract assets balance amounted to S$30,807,000.

The contract assets relate to the Group's rights to consideration for work completed but are not billed or are held by customers as retention at the end of the reporting period. The contract assets are transferred to trade receivables when the rights become unconditional. This occurs when the Group invoices the customers.

| THE GROUP | 2025<br>S$'000 | 2024<br>S$'000 |
|---|---|---|
| **Contract assets** | | |
| Contract assets recognised during the year | 122,194 | 122,837 |
| Contract assets recognised in trade receivables upon invoicing | (122,755) | (124,939) |
| Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied as at the end of the financial year | 342,517 | 258,512 |
| Transaction price allocated to unsatisfied performance obligations as at the end of the financial year that may be recognised as revenue in the next reporting periods, as follows: | | |
| - 2025 | – | 168,100 |
| - 2026 | 202,438 | 74,793 |
| - 2027 | 127,999 | 14,852 |
| - 2028 | 9,909 | 720 |
| - 2029 | 2,171 | 47 |

## 8 CONTRACT ASSETS (CONT'D)

Contract assets include S$370,000 (2024: S$332,000) of retention monies at the end of the reporting period.

Significant judgements are used to estimate total contract costs to complete. In making these estimates, the Group has relied on historical experience and contractual arrangements with contractors/suppliers. The estimated total contract costs are reviewed every reporting period and adjusted where necessary, with the corresponding adjustment to the total contact costs being recognised prospectively from the date of change.

## 9 TRADE AND OTHER RECEIVABLES

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2025 S$'000 | 2024 S$'000 | 2025 S$'000 | 2024 S$'000 |
| Trade receivables from third parties | 16,490 | 11,204 | – | – |
| Less: Allowance for impairment losses | (372) | (170) | – | – |
| | 16,118 | 11,034 | – | – |
| Amount due from a subsidiary (non-trade) | – | – | 69 | 975 |
| Deposits | 4,647 | 5,744 | – | – |
| Dividend receivable | – | – | 5,300 | 5,000 |
| Staff loans | 87 | 190 | – | – |
| Other receivables | 1,636 | 374 | 332 | 364 |
| | 22,488 | 17,342 | 5,701 | 6,339 |

As at 1 April 2023, the Group's gross trade receivables from contracts with customers due from third parties amounted to S$11,752,000.

The Group generally extends credit period of 30 to 60 days (2024: 30 to 60 days) to customers, depending on the length of business relationship, payment history, background and financial strength of the customers. The Group actively reviews the trade receivable balances and follows up on outstanding debts with the customers.

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

The credit risk for net trade receivables based on the information provided to key management team is as follows:

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| By geographical area | | |
| Singapore | 16,118 | 11,034 |

The ageing analysis of trade receivables is as follows:

| THE GROUP | GROSS 2025 S$'000 | ALLOWANCE FOR IMPAIRMENT LOSSES 2025 S$'000 | GROSS 2024 S$'000 | ALLOWANCE FOR IMPAIRMENT LOSSES 2024 S$'000 |
|---|---|---|---|---|
| Not past due | 1,029 | – | 2,246 | – |
| Past due 1 to 30 days | 14,543 | (9) | 7,587 | – |
| Past due 31 to 60 days | 383 | (159) | 374 | – |
| Past due 61 to 90 days | 60 | – | 180 | – |
| Past due over 90 days | 475 | (204) | 817 | (170) |
| | 16,490 | (372) | 11,204 | (170) |

The movement in allowance for impairment losses in respect of trade receivables is as follows:

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| At beginning of year | 170 | 47 |
| Allowance made | 327 | 123 |
| Allowance utilised | (125) | – |
| At end of year | 372 | 170 |

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

Trade receivables that have been determined to be impaired at the end of the reporting period relate to debtors that are in financial difficulties or have defaulted on payments. These trade receivables are not secured by any collateral or credit enhancements.

Based on historical default rates, the Group believes that no further impairment allowance is necessary in respect of trade receivables as they mainly arise from customers that have a good credit record with the Group.

The non-trade amount due from a subsidiary, which represent advances to and payments on behalf of the subsidiary, is unsecured, interest-free and repayable on demand.

Deposits mainly relate to deposits placed in respect of performance bonds for projects.

Trade and other receivables are denominated in the following currencies:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2025 S$'000 | 2024 S$'000 | 2025 S$'000 | 2024 S$'000 |
| Singapore dollar | 22,484 | 17,335 | 5,701 | 6,339 |
| Sri Lankan rupee | 4 | 7 | – | – |
| | 22,488 | 17,342 | 5,701 | 6,339 |

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group and the Company.

## 10 PREPAYMENTS

Prepayments mainly relate to payments made to suppliers in advance for goods and services which have not yet been received at the end of the reporting period, and payments made for insurance in relation to performance bonds and foreign worker immigration bonds.

## 11 OTHER INVESTMENTS

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Financial assets at FVTPL: | | |
| At beginning of year | 21 | 16 |
| Fair value (loss)/gain recognised in profit or loss (Note 21/20) | (1) | 5 |
| At end of year | 20 | 21 |
| | | |
| Represented by: | | |
| Quoted equity investments | 20 | 21 |

The fair value of quoted equity investments is determined by reference to stock exchange quoted bid prices at the end of the reporting period.

The other investments are denominated in Singapore dollar.

## 12 CASH AND BANK DEPOSITS

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2025 S$'000 | 2024 S$'000 | 2025 S$'000 | 2024 S$'000 |
| Cash on hand | 112 | 113 | – | – |
| Cash at banks | 13,017 | 9,258 | 1,144 | 6 |
| Fixed deposits | 2,020 | – | – | – |
| | 15,149 | 9,371 | 1,144 | 6 |

Cash at banks is held in current accounts and is non-interest bearing.

As at 31 March 2025, the fixed deposits of the Group have maturity of 30 to 365 days from the end of reporting period with a weighted average interest rate of 2.04% per annum.

## 12 CASH AND BANK DEPOSITS (CONT'D)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Cash on hand | 112 | 113 |
| Cash at banks | 13,017 | 9,258 |
| Fixed deposits | 2,020 | – |
| | 15,149 | 9,371 |
| Less: Fixed deposits with maturity of more than three months | (20) | – |
| **Cash and cash equivalents as per consolidated statement of cash flows** | 15,129 | 9,371 |

Cash and bank deposits are denominated in the following currencies:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2025 S$'000 | 2024 S$'000 | 2025 S$'000 | 2024 S$'000 |
| Singapore dollar | 15,009 | 8,932 | 1,144 | 6 |
| Malaysian ringgit | 17 | 19 | – | – |
| Sri Lankan rupee | 123 | 420 | – | – |
| | 15,149 | 9,371 | 1,144 | 6 |

## 13 SHARE CAPITAL

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2025 S$'000 | 2024 S$'000 | 2025 S$'000 | 2024 S$'000 |
| Issued and fully paid, with no par value | | | | |
| At beginning and end of year | 97,889 | 97,889 | 164,108 | 164,108 |

| THE GROUP AND THE COMPANY | 2025 | 2024 |
|---|---|---|
| Number of ordinary shares | | |
| At beginning and end of year | 1,505,767,572 | 1,505,767,572 |

The Group's share capital differs from that of the Company as a result of the accounting on the reverse acquisition of Ley Choon Constructions and Engineering Pte Ltd and its subsidiaries (the "LCCE Group") on 25 July 2012 through the issuance of 3,928,571,429 new ordinary shares in the Company to the shareholders of the LCCE Group.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

## 14 OTHER RESERVES

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Foreign currency translation reserve | (1,383) | (1,440) | – | – |
| Assets distributed to entitled shareholders | – | – | (1,127) | (1,127) |
| Capital reserve | – | – | 29,901 | 29,901 |
| Other reserve | (39) | (45) | – | – |
| | (1,422) | (1,485) | 28,774 | 28,774 |

Foreign currency translation reserve

Foreign currency translation reserve arises from the translation of financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

Assets distributed to entitled shareholders

Entitled shareholders are shareholders of the Company as at 24 July 2012, prior to the completion of the reverse acquisition in 2012. Net assets distributed to entitled shareholders relate to trade and other receivables due to the Company prior to the completion of the reverse acquisition, which were collected and distributed to the entitled shareholders.

Capital reserve

Capital reserve relates to the waiver of non-trade amounts owing by the Company to its subsidiaries which is recorded directly in equity.

Other reserve

Other reserve relates to the remeasurements of net defined benefit obligations recognised in other comprehensive income.

## 15 LEASE LIABILITIES

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Undiscounted lease payments due: | | |
| - Year 1 | 2,631 | 2,824 |
| - Year 2 | 1,957 | 1,601 |
| - Year 3 | 1,044 | 1,174 |
| - Year 4 | 275 | 574 |
| - Year 5 | 52 | 117 |
| | 5,959 | 6,290 |
| Less: Future interest cost | (474) | (591) |
| | 5,485 | 5,699 |
| Represented by: | | |
| - Non-current | 3,129 | 3,178 |
| - Current | 2,356 | 2,521 |
| | 5,485 | 5,699 |

The lease liabilities relate to the Group's leasehold land for operational, office and storage premises, plant and equipment and motor vehicles, which are secured by the lessors' title to the leased assets.

Interest expense on lease liabilities of S$357,000 (2024: S$377,000) is recognised in profit or loss for the financial year ended 31 March 2025 under finance costs (Note 22).

Total cash outflow for leases amounted to S$4,359,000 (2024: S$5,169,000), comprising lease liabilities, short-term leases and leases of low-value assets of S$3,216,000 (2024: S$3,968,000), S$1,114,000 (2024: S$1,185,000) and S$29,000 (2024: S$16,000), respectively, for the financial year ended 31 March 2025.

Lease payments not included in the measurement of lease liabilities but recognised within administrative expenses in profit or loss are set out below:

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Short-term leases | 1,114 | 1,185 |
| Leases of low-value assets | 29 | 16 |

At the end of the reporting period, the Group's short-term lease commitments are not substantially dissimilar to those giving rise to the Group's short-term lease expenses for the year.

Lease liabilities are denominated in the following currencies:

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Singapore dollar | 5,478 | 5,660 |
| Sri Lankan rupee | 7 | 39 |
| | 5,485 | 5,699 |

## 16 BORROWINGS

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| THE GROUP | S$'000 | S$'000 | S$'000 | S$'000 |
| **Current** | | | | |
| Bills payable | 1,226 | – | – | – |

Bills payable bear interest at the bank's prevailing cost of funds plus 2.5% per annum, with a weighted average effective interest rate of 5.54% per annum at the end of the reporting period. The bills payable have maturity of 46 to 90 days from the end of the reporting period. The bills payable are secured by corporate guarantees from the Company.

The carrying amounts of borrowings approximate their fair values due to their short-term nature or repricing within three months of the end of reporting period, where the effect of discounting is immaterial.

Borrowings are denominated in Singapore dollar.

## 17 TRADE AND OTHER PAYABLES

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Trade payables to third parties | 6,433 | 9,264 | – | – |
| Accrued operating expenses | 5,551 | 6,701 | 165 | 227 |
| Accrued staff costs | 4,356 | 5,824 | – | – |
| Other payables | 123 | 123 | 123 | 123 |
| Financial liabilities at amortised cost | 16,463 | 21,912 | 288 | 350 |
| Net output taxes | 2,439 | 1,435 | – | – |
| Total trade and other payables | 18,902 | 23,347 | 288 | 350 |

The average credit period taken to settle trade payables is approximately 60 days (2024: 60 days).

Trade and other payables (excluding net output taxes) are denominated in the following currencies:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Singapore dollar | 16,434 | 21,896 | 288 | 350 |
| Malaysian ringgit | 1 | 1 | – | – |
| Sri Lankan rupee | 28 | 15 | – | – |
| | 16,463 | 21,912 | 288 | 350 |

## 18 PROVISIONS

| THE GROUP | 2025<br>S$'000 | 2024<br>S$'000 |
|---|---|---|
| Provision for onerous contracts (Note 18.1) | – | 257 |
| Provision for retirement benefits | 4 | 10 |
| | 4 | 267 |

### 18.1 Provision for onerous contracts

The movement in provision for onerous contracts is as follows:

| THE GROUP | 2025<br>S$'000 | 2024<br>S$'000 |
|---|---|---|
| At beginning of year | 257 | – |
| Provision (reversed)/made (Note 24) | (257) | 257 |
| At end of year | – | 257 |
| Represented by: | | |
| - Current | – | 257 |

The provision for onerous contracts represents the costs of fulfilling certain construction contracts with customers, in excess of the economic benefits expected to be received under the contracts.

## 19 REVENUE

Significant categories of revenue, excluding intra-group transactions and applicable value-added taxes, are detailed as follows:

| THE GROUP | 2025<br>S$'000 | 2024<br>S$'000 |
|---|---|---|
| Revenue from contracts with customers | | |
| - Rendering of services | 126,915 | 126,818 |
| - Sale of construction materials | 2,341 | 1,864 |
| | 129,256 | 128,682 |
| Rental of motor vehicles and machinery | 1,244 | 458 |
| | 130,500 | 129,140 |
| Timing of transfer of goods and services in respect of revenue from contracts with customers | | |
| - Over time | 58,996 | 55,499 |
| - At a point in time | 70,260 | 73,183 |
| | 129,256 | 128,682 |

## 20 OTHER INCOME

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Fair value gain on other investments (Note 11) | – | 5 |
| Foreign exchange gain, net | – | 674 |
| Gain on derecognition of leases | – | 1 |
| Gain on disposal of property, plant and equipment | 244 | 718 |
| Government grants | 148 | 184 |
| Incentive income | 100 | – |
| Income from training services | 697 | 283 |
| Insurance compensation received | 183 | 153 |
| Interest income | 87 | 50 |
| Sale of scrap materials | 941 | 1,036 |
| Sundry income | 122 | 145 |
| | 2,522 | 3,249 |

Government grants mainly relate to Progressive Wage Credit Scheme from the Singapore Government to help employers to provide transitional wage support for employers to adjust to mandatory wage increases for lower-wage workers and voluntarily raise wages of lower-wage work.

## 21 OTHER OPERATING EXPENSES

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Fair value loss on other investments (Note 11) | 1 | – |
| Foreign exchange loss, net | 29 | – |
| Inventories written off (Note 7) | – | 44 |
| | 30 | 44 |

## 22 FINANCE COSTS

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Interest expenses on: | | |
| - loans from financial institutions | – | 779 |
| - lease liabilities (Note 15) | 357 | 377 |
| | 357 | 1,156 |

## 23 TAXATION

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Current taxation | | |
| - current year | 1,228 | 158 |
| - changes in estimates in respect of prior years | 418 | (54) |
| | 1,646 | 104 |
| Deferred taxation (Note 6) | | |
| - origination and reversal of temporary differences | 1,058 | 1,028 |
| - recognition of previously unrecognised deferred tax assets | (1,614) | (565) |
| - changes in estimates in respect of prior years | 30 | (211) |
| | (526) | 252 |
| | 1,120 | 356 |

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the applicable rates of income tax on profit before taxation as a result of the following:

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Profit before taxation | 15,613 | 11,270 |
| Tax at statutory rates applicable to different jurisdictions | 2,615 | 2,031 |
| Tax effect on non-deductible expenses | 641 | 692 |
| Tax effect on non-taxable income | (20) | (82) |
| Tax exemptions and tax rebates | (35) | (112) |
| Utilisation of previously unrecognised deferred tax assets | (915) | (1,343) |
| Recognition of previously unrecognised deferred tax assets | (1,614) | (565) |
| Changes in estimates of current taxation in respect of prior years | 418 | (54) |
| Changes in estimates of deferred taxation in respect of prior years | 30 | (211) |
| | 1,120 | 356 |

Non-deductible expenses mainly relate to depreciation of non-qualifying property, plant and equipment. Non-taxable income mainly relates to unrealised foreign exchange gain.

Singapore
The corporate income tax rate applicable to the Company and the Singapore-incorporated subsidiaries is 17% (2024: 17%) for the financial year ended 31 March 2025.

Sri Lanka
The corporate income tax rate applicable to Sri Lanka branch office of Teacly (S) Pte. Ltd. in respect of construction works is 30% (2024: 30%) for the financial year ended 31 March 2025.

Malaysia
The corporate income tax rate applicable to Ley Choon (M) Sdn. Bhd. is 24% (2024: 24%) for the financial year ended 31 March 2025.

## 24 PROFIT FOR THE YEAR

| THE GROUP | NOTE | 2025 S$'000 | 2024 S$'000 |
|---|---|---|---|
| Profit for the year has been arrived at after charging/(crediting): | | | |
| Cost of inventories recognised in cost of sales | 7 | 21,287 | 22,123 |
| Depreciation of property, plant and equipment | 3 | 5,553 | 6,215 |
| Depreciation of right-of-use assets | 4 | 1,856 | 2,456 |
| Provision for onerous contracts (reversed)/recognised | 18.1 | (257) | 257 |
| Subcontractor costs | | 22,027 | 23,487 |
| Write-down on inventories | 7 | 150 | – |
| Audit fees paid/payable to: | | | |
| - auditor of the Company | | 240 | 240 |
| - other auditors | | 2 | 3 |
| Non-audit fees (taxation services) | | 50 | 47 |
| Staff costs | | | |
| Directors' fees | | 230 | 276 |
| Directors' remuneration other than fees | | | |
| - salaries and other related costs | | 1,734 | 797 |
| - contributions to defined contribution plans | | 59 | 11 |
| | | 2,023 | 1,084 |
| Key management personnel (other than directors) | | | |
| - salaries and other related costs | | 2,080 | 2,309 |
| - contributions to defined contribution plans | | 110 | 130 |
| | | 2,190 | 2,439 |
| Total key management personnel compensation | | 4,213 | 3,523 |
| Other than key management personnel | | | |
| - salaries and other related costs | | 38,718 | 36,978 |
| - contributions to defined contribution plans | | 1,003 | 938 |
| | | 39,721 | 37,916 |
| | | 43,934 | 41,439 |

Depreciation of property, plant and equipment comprises S$3,929,000 (2024: S$4,638,000) and S$1,624,000 (2024: S$1,577,000) which is classified under cost of sales and administrative expenses, respectively.

Depreciation of right-of-use assets comprises S$1,570,000 (2024: S$2,184,000) and S$286,000 (2024: S$272,000) which is classified under cost of sales and administrative expenses, respectively.

Staff costs comprise S$35,207,000 (2024: S$34,458,000) and S$8,727,000 (2024: S$6,981,000) which are classified under cost of sales and administrative expenses, respectively.

## 25 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders of S$14,494,000 (2024: S$10,912,000) and the weighted average number of ordinary shares outstanding of 1,505,768,000 (2024: 1,505,768,000).

The diluted earnings per share is the same as the basic earnings per share as the Group does not have any dilutive potential ordinary shares during the reporting period.

## 26 EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

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

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

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

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

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

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

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

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

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

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

## 27 SIGNIFICANT RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the financial statements, there were no other significant related party transactions during the financial year ended 31 March 2025 and 31 March 2024.

## 28 LEASES

*Where the Group is the lessee,*

The Group leases land space for operational, office and storage premises. The leases run for a period of 1 to 13 years, with option to renew the leases at the expiry of the lease periods. Lease payments are renegotiated every few years to reflect market rentals. There are no externally imposed covenants on the lease arrangements. In addition, the Group leases plant and equipment and motor vehicles under hire purchase arrangements.

Information about leases for which the Group is a lessee is presented in Note 4 and Note 15 to the financial statements.

Amounts recognised in profit or loss under SFRS(I) 16 are as follows:

| THE GROUP | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| Interest expense on lease liabilities (Note 22) | 357 | 377 |

*Where the Group is the lessor*,

Operating leases, in which the Group is the lessor, relate to short-term leases of motor vehicles and machinery owned by the Group to contractors. The leases do not have option for lessee to purchase the motor vehicles and machinery at the expiry of the lease periods.

These leases are classified as operating lease because the risks and rewards incidental to ownership of the assets are not substantially transferred. The unguaranteed residual values do not represent a significant risk for the Group as the lease periods do not represent a significant portion of the useful lives of the assets.

The Group's revenue from rental income on leases of motor vehicles and machinery is disclosed in Note 19.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2025

## 29 OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies.

For each of the strategic business unit, the Group's CEO, who is the chief operating decision maker, monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. The Group's CEO reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

(i) Pipes and roads segment which comprises underground utilities infrastructure construction and maintenance; sewer pipeline rehabilitation; and road and airfield construction and maintenance.

(ii) Construction materials segment which comprises asphalt pre-mix production; and construction waste recycling.

There are no operating segments that have been aggregated to form the above reportable operating segments.

Other operations relate to general corporate activities.

Information regarding the results of each reportable segment is included in the following tables. Performance is measured based on segment profit before taxation and unallocated expenses, as included in the internal management reports that are reviewed by the Group's CEO, which in certain respects, as explained in the following tables, is different from profit in the consolidated financial statements. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Inter-segment pricing is determined on an arm's length basis.

The Group's income taxes are managed on a group basis and are not allocated to operating segments.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2025

## 29 OPERATING SEGMENTS (CONT'D)

| | PIPES AND ROADS | | CONSTRUCTION MATERIALS | | OTHERS/ UNALLOCATED | | TOTAL | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| THE GROUP | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| External revenue | 128,159 | 127,276 | 2,341 | 1,864 | – | – | 130,500 | 129,140 |
| Inter-segment revenue | 59,585 | 54,730 | 33,582 | 34,390 | – | – | 93,167 | 89,120 |
| Total revenue | 187,744 | 182,006 | 35,923 | 36,254 | – | – | 223,667 | 218,260 |
| Depreciation of property, plant and equipment | (2,381) | (3,035) | (944) | (908) | (2,228) | (2,272) | (5,553) | (6,215) |
| Depreciation of right-of-use assets | (1,480) | (1,825) | (90) | (359) | (286) | (272) | (1,856) | (2,456) |
| Gain/(Loss) on disposal of property, plant and equipment | 245 | 718 | – | – | (1) | – | 244 | 718 |
| Impairment losses on trade receivables | (322) | (3) | (5) | (120) | – | – | (327) | (123) |
| Interest expense | (357) | (377) | – | – | – | (779) | (357) | (1,156) |
| Interest income | – | – | – | – | 87 | 50 | 87 | 50 |
| Provision for onerous contracts reversed/ (recognised) | 257 | (257) | – | – | – | – | 257 | (257) |
| Reportable segment profit/ (loss) before taxation | 25,760 | 20,210 | 356 | 200 | (10,503) | (9,140) | 15,613 | 11,270 |
| Capital expenditure | 4,063 | 7,174 | 405 | 713 | 37 | 136 | 4,505 | 8,023 |
| Reportable segment assets | 63,334 | 59,363 | 6,144 | 6,004 | 28,118 | 24,385 | 97,596 | 89,752 |
| Reportable segment liabilities | 16,198 | 18,285 | 1,189 | 3,199 | 9,485 | 8,034 | 26,872 | 29,518 |

## 29 OPERATING SEGMENTS (CONT'D)

**Reconciliations of segment amounts to consolidated financial statements**

| | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| **Revenue** | | |
| Total revenue for reportable segments | 223,667 | 218,260 |
| Less: inter-segment revenue | (93,167) | (89,120) |
| Consolidated revenue from continuing operations | 130,500 | 129,140 |
| **Profit or loss before taxation** | | |
| Total profit before taxation for reportable segments | 26,116 | 20,410 |
| Other corporate expenses | (10,503) | (9,140) |
| Consolidated profit before taxation | 15,613 | 11,270 |
| **Assets** | | |
| Total assets for reportable segments | 69,478 | 65,367 |
| Unallocated property, plant and equipment | 1,077 | 3,544 |
| Other unallocated assets | 27,041 | 20,841 |
| Consolidated total assets | 97,596 | 89,752 |
| **Liabilities** | | |
| Total liabilities for reportable segments | 17,387 | 21,484 |
| Unallocated borrowings | 1,226 | – |
| Other unallocated liabilities | 8,259 | 8,034 |
| Consolidated total liabilities | 26,872 | 29,518 |

**Geographical information**

The Group operates principally in Singapore and Sri Lanka.

In presenting information on the basis of geographical areas of operations, segment revenue is based on the geographical locations of customers, and segment assets are based on the geographical locations of the assets.

| | 2025 S$'000 | 2024 S$'000 |
|---|---|---|
| **Revenue** | | |
| Singapore | 130,493 | 129,115 |
| Sri Lanka | 7 | 25 |
| Consolidated revenue from continuing operations | 130,500 | 129,140 |
| **Non-current assets *** | | |
| Singapore | 20,200 | 23,034 |
| Sri Lanka | 47 | 186 |
| Consolidated non-current assets | 20,247 | 23,220 |

* Non-current assets comprise property, plant and equipment, right-of-use assets and club membership, and exclude deferred tax assets.

## 29 OPERATING SEGMENTS (CONT'D)

**Major customers**

During the financial year ended 31 March 2025, revenue from four customers (2024: three customers) in respect of the Group's pipes and roads segment amounted to S$130,357,000 (2024: S$100,208,000). The details of these customers which individually contributed ten percent or more of the Group's revenue are as follows:

| | 2025 S$'000 | 2025 % | 2024 S$'000 | 2024 % |
|---|---|---|---|---|
| Customer A | 57,305 | 44 | 51,088 | 39 |
| Customer B | 30,963 | 23 | 23,369 | 18 |
| Customer C | 22,136 | 17 | 25,751 | 20 |
| Customer D | 19,953 | 15 | * | * |
| Total | 130,357 | 99 | 100,208 | 77 |

* Below ten percent

## 30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis for interest rate risk (Note 30.3) and foreign currency risk (Note 30.4).

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

## 30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 30.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables and contract assets. For trade receivables, the Group adopts the practice of dealing only with those customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group has established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group grants credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the directors. Payments will be required to be made upfront by customers which do not meet the Group's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through on-going credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

Amount not paid after the credit period granted will be considered past due. The credit terms granted to customers are based on the Group's assessment of their creditworthiness and in accordance with the Group's policy.

The Group's trade receivables comprise four major debtors (2024: five major debtors) that represented 85% (2024: 71%) of net trade receivables.

The Group and the Company have contract assets, trade and other receivables and cash and bank deposits that are subject to the expected credit loss ("ECL") model. While contract assets, other receivables and cash and bank deposits are subject to the impairment requirements of SFRS(I) 9, the identified impairment loss is insignificant.

**<u>Trade receivables</u>**

The Group applies the SFRS(I) 9 simplified approach to measuring ECLs which uses a lifetime ECL allowance for all trade receivables.

To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables. The Group has identified the gross domestic product of the countries in which it operates to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

## 30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 30.1 Credit risk (cont'd)

**Trade receivables (cont'd)**

On that basis, below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

| THE GROUP | CURRENT S$'000 | PAST DUE 1 TO 30 DAYS S$'000 | PAST DUE 31 TO 60 DAYS S$'000 | PAST DUE 61 TO 90 DAYS S$'000 | PAST DUE MORE THAN 90 DAYS S$'000 | TOTAL S$'000 |
|---|---|---|---|---|---|---|
| **2025** | | | | | | |
| Gross carrying amount | 1,029 | 14,543 | 383 | 60 | 475 | 16,490 |
| ECL rate (%) | – | 0.06 | 41.51 | – | 42.95 | |
| Loss allowance | – | 9 | 159 | – | 204 | 372 |
| **2024** | | | | | | |
| Gross carrying amount | 2,246 | 7,587 | 374 | 180 | 817 | 11,204 |
| ECL rate (%) | – | – | – | – | 20.81 | |
| Loss allowance | – | – | – | – | 170 | 170 |

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group.

**Contract assets**

Loss allowance for contract assets is measured at an amount equal to lifetime ECLs which is consistent with the approach adopted for trade receivables. The contract assets relate mainly to contracts where the revenue has been accrued ahead of billings to customers, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. At the end of the reporting period, no loss allowance for contract assets is required.

**Other receivables**

Loss allowance for other receivables is measured at an amount equal to 12-month ECLs (stage 1 of the general approach). The ECLs on other receivables are estimated by reference to the track record of the counterparties, their businesses and financial conditions where information is available, and knowledge of any events or circumstances impeding recovery of the amounts. At the end of the reporting period, no loss allowance for other receivables is required.

**Amount due from a subsidiary (non-trade)**

The non-trade amount due from a subsidiary is considered to have low credit risk as the Company has control over the operating, investing and financing activities of its subsidiaries. The use of advances to assist with the subsidiaries' cash flow management is in line with the Group's capital management. In determining the ECL, management has taken into account the financial position of the subsidiary and a forward-looking analysis of the financial performance of operations of the subsidiary. In respect of the non-trade amount due from the subsidiary which is repayable on demand, management has considered the availability of accessible and highly liquid assets of the subsidiary for repayment if it is demanded at the end of the reporting period. Management has assessed that the Company is not exposed to significant credit loss in respect of the non-trade amount due from the subsidiary. At the end of the reporting period, no loss allowance is required for the Company's non-trade amount due from the subsidiary.

## 30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 30.1 Credit risk (cont'd)

**Cash and bank deposits**

Bank deposits are held with banks which are regulated. Loss allowance on cash and bank deposits is measured at an amount equal to 12-month ECLs and reflects the short maturities of the exposures. The Group considers that its bank deposits have low credit risk based on the external credit ratings of the counterparties. The amount of loss allowance on cash and bank deposits is negligible.

**Exposure to credit risk**

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

At the end of the reporting period, the Company has issued corporate guarantees to a bank for the borrowings undertaken by a subsidiary (Note 16). These borrowings amounted to S$1,226,000 (2024: S$nil) as at 31 March 2025. The credit risk, being the principal risk to which the Company is exposed, represents the loss that would be recognised upon a default by the subsidiary.

The current interest rates charged by the lender on the borrowings of the subsidiary are at market rates and are consistent with the borrowing costs of the subsidiary without any corporate guarantees.

At the end of the reporting period, the Company does not consider it probable that a claim will be made against it under the corporate guarantees.

To mitigate credit risk arising from corporate guarantees, management continually monitors the risk and has established processes including performing credit evaluations of the parties for which the Group provides corporate guarantees. Corporate guarantees are only for intra-group financing purposes and given by the Company on behalf of its subsidiaries.

The Group's and the Company's major classes of financial assets are trade and other receivables and cash and bank deposits. Bank deposits are held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 9.

### 30.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

## 30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 30.2 Liquidity risk (cont'd)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

| THE GROUP | CARRYING AMOUNT S$'000 | CONTRACTUAL UNDISCOUNTED CASH FLOWS S$'000 | LESS THAN 1 YEAR S$'000 | BETWEEN 2 AND 5 YEARS S$'000 |
|---|---|---|---|---|
| **2025** | | | | |
| Non-derivative financial liabilities | | | | |
| Lease liabilities (Note 15) | 5,485 | 5,959 | 2,631 | 3,328 |
| Borrowings (Note 16) | 1,226 | 1,230 | 1,230 | – |
| Trade and other payables * (Note 17) | 16,463 | 16,463 | 16,463 | – |
| | 23,174 | 23,652 | 20,324 | 3,328 |
| **2024** | | | | |
| Non-derivative financial liabilities | | | | |
| Lease liabilities (Note 15) | 5,699 | 6,290 | 2,824 | 3,466 |
| Trade and other payables * (Note 17) | 21,912 | 21,912 | 21,912 | – |
| | 27,611 | 28,202 | 24,736 | 3,466 |
| **The Company** | | | | |
| **2025** | | | | |
| Non-derivative financial liabilities | | | | |
| Trade and other payables (Note 17) | 288 | 288 | 288 | – |
| Intra-group financial guarantees | 1,226 | 1,230 | 1,230 | – |
| **2024** | | | | |
| Non-derivative financial liabilities | | | | |
| Trade and other payables (Note 17) | 350 | 350 | 350 | – |

* Excluding net output taxes

Except for the Company's cash flows arising from its intra-group corporate guarantees (Note 30.1), it is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

The Group and the Company ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner. The Group and the Company maintain sufficient level of cash and bank deposits to meet their working capital requirements.

## 30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 30.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from bills payable at floating rates. Fixed deposits and lease liabilities bear interest at fixed rates. All other financial assets and liabilities are interest-free.

At the end of the reporting period, the carrying amount of the interest-bearing financial instruments is as follows:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2025<br>S$'000 | 2024<br>S$'000 | 2025<br>S$'000 | 2024<br>S$'000 |
| **Fixed rate instruments** | | | | |
| Financial assets | | | | |
| - Fixed deposits (Note 12) | 2,020 | – | – | – |
| Financial liabilities | | | | |
| - Lease liabilities (Note 15) | (5,485) | (5,699) | – | – |
| | (3,465) | (5,699) | – | – |
| **Variable rate instruments** | | | | |
| Financial liabilities | | | | |
| - Bills payable (Note 16) | (1,226) | – | – | – |

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets or liabilities at FVTPL. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At the end of the reporting period, if interest rates had been 100 (2024: 100) basis points higher/lower with all other variables held constant, the Group's profit before taxation and equity would have been S$12,000 (2024: S$nil) lower/higher, arising as a result of higher/lower interest expenses on floating rate bills payable.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular, foreign currency rates, remain constant.

The Group's and the Company's policy is to obtain the most favourable interest rates available without increasing its interest rate exposure.

## 30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 30.4 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when transactions are denominated in foreign currencies.

The Company has no significant transactions that are denominated in a currency other than the functional currency of the Company, Singapore dollar. Hence, the Company is not exposed to any significant foreign currency risk.

The Group has transactional currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of group entities, namely Singapore dollar for the Company and its Singapore-incorporated subsidiaries, and Sri Lankan rupee and Malaysian ringgit for the branch office in Sri Lanka and subsidiary in Malaysia, respectively. The foreign currency in which these transactions are denominated is primarily Singapore dollar for the branch office in Sri Lanka. Consequently, the Group is exposed to movements in foreign currency exchange rates.

The Group's exposures in financial instruments (including intra-group balances) to Singapore dollar (other than the respective functional currencies of group entities) are mainly as follows:

| THE GROUP | 2025<br>S$'000 | 2024<br>S$'000 |
|---|---|---|
| Cash and bank deposits | 5 | 255 |
| Net exposure | 5 | 255 |

<u>Sensitivity analysis for foreign currency risk</u>

The following table demonstrates the sensitivity to a reasonably possible change in the Singapore dollar ("SGD") exchange rate, with all other variables held constant, of the Group's profit net of tax and equity.

| THE GROUP | | 2025<br>S$'000 | 2024<br>S$'000 |
|---|---|---|---|
| SGD | - strengthened 10% (2024: 10%) | 1 | 26 |
| | - weakened 10% (2024: 10%) | (1) | (26) |

### 30.5 Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group is exposed to market price risks arising from its investment in equity securities listed on the SGX-ST. Such investments are designated at FVTPL. The Group does not actively trade the investments.

<u>Market price sensitivity</u>

At the end of the reporting period, if the Straits Times Index had been 10% (2024: 10%) higher/lower with all other variables held constant, the Group's profit before taxation would have been S$2,000 (2024: S$2,000) higher/lower, arising as a result of an increase/decrease in the fair value of the quoted equity securities.

## 31 FINANCIAL INSTRUMENTS

### Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

| THE GROUP | FINANCIAL ASSETS AT AMORTISED COST S$'000 | FINANCIAL ASSETS AT FVTPL S$'000 | FINANCIAL LIABILITIES AT AMORTISED COST S$'000 | TOTAL S$'000 |
|---|---|---|---|---|
| **2025** | | | | |
| Financial assets | | | | |
| Trade and other receivables (Note 9) | 22,488 | – | – | 22,488 |
| Other investments (Note 11) | – | 20 | – | 20 |
| Cash and bank deposits (Note 12) | 15,149 | – | – | 15,149 |
| | 37,637 | 20 | – | 37,657 |
| Financial liabilities | | | | |
| Lease liabilities (Note 15) | – | – | 5,485 | 5,485 |
| Borrowings (Note 16) | – | – | 1,226 | 1,226 |
| Trade and other payables * (Note 17) | – | – | 16,463 | 16,463 |
| | – | – | 23,174 | 23,174 |
| **2024** | | | | |
| Financial assets | | | | |
| Trade and other receivables (Note 9) | 17,342 | – | – | 17,342 |
| Other investments (Note 11) | – | 21 | – | 21 |
| Cash and bank deposits (Note 12) | 9,371 | – | – | 9,371 |
| | 26,713 | 21 | – | 26,734 |
| Financial liabilities | | | | |
| Lease liabilities (Note 15) | – | – | 5,699 | 5,699 |
| Trade and other payables * (Note 17) | – | – | 21,912 | 21,912 |
| | – | – | 27,611 | 27,611 |
| **THE COMPANY** | | | | |
| **2025** | | | | |
| Financial assets | | | | |
| Trade and other receivables (Note 9) | 5,701 | – | – | 5,701 |
| Cash and bank deposits (Note 12) | 1,144 | – | – | 1,144 |
| | 6,845 | – | – | 6,845 |
| Financial liabilities | | | | |
| Trade and other payables (Note 17) | – | – | 288 | 288 |
| **2024** | | | | |
| Financial assets | | | | |
| Trade and other receivables (Note 9) | 6,339 | – | – | 6,339 |
| Cash and bank deposits (Note 12) | 6 | – | – | 6 |
| | 6,345 | – | – | 6,345 |
| Financial liabilities | | | | |
| Trade and other payables (Note 17) | – | – | 350 | 350 |

* Excluding net output taxes

## 31 FINANCIAL INSTRUMENTS (CONT'D)

### Fair values

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, comprising trade and other receivables, cash and bank deposits, borrowings (which are short-term or repayable on demand), and trade and other payables (excluding net output taxes), are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group and the Company for similar financial instruments.

The fair value disclosure of lease liabilities is not required.

### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Financial assets measured at fair value

| THE GROUP | LEVEL 1<br>S$'000 | LEVEL 2<br>S$'000 | LEVEL 3<br>S$'000 | TOTAL<br>S$'000 |
|---|---|---|---|---|
| **2025** | | | | |
| Quoted equity investments at FVTPL (Note 11) | 20 | – | – | 20 |
| **2024** | | | | |
| Quoted equity investments at FVTPL (Note 11) | 21 | – | – | 21 |

The fair value of financial instruments traded in active markets (quoted equity investments) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

## 32 CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as going concern;
(b) To support the Group's and the Company's stability and growth;
(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
(d) To provide an adequate return to shareholders.

## 32 CAPITAL MANAGEMENT (CONT'D)

The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company, and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to externally imposed capital requirements.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises lease liabilities, borrowings and trade and other payables, less cash and bank deposits. Total capital represents equity attributable to owners of the Company.

| | **THE GROUP** | | **THE COMPANY** | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **S$'000** | **S$'000** | **S$'000** | **S$'000** |
| Lease liabilities (Note 15) | 5,485 | 5,699 | – | – |
| Borrowings (Note 16) | 1,226 | – | – | – |
| Trade and other payables (Note 17) | 18,902 | 23,347 | 288 | 350 |
| Total debt | 25,613 | 29,046 | 288 | 350 |
| Less: Cash and bank deposits (Note 12) | (15,149) | (9,371) | (1,144) | (6) |
| Net debt/(cash) | 10,464 | 19,675 | (856) | 344 |
| Equity attributable to owners of the Company | 70,723 | 60,232 | 166,678 | 166,122 |
| Total capital | 70,723 | 60,232 | 166,678 | 166,122 |
| Total capital and net debt | 81,187 | 79,907 | 165,822 | 166,466 |
| Gearing ratio | 13% | 25% | N.M. | 0.2% |

N.M.: Not meaningful due to net cash position

## 33 DIVIDENDS

| **THE GROUP AND THE COMPANY** | **2025**<br>**S$'000** | **2024**<br>**S$'000** |
|---|---|---|
| Final tax-exempt (one-tier) dividend of S$0.0027 per share in respect of the previous financial year | 4,066 | – |

## 34 EVENTS AFTER THE REPORTING PERIOD

The Company's Board of Directors recommended a final dividend of S$0.0030 per ordinary share amounting to S$4,517,000 in respect of the financial year ended 31 March 2025 to be approved by shareholders at the Annual General Meeting to be held on 30 July 2025.

# SHAREHOLDINGS STATISTICS

As at 24 June 2025

No of Issued Shares : 1,505,767,572
Class of Shares : Ordinary shares
Voting Rights : 1 vote for each ordinary share (excluding treasury shares and subsidiary holdings)

There are no treasury shares held by the Company or subsidiary holdings as at 24 June 2025.

## DISTRIBUTION OF SHAREHOLDINGS

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | % | NO. OF SHARES | % |
|---|---|---|---|---|
| 1 - 99 | 49 | 1.69 | 519 | 0.00 |
| 100 - 1,000 | 1,317 | 45.40 | 675,582 | 0.05 |
| 1,001 - 10,000 | 686 | 23.64 | 2,772,246 | 0.18 |
| 10,001 - 1,000,000 | 787 | 27.13 | 119,220,435 | 7.92 |
| 1,000,001 AND ABOVE | 62 | 2.14 | 1,383,098,790 | 91.85 |
| **TOTAL** | **2,901** | **100.00** | **1,505,767,572** | **100.00** |

## SHAREHOLDINGS HELD IN THE HAND OF PUBLIC SHAREHOLDERS

As at 24 June 2025, approximately 28% of the shareholdings were held in the hands of the public. At least 10% of the Company's issued ordinary shares are held in the hands of the public at all times and the Company is in compliance with Rule 723 of the Listing Manual Section B: Rules of Catalist.

## TWENTY LARGEST SHAREHOLDERS

| NO. | NAME | SHARES | % |
|---|---|---|---|
| 1 | ZHENG CHOON HOLDING PTE LTD | 902,272,580 | 59.92 |
| 2 | RAFFLES NOMINEES(PTE) LIMITED | 191,524,000 | 12.72 |
| 3 | ANG LAY LEONG | 26,528,000 | 1.76 |
| 4 | DBS NOMINEES PTE LTD | 23,551,101 | 1.56 |
| 5 | CITIBANK NOMS SPORE PTE LTD | 18,406,300 | 1.22 |
| 6 | PHILLIP SECURITIES PTE LTD | 16,644,653 | 1.11 |
| 7 | PEH HOCK SIONG | 15,800,500 | 1.05 |
| 8 | ONG SIEW BOK | 12,470,600 | 0.83 |
| 9 | BUHDY BOK SIN SWEE (MO XINGCUI) | 10,060,000 | 0.67 |
| 10 | WEE KIAN TIONG | 9,993,500 | 0.66 |
| 11 | LYE MENG LEONG | 9,965,900 | 0.66 |
| 12 | ENG KOON HOCK | 9,019,200 | 0.60 |
| 13 | PEH KOK WAH @ PEH WAH CHYE | 8,280,200 | 0.55 |
| 14 | CGS INTL SECURITIES SINGAPORE PL | 7,815,700 | 0.52 |
| 15 | TAN TECK WEI | 7,641,935 | 0.51 |
| 16 | IFAST FINANCIAL PTE LTD | 6,878,200 | 0.46 |
| 17 | MOOMOO FINANCIAL SINGAPORE PTE. LTD. | 6,482,700 | 0.43 |
| 18 | MAHBOB BIN ABDULLAH | 6,200,000 | 0.41 |
| 19 | MAYBANK SECURITIES PTE. LTD. | 6,137,000 | 0.41 |
| 20 | DB NOMINEES (SINGAPORE) PTE LTD | 4,649,330 | 0.31 |
| **TOTAL** | | **1,300,321,399** | **86.36** |

# SHAREHOLDINGS STATISTICS

As at 24 June 2025

## SUBSTANTIAL SHAREHOLDERS

| | NUMBER OF SHARES HELD | | | |
|---|---|---|---|---|
| NAME | DIRECT INTEREST | % | DEEMED INTEREST | % |
| Zheng Choon Holding Pte. Ltd. | 902,272,580 | 59.92% | – | – |
| Toh Choo Huat(1) | 794,000 | 0.05% | 902,272,580 | 59.92% |
| Toh Swee Kim(2) | 220,000 | 0.01% | 902,272,580 | 59.92% |
| Toh Chew Leong(3) | – | – | 902,272,580 | 59.92% |
| Toh Chew Chai(4) | – | – | 902,272,580 | 59.92% |
| Hiap Hoe Investment Pte. Ltd. | 176,536,000 | 11.72% | – | – |
| Hiap Hoe Limited(5) | – | – | 176,536,000 | 11.72% |

**Notes:**

(1) Mr Toh Choo Huat holds 27.2% of the shareholding in Zheng Choon Holding Pte. Ltd. As such, Mr Toh Choo Huat is deemed to be interested in the Shares held by Zheng Choon Holding Pte. Ltd.

(2) Mr Toh Swee Kim holds 23.7% of the shareholding in Zheng Choon Holding Pte. Ltd. As such, Mr Toh Swee Kim is deemed to be interested in the Shares held by Zheng Choon Holding Pte. Ltd.

(3) Mr Toh Chew Leong holds 25.4% of the shareholding in Zheng Choon Holding Pte. Ltd. As such, Mr Toh Chew Leong is deemed to be interested in the Shares held by Zheng Choon Holding Pte. Ltd.

(4) Mr Toh Chew Chai holds 23.7% of the shareholding in Zheng Choon Holding Pte. Ltd. As such, Mr Toh Chew Chai is deemed to be interested in the Shares held by Zheng Choon Holding Pte. Ltd.

(5) Hiap Hoe Investment Pte. Ltd. is 100% owned by Hiap Hoe Limited. As such, Hiap Hoe Limited is deemed to be interested in the Shares held by Hiap Hoe Investment Pte. Ltd.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at No. 3 Sungei Kadut Drive, Kranji Industrial Estate, Singapore 729556 on Wednesday, 30 July 2025 at 10.00 a.m. to transact the following businesses as set out below.

This Notice has been made available on SGXNet and the Company's website at the URL https://www.leychoon.com.

## ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2025 together with the Directors' Statement and the Auditors' Report of the Company. (Resolution 1)

2. To declare a final tax exempt (one-tier) dividend of 0.3 Singapore cents per ordinary share for the financial year ended 31 March 2025. (Resolution 2)

3. To re-elect as a Director, Mr Ragavendran Srinivasan who is retiring under Regulation 117 of the Company's Constitution.

   *Mr Ragavendran Srinivasan will, upon re-election as a Director of the Company, remain an Executive Director of the Company.*

   [See Explanatory Note (I)] (Resolution 3)

4. To re-elect as a Director, Ms Reanne Toh Ting Xuan who is retiring under Regulation 117 of the Company's Constitution.

   *Ms Reanne Toh Ting Xuan will, upon re-election as a Director of the Company, remain an Executive Director of the Company.*

   [See Explanatory Note (I)] (Resolution 4)

5. To re-elect as a Director, Mr William Tan Kwang Hwee who is retiring under Regulation 117 of the Company's Constitution.

   *Mr William Tan Kwang Hwee will, upon re-election as a Director of the Company, remain an Independent Director of the Company.*

   [See Explanatory Note (I)] (Resolution 5)

6. To re-elect as a Director, Mr Buhdy Bok Sin Swee who is retiring under Regulation 117 of the Company's Constitution.

   *Mr Buhdy Bok Sin Swee will, upon re-election as a Director of the Company, remain an Independent Director of the Company.*

   [See Explanatory Note (I)] (Resolution 6)

7. To re-elect as a Director, Mr Teo Ho Beng who is retiring under Regulation 107 of the Company's Constitution.

   *Mr Teo Ho Beng will, upon re-election as a Director of the Company, remain a Non-Executive Director of the Company.*

   [See Explanatory Note (I)] (Resolution 7)

8. To approve the payment of Directors' fees of S$230,000 for the financial year ending 31 March 2026, to be paid quarterly in arrears. (Resolution 8)

9. To re-appoint Messrs Foo Kon Tan LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. (Resolution 9)

10. To transact any other business that may be transacted at an Annual General Meeting.

## SPECIAL BUSINESS

11. To consider and, if thought fit, pass the following Ordinary Resolution with or without any modifications:

"That pursuant to Section 161 of the Companies Act 1967 ("**Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require shares to be issued, including but not limited to the creation or issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions, for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuant to any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided always that:

(I) the aggregate number of shares (including shares to be issued in pursuant of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (II) below), of which the aggregate number of shares to be issued other than on a pro rata basis to the Shareholders of the Company shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (II) below);

(II) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (I) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the Company at the time of the passing of this Resolution, after adjusting for:

(aa) new shares arising from the conversion or exercise of any convertible securities;

(bb) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(cc) any subsequent bonus issue, consolidation or subdivision of shares;

(III) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(IV) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held whichever is the earlier."

[See Explanatory Note (II)] (Resolution 10)

12. To consider and, if thought fit, pass the following Ordinary Resolution with or without any modifications:

"Resolved that the Board of Directors of the Company be and is hereby authorised to offer and grant awards ("**Awards**") in accordance with the provisions of the Ley Choon Performance Share Plan 2018 (the "**PSP**") and pursuant to Section 161 of the Companies Act 1967, to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be issued pursuant to the vesting of Awards under the PSP, provided always that the total number of new shares to be allotted and issued pursuant to an Award granted under the PSP, when added to the number of shares issued and issuable in respect of all Awards granted under the PSP and any other share scheme, shall not exceed 15% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) on the day preceding the date of the Award."

[See Explanatory Note (III)] (Resolution 11)

By Order of the Board

Ong Beng Hong/Tan Swee Gek
Joint Company Secretaries
15 July 2025

# NOTICE OF ANNUAL GENERAL MEETING

**Explanatory Notes:**

I. For details of Mr Ragavendran Srinivasan's, Ms Reanne Toh Ting Xuan's, Mr William Tan Kwang Hwee's, Mr Buhdy Bok Sin Swee's and Mr Teo Ho Beng's disclosures pursuant to Rule 720(5) of the Catalist Rules, please refer to pages 112 to 129 of the Company's Annual Report for the financial year ended 31 March 2025.

II. The Ordinary Resolution 10 in item 11 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting ("**AGM**") of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules, and any subsequent bonus issue, consolidation or subdivision of shares.

III. The Ordinary Resolution 11 proposed in item 12 above, if passed, will empower the Directors of the Company, to allot and issue shares in the Company pursuant to the vesting of awards granted under the PSP of up to a number which when added to the number of new shares issued and issuable in respect of all awards granted under the PSP or any other share scheme shall not exceed in total 15% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) from time to time. The PSP was first approved by the shareholders of the Company at the AGM held on 30 July 2018. Please refer to the Company's Letter to Shareholders dated 13 July 2018 for further details.

**Notes:**

(1) The AGM is being convened and will be held physically at No. 3 Sungei Kadut Drive, Kranji Industrial Estate, Singapore 729556. There will be no option for members to participate virtually.

(2) Live voting will be conducted during the AGM for members and proxies attending the AGM. It is important for members and proxies to bring their own web-browser enabled mobile smartphone capable of scanning QR codes for voting at the AGM. An instructional video on the voting process will be played to shareholders during the AGM.

An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

(3) Save for a member who is a relevant intermediary as defined in Note 4, a member entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies (not more than two) to attend and vote on his/her behalf. A proxy need not be a member of the Company.

A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"Relevant intermediary" means:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(5) The instrument appointing a proxy(ies), together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:

(a) if sent personally or by post, be deposited at the registered office of the Company at No. 3 Sungei Kadut Drive, Kranji Industrial Estate, Singapore 729556; or

(b) if submitted by email, be received by the Company at agmfy25@leychoon.com,

in either case, by no later than 10.00 a.m. on 27 July 2025, being not less than 72 hours before the time for holding the AGM in order to be entitled to attend and to vote at the AGM, and in default the instrument of proxy shall not be treated as valid.

(6) The sending of a Proxy Form by a member does not preclude him from attending and voting in person if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

(7) A Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the AGM in order to be entitled to attend and vote at the AGM.

(8) If sent personally or by post, the instrument appointing the proxy(ies) of an individual must be under the hand of the appointor or of his attorney duly authorised in writing and the instrument appointing the proxy(ies) of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:

(a) by way of the affixation of an electronic signature by the appointer or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

(b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

# NOTICE OF ANNUAL GENERAL MEETING

(9) A member may also submit questions related to the resolutions to be tabled for approval at the AGM either (i) in person at the AGM during the live Q&A session; or (ii) prior to the AGM.

All questions submitted prior to the AGM must be submitted by 10.00 a.m. on 22 July 2025:

(a) in hard copy by sending personally or by post and lodging the same at the registered office of the Company at No. 3 Sungei Kadut Drive, Kranji Industrial Estate, Singapore 729556; or
(b) by email to agmfy25@leychoon.com.

Members will need to identify themselves when posing questions by email or by mail by providing the following details:

(a) the member's full name as it appears on his/her/its CDP/CPF/SRS share records;

(b) the member's NRIC/Passport/UEN number;

(c) the member's contact number and email address; and

(d) the manner in which the member holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members by the cut off date and time of 10.00 a.m. on 22 July 2025. The Company will publish its responses to such queries on SGXNet by 10.00 a.m. on 25 July 2025. The Company will address those substantial and relevant questions which have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself, during the AGM.

(10) By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation, compilation and publication of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

(11) The Annual Report for the financial year ended 31 March 2025, Notice of AGM and proxy form may be accessed at the Company's website at the URL https://www.leychoon.com at the menu "Investor Relations" (https://www.leychoon.com/?page_id=2391).The Annual Report, Notice of AGM and proxy form has also been made available on SGXNet. In line with the Group's sustainability efforts, the Company has discontinued the practice of mailing the Annual Report to shareholders. However, shareholders who still wish to receive printed copies of the Annual Report may complete the relevant Request Form, which has been sent to the shareholders by post and is also available on SGXNet, and return it to the Company by post or email no later than 22 July 2025.

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**PROXY FORM**

# *LEY CHOON GROUP HOLDINGS LIMITED*

(Incorporated in the Republic of Singapore)
(Company Registration No.: 198700318G)

This form of proxy has been made available on SGXNet and the Company's website at the URL https://www.leychoon.com.

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We____________________(Name)____________________(Registration No./NRIC/Passport No.)

of________________________________________(Address)

being a member/members of Ley Choon Group Holdings Limited (the "**Company**") hereby appoint:

| NAME | ADDRESS | NRIC/PASSPORT NUMBER | PROPORTION OF SHAREHOLDINGS | |
|---|---|---|---|---|
| | | | NO. OF SHARES | % |
| | | | | |
| and/or * | | | | |
| | | | | |

and/or such other persons as furnished by us in accordance with Note 3 of this proxy form, or failing which, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company, to be held at No. 3 Sungei Kadut Drive, Kranji Industrial Estate, Singapore 729556 on 30 July 2025 at 10 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for, against or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies (other than the Chairman of the AGM) will vote for, against or abstain from voting at his/her discretion. In appointing the Chairman of the AGM as proxy, Shareholders (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

| NO. | RESOLUTIONS RELATING TO: | FOR | AGAINST | ABSTAIN |
|---|---|---|---|---|
| | **ORDINARY BUSINESS** | | | |
| 1. | Adoption of the Audited Financial Statements for the financial year ended 31 March 2025 together with the Directors' Statement and Auditors' Report of the Company | | | |
| 2. | Declaration of a final tax exempt (one-tier) dividend of 0.3 Singapore cents per ordinary share for the financial year ended 31 March 2025 | | | |
| 3. | Re-election of Mr Ragavendran Srinivasan as a Director of the Company | | | |
| 4. | Re-election of Ms Reanne Toh Ting Xuan as a Director of the Company | | | |
| 5. | Re-election of Mr William Tan Kwang Hwee as a Director of the Company | | | |
| 6. | Re-election of Mr Buhdy Bok Sin Swee as a Director of the Company | | | |
| 7. | Re-election of Mr Teo Ho Beng as a Director of the Company | | | |
| 8. | Approval of Directors' fees of S$230,000 for the financial year ending 31 March 2026, to be paid quarterly in arrears | | | |
| 9. | Re-appointment of Messrs Foo Kon Tan LLP as the Company's Auditors and to authorise the Directors to fix their remuneration | | | |
| | **SPECIAL BUSINESS** | | | |
| 10. | Authority to allot and issue new shares | | | |
| 11. | Authority to allot and issue shares under the Ley Choon Performance Share Plan 2018 | | | |

(Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", or "Abstain" from voting on, the relevant Resolution, please mark a "X" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the "Abstain" box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a poll and your votes will not be counted in computing the required majority on a poll.)

Dated this __________ day of__________, 2025.

| TOTAL NUMBER OF SHARES HELD: |
|---|
| |

____________________________

Signature of Shareholder(s) and/or Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

*delete as appropriate

**Notes:**

1. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares registered in your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. Save for a member who is a relevant intermediary as defined in Note 3, a member entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his stead.

3. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

5. A proxy need not be a member of the Company.

6. The instrument appointing a proxy(ies), together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must must:

   (a) if sent personally or by post, be deposited at the Company's Registered Office at No. 3 Sungei Kadut Drive, Kranji Industrial Estate, Singapore 729556; or

   (b) if submitted by email, be received by the Company at agmfy25@leychoon.com;

   in either case, **by no later than 10.00 a.m. on 27 July 2025, being not less than 72 hours before the time for holding the AGM in order to be entitled to attend and to vote at the AGM**, and in default the instrument of proxy shall not be treated as valid.

7. If sent personally or by post, the instrument appointing a proxy(ies) of an individual must be under the hand of the appointor or of his attorney duly authorised in writing and the instrument appointing a proxy(ies) of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

   Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointer or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

8. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.

9. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

10. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

11. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him from attending and voting in person at the AGM if he is able to do so.

12. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

13. A Depositor's name must appear in the Depository Register maintained by the Central Depository (Pte) Limited as at 72 hours before the time appointed for the holding of the AGM in order for him to be entitled to vote at the AGM.

14. By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

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LEY CHOON

**LEY CHOON GROUP HOLDINGS LIMITED**

(Company Registration No. 198700318G)
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