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## CONTENTS

- 02** Corporate Profile
- 04** Chairman's Statement
- 06** Operating and Financial Review
- 09** Financial Highlights
- 10** Board of Directors
- 14** Key Executives
- 15** Corporate Structure
- 16** Corporate Information
- 17** Sustainability Report
- 44** Corporate Governance Report
- 73** Financial Contents
- 150** Statistics of Shareholdings
- 152** Notice of Annual General Meeting
- 158** Supplemental Information on  
Directors Seeking Re-election  
Proxy Form





# CORPORATE PROFILE



## VISION

Our vision is to provide value-added integrated solutions in civil engineering to various stakeholders and safely deliver projects on time for our customers. We also strive to enhance growth of our industry by fostering new ideas and innovation, creating long-term value for our stakeholders.

**Huatong Global Limited (“Huatong Global” and together with its subsidiaries, the “Group”) is principally engaged in the provision of civil engineering services for infrastructure projects and ancillary inland logistics support services. We are also involved in the sale of construction materials such as sand and granite aggregates, recycled concrete aggregate (“RCA”) and liquefied soil stabiliser (“LSS”).**

**Since FY2021, we have commenced our commercial operation of a 10,400 pax dormitory at Changi East.**





## CIVIL ENGINEERING SERVICES

We are registered with Building and Construction Authority of Singapore (“BCA”) with the highest BCA grading of A1 in the category of CW01 - General Building and CW02 - Civil Engineering, with unlimited tender value. Additionally, we obtained BCA Grade L6, in the category of ME05 - Electrical Engineering and SY01B – Ready-Mixed Concrete, with unlimited tender value. We provide a full range of civil engineering services from earthworks, infrastructure works, external works, demolition and excavation works, site clearance, drainage works, reinforcing bar installation, formwork, concrete installation, backfill and compaction to final handover. With our comprehensive pool of construction equipment and specialist modular formwork, we are able to undertake concrete construction projects in Singapore. We are engaged in civil engineering works for numerous large infrastructural construction projects in Singapore and our customers in this segment include, among others, the Housing and Development Board, the Land Transport Authority of Singapore, JTC Corporation, Defence Science & Technology Agency, Changi Airport Group, Hyundai Engineering & Construction Co. Ltd and Samsung C&T Corporation.

## INLAND LOGISTICS SUPPORT

We provide leasing services for a wide range of construction equipment including articulated dump trucks, rollers, bulldozers, wheel loaders, telescopic clamshell, breakers, tipper trucks, compactors, excavators and concrete pumps.

## SALE OF CONSTRUCTION MATERIALS

We sell construction materials such as sand and granite aggregates, RCA and LSS.

The RCA are primarily used to support our own civil engineering activities and depending on prevailing market conditions and demand, also sold to third parties.

We also manufacture and supply LSS, a self-flowable, self-compacting and self-levelling alternative to conventional compacted fill. LSS can be used as non-structural fill for buildings and other structures and for backfill in utility and road construction. Most of the LSS is used to support our civil engineering operations though we do supply them to third parties as and when there is market demand. As we are able to adjust the liquidity and strength of LSS mixtures, we are able to provide customised solutions to meet the different needs of our customers.

## DORMITORY OPERATIONS

We have completed the Design, Construction and Operation of Changi East Worker Dormitory Village (Coastal Dormitory) which can accommodate 10,400 beds in 2Q2021.

It is a brand-new dormitory with improved living standard complying the latest MOM guidelines and BCA Covid-Safe accommodation requirements.

Dormitory operations commenced in 2Q2021 and is now operating at full capacity.



**WE ARE DELIGHTED TO ANNOUNCE THAT THE DORMITORY BUSINESS SEGMENT HAS CONTRIBUTED POSITIVELY TO OUR FY2023 RESULTS.**

**WE EXPECT THIS DORMITORY BUSINESS TO CONTINUE TO CONTRIBUTE POSITIVELY TO OUR FY2024 FINANCIAL RESULTS.**

**NG HAI LIONG**  
Executive Chairman

## DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the annual report for Huatong Global Limited (“Huatong Global” and together with its subsidiaries, the “Group”) for the financial year ended 31 December 2023 (“FY2023”). Capitalising on our track record as civil engineering solutions provider, we have managed to improve our performance further despite the challenges and uncertainty faced in 2023.

## REVIEWING OUR FINANCIAL PERFORMANCE

The Group registered a revenue of S\$174.6 million for FY2023, a 15.1% increase compared to financial year ended 31 December 2022 (“FY2022”). This is mainly due to higher revenues from dormitory operations and civil engineering contract works of S\$46.0 million and S\$104.2 million in FY2023 compared to FY2022 of S\$24.7 million and S\$100.6 million, respectively. However, the revenue from our inland logistics support business segment has decreased from S\$23.4 million in FY2022 to S\$18.0 million in FY2023. As a result, our gross profit margin has increased to 26.2% in FY2023 compared to 23.7% in FY2022.

Overall, we recorded a net profit after tax of approximately S\$14.2 million in FY2023 compared to approximately S\$10.2 million in FY2022. Overall, the Group remains in a strong financial position with cash and cash equivalents standing at S\$70.7 million as at 31 December 2023, compared to S\$23.1 million as at 31 December 2022.



## NAVIGATING AHEAD

The Group has been operating our construction activities at pre-COVID levels but rising interest rates, manpower shortages and elevated inflation remains a challenging issue for the construction industry in Singapore in the near term.

Construction output increased as industry players attempted to clear their project backlogs. Geopolitical tensions continue to put inflationary pressure on commodity prices and minor delays in the supply chain.

The Building and Construction Authority (the “BCA”) projected the total construction demand to grow in 2024<sup>1</sup> (i.e. the value of construction contracts to be awarded) to range between S\$32 billion and S\$38 billion, an increase of approximately 18.5% compared to last year’s projection<sup>2</sup>.

<sup>1</sup> BCA media release “Steady Demand for the Construction Sector Projected for 2024”, 15 January 2024 (steady-demand-for-the-construction-sector-projected-for-2024.pdf (bca.gov.sg))

<sup>2</sup> BCA media release “Singapore’s Construction Demand to Remain Strong In 2023”, 12 January 2023 (singapore-construction-demand-to-remain-strong-in-2023-media-release.pdf (bca.gov.sg))



The public sector is expected to contribute about 55 per cent of the total construction demand, between S\$18 billion and S\$21 billion. This is supported by a continued strong pipeline of public housing projects amid Housing Development Board's (HDB) Build-To-Order (BTO) new developments flats supply. Industrial and institutional building construction is expected to contribute strongly to public sector demand, with more projects for the construction of water treatment plants, educational buildings and community clubs. Civil engineering construction demand is anticipated to stay firm with continued support from Cross Island MRT line construction and other infrastructure works including Changi Airport Terminal 5 (T5) and Tuas Port developments.

Private sector construction demand is projected to be between S\$14 billion and S\$17 billion in 2024, 18.5% higher compared to 2023. Both residential and industrial building construction demand are expected to grow, underpinned by the development of new condominiums and high-specification industrial buildings. Due to the redevelopment of older commercial premises to enhance asset values, commercial building demand is also anticipated to increase.

The macroeconomic outlook for Singapore in 2024 is influenced by a sluggish global economy with 2024 GDP growth forecasted at 2.4%, down from 2.7% in 2023, high interest rates and inflationary pressures led by the Russia-Ukraine and Israeli-Gaza conflicts to the various nationalistic political sentiments around the world. Based on the current market sentiment and environment, we expect the following twelve months to continue to have challenges. However, the resilient measures that we have put in place and our revenue diversification strategy has and will continue to bolster our resilience and enhance our ability to weather the oncoming headwinds. Going forward, we will continue to optimise our resources and remain alert to opportunities in the midst of adversities and deliver long-term value to stakeholders.

## REWARDING SHAREHOLDERS

In recognition of the pleasing financial results achieved in FY2023, the Group has declared a one-tier tax exempt interim dividend of S\$0.003 per ordinary paid in August 2023. The Group further proposes a one-tier tax exempt final dividend of S\$0.005 per ordinary share, subject to shareholders' approval in the forthcoming annual general meeting.

In total, our dividend for FY2023 would amount to S\$0.008 per ordinary share, representing a dividend pay-out ratio of approximately 10.0%.

## APPRECIATION

On behalf of the Board, we would like to express our sincere appreciation to our fellow directors for their keen insights, our management and staff for their relentless dedication, commitment and professionalism exhibited in their work.

I would like to take this opportunity to thank all our shareholders, business partners and customers for their sustained confidence and belief in our Group amidst a challenging business environment. With your support, we will be able to further enhance our position in the infrastructure sector and expand our business to new areas in order to deliver long-term value to our stakeholders.

I welcome Ms Gwendolyn Gn Yong Juh and Mr Wong King Kheng, as the Company's new Independent Directors, and members of the Audit, Nominating and Remuneration Committees.

**Ng Hai Liong**  
Executive Chairman



# OPERATING AND FINANCIAL REVIEW

## OPERATIONAL REVIEW

### Projects Overview

Civil engineering contract works continues to drive the Group's main revenue, accounting for S\$104.2 million or 59.7% of overall revenue of S\$174.6 million in the financial year ended 31 December 2023 ("FY2023"). The Group also recorded revenues of S\$18.0 million, S\$6.5 million and S\$46.0 million from provision of inland logistic support, sale of construction materials and dormitory operation respectively, reflecting a revenue share of 10.3%, 3.7% and 26.3% respectively in FY2023.

Some of the key civil engineering projects that contributed toward the Group's revenue in FY2023 included, among others, the following:

- Design, Construction and Operation of Changi East Workers Dormitory Village
- Excavation, transport and fill in good earth and clay at certain area of polder construction at Pulau Tekong
- Tuas Western Coast Infrastructure works
- Proposed earthworks at Choa Chu Kang Cemetery
- The Licence of Berth Operation at Pulau Punggol Aggregate Terminal
- External Works at Changi East
- Infrastructure works at Tampines North (Phase 3C)
- Maintenance and Operation Works for Temporary Infrastructure works and Services to support Changi East Development
- Operator to manage and operate the Aggregate Landing Site at Changi East Finger
- Term Contract – Maintenance of Foreshore Structures and Physical Barriers at SPF, ICA and SCDF

In FY2023, the Group secured new projects that are targeted for delivery within the next one to three years. They relate mainly to public infrastructure projects such as:

- Design And Build For Land Preparation Works At Tuas South Avenue 16
- Lim Chu Kang Demolition And Reinstatement Works (Phase 1)
- Changi East Project
- Proposed Infrastructure Works At Loyang Drive (North)

The Group will continue to tender for new projects in the public and private sectors as part of its ongoing business operations.

## FINANCIAL REVIEW

### Group Revenue

The Group's revenue increased by approximately S\$22.9 million or 15.1% from S\$151.7 million in FY2022 to S\$174.6 million in FY2023 mainly due to a higher occupancy in the dormitory operation segment and work done for existing and new projects in civil engineering contract works segment.

### Operating Costs and Expenses

Cost of sales and services increased by approximately S\$13.1 million or 11.3% from S\$115.8 million in FY2022 to S\$128.9 million in FY2023 which is in line with the increase in revenue recorded during the year.

Depreciation expenses decreased by approximately S\$1.1 million or 6.5% from S\$17.0 million in FY2022 to S\$15.9 million in FY2023. The decrease was mainly due to a net effect from disposal and full depreciation on some of the Group's existing plant and equipment in FY2023.

Administrative expenses increased by approximately S\$3.1 million or 14.4% from S\$21.6 million in FY2022 to S\$24.7 million in FY2023. The increase was mainly due to higher salaries due to increased business activities in FY2023 and performance bonus paid to the three executive directors based on the Group's profit before income tax pursuant to their respective service agreements.

Other expenses increased by approximately S\$0.2 million or 28.6% from S\$0.7 million in FY2022 to S\$0.9 million in FY2023. The increase was in line with an increase in revenue in FY2023.

Loss on allowance on trade receivables and contract assets decreased by approximately S\$1.5 million or 25.9% from S\$5.8 million in FY2022 to S\$4.3 million in FY2023. The decrease was mainly due to progressive billings made and lower provisions required in expected credit loss during the financial year.

Finance costs increased by approximately S\$0.5 million or 17.2% from S\$2.9 million in FY2022 to S\$3.4 million in FY2023 primarily due to higher interest rate for bank borrowings.

The Group recorded a loss of approximately S\$1,000 from the share of loss of a joint venture company in FY2023 as compared to S\$0.2 million in FY2022 due to the winding up of the joint venture company in FY2023.



# OPERATING AND FINANCIAL REVIEW



## Profit

The Group recorded a gross profit of S\$45.7 million in FY2023 as compared to a gross profit of S\$35.9 million in FY2022. The increase in the gross profit of S\$9.8 million or 27.3% was mainly due to the contribution from our dormitory operation and civil engineering contract works segments in FY2023.

Overall, the Group recorded a profit before income tax and net profit attributable to owners of the parent in FY2023 of approximately S\$17.6 million and S\$14.3 million respectively.

## Financial Position

As at 31 December 2023, the Group had cash and cash equivalents of S\$70.7 million (FY2022: S\$23.1 million) and equity attributable to owners of the parent of S\$96.8 million (FY2022: 83.6 million).

The Group's total assets increased by approximately S\$64.5 million to S\$282.1 million as at 31 December 2023, compared to S\$217.6 million as at 31 December 2022.

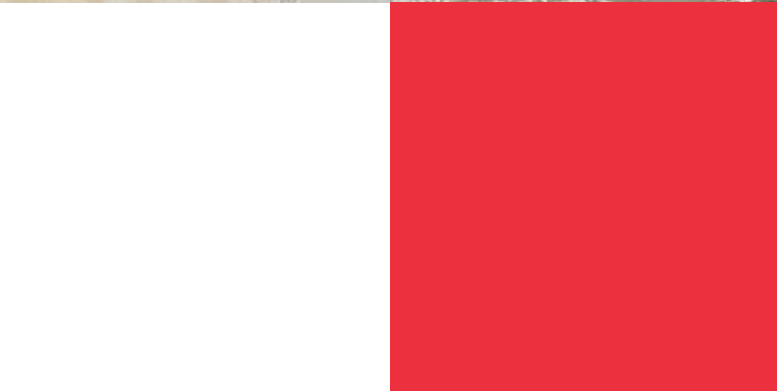
As at 31 December 2023, the Group recorded a total of S\$49.2 million in Property, plant and equipment ("PPE") as compared to S\$21.4 million as at 31 December 2022. The increase in PPE of approximately S\$27.8 million or 129.9% was mainly due to the net effect of additions of PPE of S\$12.9 million, a net reclassification of S\$10.6 million from Right-of-use assets ("ROU") to PPE due to full settlement of hire purchase, an elimination of depreciation on revaluation of S\$0.4 million and a reclassification of a leasehold property of S\$17.8 million, being the main operating office of the Group, from disposal group held-for-sale to non-current asset in FY2023. This was partially offset by the depreciation charge of S\$9.3 million and a net reclassification of S\$4.3 million from PPE to ROU assets upon obtaining financing through leases and net effect on disposal of S\$0.3 million in FY2023.

As at 31 December 2023, the Group recorded a total S\$37.9 million ROU assets as compared to S\$43.0 million as at 31 December 2022. The decrease in ROU of approximately S\$5.1 million or 11.9% was mainly due to the depreciation charge of approximately S\$6.6 million and a net reclassification of S\$10.6 million from ROU to PPE due to full settlement of hire purchase, partially offset by a net effect of a reclassification from PPE upon obtaining financing through leases of S\$4.3 million, an addition of ROU amounting to S\$4.2 million, a modification to lease term which lead to an increase of carrying amount of ROU assets of approximately S\$0.1 million and a reclassification to ROU for a leasehold property of S\$3.5 million which was reclassified from disposal group asset held-for-sale in FY2023.

As at 31 December 2023, the Group's financial assets at FVTPL classified as non-current asset amounted to S\$2.9 million as compared to S\$2.8 million as at 31 December 2022. The increase of approximately S\$0.1 million or 3.5% was due to fair value gains during the year.

As at 31 December 2023, the Group's investment in a joint venture decreased to S\$0.0 million as compared to S\$0.3 million as at 31 December 2022. The decrease of approximately S\$0.3 million or 100.0% was mainly due to the return of capital, dividend declared and paid out from retained earnings to the shareholders and the striking-off of the joint venture during the financial year.

Contract assets decreased by approximately S\$0.7 million or 1.1% from S\$65.6 million as at 31 December 2022 to S\$64.9 million as at 31 December 2023 mainly due to prompt billing made in FY2023.



Financial assets at FVOCI decreased by S\$4,000 or 0.5% from S\$806,000 as at 31 December 2022 to S\$802,000 as at 31 December 2023 mainly due to a partial redemption of S\$20,000 during the financial year.

Inventory increased by approximately S\$0.6 million or 37.5% from S\$1.6 million as at 31 December 2022 to S\$2.2 million as at 31 December 2023. The increase was mainly due to purchase of construction materials, hardware parts and consumables for our projects' usage.

Trade and other receivables increased by approximately S\$13.6 million or 41.9% from S\$32.4 million as at 31 December 2022 to S\$46.0 million as at 31 December 2023. The increase was in line with the increase in revenue in FY2023.

Prepayments increased by approximately S\$2.1 million or 95.4% from S\$2.2 million as at 31 December 2022 to S\$4.3 million as at 31 December 2023 due to the higher advance payments to overseas suppliers during the financial year.

The Group's financial assets at FVTPL under the current assets portion increased by S\$0.1 million or 3.3% from \$3.0 million as at 31 December 2022 to S\$3.1 million as at 31 December 2023. The increase was mainly due to fair value gains in FY2023.

During the financial year, there was a reclassification of a disposal group asset held for sale, a leasehold property held-for-sale amounting to S\$21.3 million, that has been re-classified to non-current asset in FY2023.

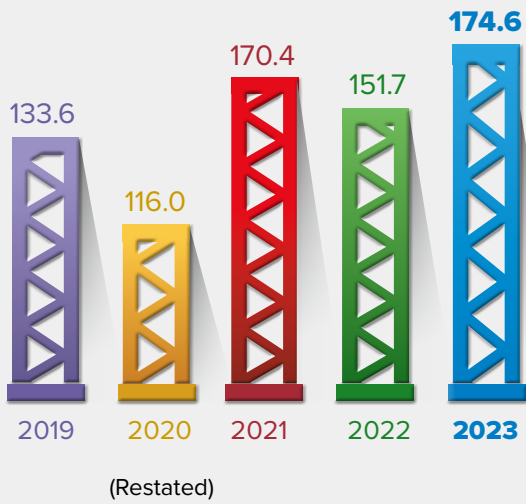
Cash and cash equivalents increased by approximately S\$47.6 million or 206% from S\$23.1 million as at 31 December 2022 to S\$70.7 million as at 31 December 2023. The increase was mainly due to the cash generated from operating activities of S\$73.9 million, and partially offset by a net cash used in investing activities of S\$4.3 million and the net cash used in financing activities, which included repayments of bank borrowings, of approximately S\$22.0 million.

The Group's total liabilities increased by S\$51.3 million to S\$186.3 million as at 31 December 2023 compared to S\$135.0 million as at 31 December 2022. This was mainly attributable to the increase in contract liabilities of S\$39.1 million, lease liabilities of S\$3.4 million, trade and other payables of S\$20.2 million, current income tax payable of S\$0.7 million and deferred tax liabilities of S\$0.9 million, partially offset by a decrease in bank borrowings of S\$8.3 million, and a decrease in liabilities directly associated with disposal group classified as held for sale of S\$4.7 million.

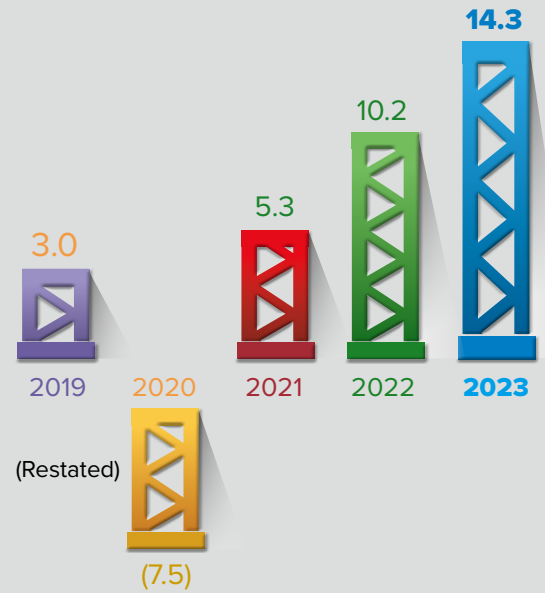
The Group posted a positive net current assets of approximately S\$36.6 million as at 31 December 2023 as compared to a positive net current assets of S\$51.2 million as at 31 December 2022.



## REVENUE (S\$ Million)



## NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY (S\$ Million)





**MR NG HAI LIONG**  
Executive Chairman

**Date of first appointment as a director:**

1 August 2014

**Date of appointment as Chairman:**

1 August 2014

**Date of last re-election as a director:**

28 April 2023

Mr Ng Hai Liong has more than 46 years of experience in the civil engineering construction industry and has been instrumental in the development and growth of the Group's business. He established Huatong Contractor in 1980 and is responsible for managing our Company's civil engineering projects and securing overseas projects. Mr Ng continues to oversee the strategic positioning and business development of the Group.

**Academic & Professional Qualification:**

Higher School Certificate

**Present Directorships in other listed companies:**

Nil

**Past Directorship in other listed companies held over the preceding three years:**

Nil



**MR NG KIAN ANN PATRICK**  
Executive Director & Chief Executive Officer

**Date of first appointment as a director:**

1 August 2014

**Date of last re-election as a director:**

29 April 2022

Mr Ng Kian Ann Patrick has more than 21 years of experience in the civil engineering construction industry. He is responsible for the overall management, strategic planning and oversees the business expansion of the Group.

**Academic & Professional Qualification:**

Bachelor's Degree in Engineering (First Class Honours), University of London, United Kingdom

**Present Directorships in other listed companies:**

Nil

**Past Directorship in other listed companies held over the preceding three years:**

Nil





**MR NG KIAN YEOW, VINCENT**

Executive Director & Chief Operating Officer

**Date of first appointment as a director:**

11 November 2014

**Date of last re-election as a director:**

28 April 2023

Mr Ng Kian Yeow, Vincent has more than 20 years of experience in the civil engineering construction industry. He oversees project management & operations with strategic execution for timely completion.

**Academic & Professional Qualification:**

Bachelor's Degree in Applied Science Construction Management and Economics, Curtin University of Technology, Australia

**Present Directorships in other listed companies:**

Nil

**Past Directorship in other listed companies held over the preceding three years:**

Nil



**MR YAP KIAN PENG**

Lead Independent Director  
Chairman, Audit Committee

Member, Nominating Committee & Remuneration Committee

**Date of first appointment as a director:**

30 December 2022

**Date of last re-election as a director:**

28 April 2023

Mr Yap has been the Executive Director of Capital Equity Holdings Pte Ltd, a private equity investment company from 2005 to 2020. He was the Executive Chairman and Chief Officer of Jackspeed Corporation Limited, a company listed on the Main Board of the Singapore Stock Exchange from 2010 until 16 Nov 2023. He was the Executive Director of CKG Chemicals Pte. Ltd. from 2004 to 2010. He was employed by Maybank from 2001 to 2004, initially as a Senior Business Development Manager and subsequently promoted to be the team head of the Trade Finance Business Development Group in Maybank.

From 1998 to 2000, Mr Yap was a Director of You Yi Glass Contractor Pte. Ltd., a company engaged in the business of trading in glass sheets. He joined Oversea-Chinese Banking Corporation Limited in 1992 and left as an Assistant Manager at the bank in 1998.

**Academic & Professional Qualification:**

Bachelor Degree in Business in Business Administration, RMIT University, Australia

**Present Directorships in other listed companies:**

Seroja Investments Limited  
Soon Lian Holdings Limited

**Past Directorship in other listed companies held over the preceding three years:**

Capital Equity Holdings Pte. Ltd  
Jackspeed Corporation Limited

# BOARD OF DIRECTORS



## MR CHEANG YOU KONG

Independent Director  
Chairman, Remuneration Committee  
Member, Audit Committee & Nominating Committee

### **Date of first appointment as a director:**

9 November 2020

### **Date of last re-election as a director:**

26 April 2024

Mr Cheang has more than 36 years of experience in the construction industry. He is presently a director in Lxyin Enterprise Pte Ltd where he is responsible for business and strategic development. He is also a director in Consulting Advising & Managing Pte Ltd where he provides technical consultancy services in relation to civil engineering and building materials, and a project director in Xinsha Holding Pte Ltd. He was an executive director of Hock Lian Seng Holdings Limited from 2009 to 2011, and has previously held several positions including director, deputy general manager and project manager in construction firms in Singapore.

### **Academic & Professional Qualification:**

Bachelor's Degree in Civil Engineering, National University of Singapore

Diploma in Business Administration, Singapore Institute of Management

### **Present Directorships in other listed companies:**

Nil

### **Past Directorship in other listed companies held over the preceding three years:**

Nil



## MR WEE HENG YI, ADRIAN

Independent Director  
Chairman Nominating Committee  
Member, Audit Committee & Remuneration Committee

### **Date of first appointment as a director:**

11 November 2014

### **Date of last re-election as a director:**

29 April 2022

Mr Wee began his career in Harry Elias Partnership LLP's civil and commercial litigation practice group in 2004. He left Harry Elias Partnership LLP in 2008 to join Characterist LLC as a director heading the criminal defence and advocacy practice group until 2022. At present, he is the Managing Partner of Lighthouse Law LLC. Mr Wee's current practice areas are commercial litigation, white collar criminal defence, investigations and regulatory work.

### **Academic & Professional Qualification:**

Bachelor of Laws (Honours), National University of Singapore

Member - ASEAN Law Association and the Law Society of Singapore.

### **Present Directorships in other listed companies:**

Nil

### **Past Directorship in other listed companies held over the preceding three years:**

Pine Capital Group Limited





**Ms Gwendolyn Gn Jong Yuh**

Independent Director  
Member, Audit Committee, Nominating & Remuneration Committee

**Date of first appointment as a director:**

16 February 2024

**Date of last re-election as a director:**

26 April 2024

Ms Gn has more than 20 years' experience as a Corporate Lawyer, specialising in corporate finance and capital markets in Singapore and the Asian region. Ms Gn is currently an Equity Partner in Shook Lin & Bok LLP where she actively advises both Mainboard and Catalist listed companies, SMEs, MNCs and financial institutions on areas of fund raising, IPOs/ RTOs/ dual listings, mergers and acquisitions, corporate structuring and corporate governance. Ms Gn is a winner of the International Law Office and Lexology Client Choice Award 2014 in Singapore for Capital Markets and has been recognised as a leading capital markets and corporate finance lawyer in Asialaw Leading Lawyers. She has been named as an expert in Euromoney's Guide to the World's Leading Women in Business Law and World's Leading Capital Markets Lawyers.

**Academic & Professional Qualification:**

Bachelor of Laws (Honours, Second Upper), National University of Singapore

Member - Singapore Academy of Law and the Law Society of Singapore

**Present Directorships in other listed companies:**

UMS Holdings Limited  
Darco Water Technologies Limited  
YHI International Limited

**Past Directorship in other listed companies held over the preceding three years:**

Libra Group Limited  
Mary Chia Holdings Limited



**MR WONG KING KHENG**

Independent Director  
Member, Audit, Nominating & Remuneration Committee

**Date of first appointment as a director:**

06 April 2024

**Date of last re-election as a director:**

26 April 2024

He is presently the Managing Director of K K Wong and Associates, a public accounting firm in Singapore which he founded in 2000. He is also the Managing Director and a substantial shareholder of Soh & Wong Management Consultants Pte Ltd, which provides consulting services for regional tax planning, merger and acquisition, strategic business plans and advises on initial public offering services including restructuring, feasibility studies, recruitment, profit forecasts and financial restructuring, since 1988. From 1989 to 2000, Mr Wong was the Founder and Managing Partner of Soh, Wong & Partners, a public accounting firm. Prior to that, he was an Audit Manager in Deloitte Haskins & Sells, Singapore, an international accounting firm. He sits on the boards of several listed companies as an Independent Director.

**Academic & Professional Qualification:**

Fellow of the Institute of Singapore Chartered Accountants  
Fellow of the Institute of Certified Public Accountants Australia  
Member of the Malaysian Institute of Accountants

**Present Directorships in other listed companies:**

Tiong Woon Corporation Holding Limited  
Ossia International Limited  
JCY International Limited (Bursa Malaysia)

**Past Directorship in other listed companies held over the preceding three years:**

Hatten Land Limited

# KEY EXECUTIVES



**MR TAN SIEW HEE**

Chief Financial Officer

Mr. Tan Siew Hee is the Chief Financial Officer (the “CFO”) of the Company and is responsible for the Company’s financial and accounting matters and its compliance with financial reporting and regulatory requirements.

He has more than 20 years of experience in dealing with financial and accounting matters of companies and in ensuring compliance with financial reporting and regulatory requirements. He has worked in corporate reporting and financial accounting roles since 1995.

From 2009 to 2019, Mr Tan was Finance Manager in Sembcorp Environment Pte. Ltd., the waste management and recycling business unit and wholly owned subsidiary of Sembcorp Industries Limited, and subsequently promoted to Senior Finance Manager. He spent one year from 2018 to 2019, in Sembcorp (China) Holding Co., Ltd., as Financial Controller for the power and wastewater business segments.

He started his career as a finance executive with a unit trust marketing company in Malaysia in 1995, then in 1996 joined Panalpina World Transport (S) Pte. Ltd. as a finance executive. In 1997 he joined a non-profit organization, Central Christian Church, with his last role as Finance Manager. From 2004, he was Finance Manager at Chevron International (S) Pte Ltd, a mechanical engineering manufacturing firm. In 2007, he was Group Finance Manager with Advanced Integrated Manufacturing Limited, an electronic manufacturing services company, before joining EMS Energy Limited, an oil and gas service provider, as Group Finance Manager in 2008.

Prior to joining the Company, Mr Tan was General Manager of Tay Paper Recycling Pte. Ltd, a recycling company.

He is a Member of the Association of Chartered Certified Accountants since 2008 and a Fellow since 2013. He graduated from Universiti Pertanian Malaysia with a Bachelor’s Degree in Accountancy (2nd Class Upper) in 1995.

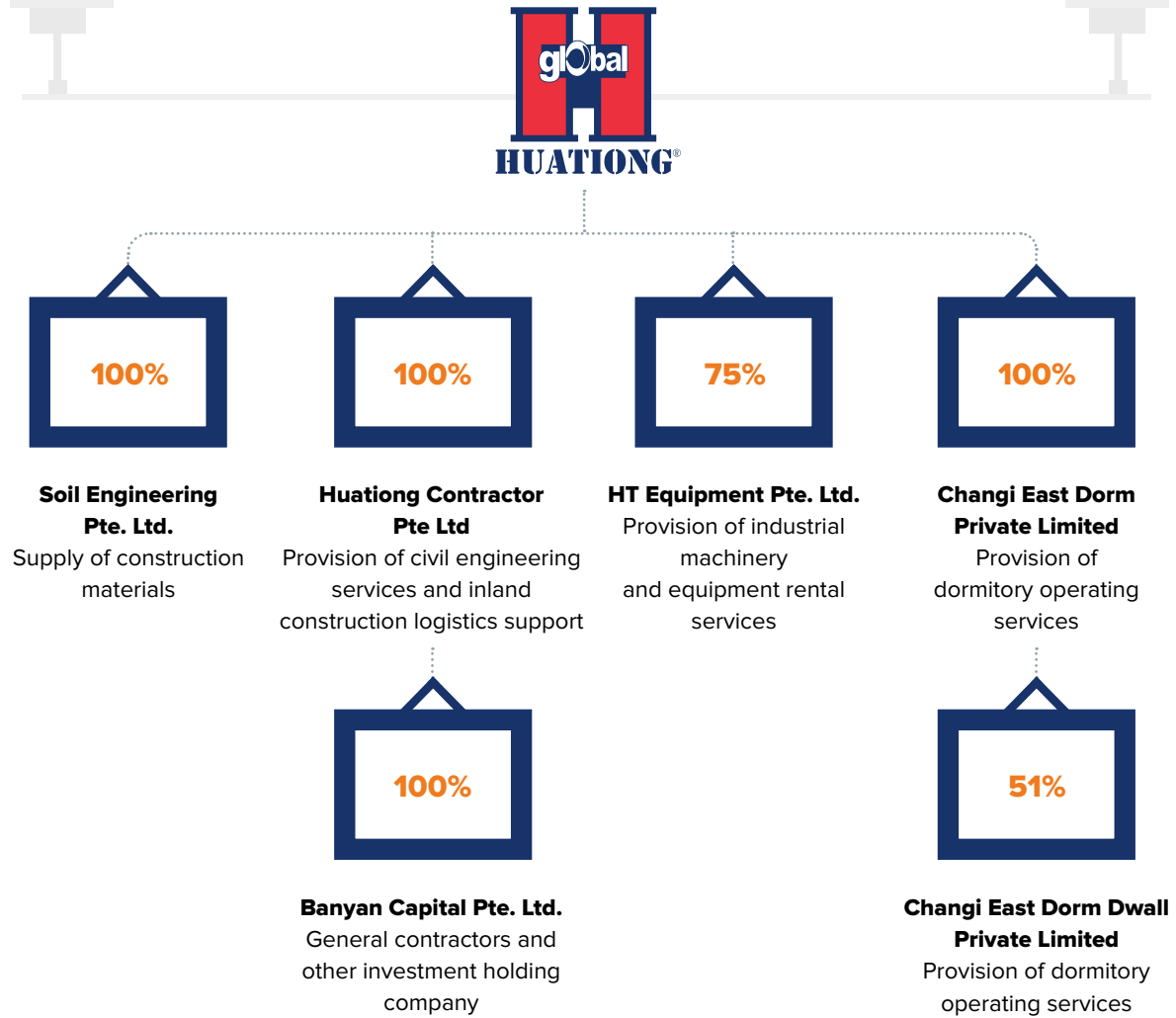


**MS HENG YANN SYIN**

Head of Contracts

Ms Heng Yann Syin, is our Head of Contracts. Ms Heng joined our Group in 2002 as an Assistant Quantity Surveyor before being promoted as a Contract Administrator in 2004 and then as Senior Contract Administrator, Head of Department in 2012. In 2019, Ms Heng was promoted to Head of Contracts. Ms Heng oversees our contract department and is in charge of project tendering and procurement of projects.

Ms Heng graduated from Ngee Ann Polytechnic, Singapore, with a Diploma in Civil and Environmental Engineering in 2002.



**Note :** Golden Empire-Huatong Pte. Ltd., an indirect joint venture, has been wound up and struck-off on 29 December 2023, as it has ceased business.



## **BOARD OF DIRECTORS**

**Ng Hai Liong**

(Executive Chairman and Executive Director)

**Ng Kian Ann Patrick**

(Chief Executive Officer and Executive Director)

**Ng Kian Yeow, Vincent**

(Chief Operating Officer and Executive Director)

**Yap Kian Peng**

(Lead Independent Director)

**Cheang You Kong**

(Independent Director)

**Wee Heng Yi, Adrian**

(Independent Director)

**Gn Jong Yuh Gwendolyn**

(Independent Director)

**Wong King Kheng**

(Independent Director)

## **COMPANY SECRETARY**

Leong Yoke Yeng

## **REGISTERED OFFICE**

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Singapore 629972  
Tel: (65) 6366 5005  
Fax: (65) 6368 1391

## **SPONSOR**

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Singapore 049318

## **AUDITORS**

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Partner-in-charge: Heng Bao Sheng  
(a practising member of the Institute of  
Singapore Chartered Accountants)  
(Appointed since the financial year ended  
31 December 2023)

## **SHARE REGISTRAR**

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## **PRINCIPAL BANKERS**

**DBS Bank Ltd.**

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Singapore 018982

**Oversea-Chinese Banking Corporation Limited**

65 Chulia Street  
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**TABLE OF CONTENT**

<b>BOARD STATEMENT</b>	<b>18</b>
<b>ABOUT THIS REPORT</b>	<b>19</b>
<b>ORGANISATIONAL PROFILE</b>	<b>20</b>
<b>CORPORATE STRUCTURE</b>	<b>20</b>
<b>SUPPLY CHAIN</b>	<b>20</b>
<b>OUR APPROACH TO SUSTAINABILITY</b>	<b>22</b>
<b>STAKEHOLDERS ENGAGEMENT</b>	<b>24</b>
<b>IDENTIFYING OUR FOCUS</b>	<b>25</b>
<b>TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</b>	<b>26</b>
<b>WATER AND ENERGY CONSUMPTION</b>	<b>31</b>
<b>WASTE DISPOSAL AND MANAGEMENT</b>	<b>35</b>
<b>EMPLOYMENT</b>	<b>37</b>
<b>OCCUPATIONAL HEALTH AND SAFETY</b>	<b>39</b>
<b>TRAINING AND EDUCATION</b>	<b>39</b>
<b>GRI CONTENT INDEX</b>	<b>41</b>
<b>TFCD DISCLOSURES INDEX</b>	<b>43</b>

## BOARD STATEMENT

The Board of Directors (the “Board”) supports and guides the Company in its sustainability efforts and to safeguard the long-term success of the Company and of its stakeholders. Our continued focus on sustainability will place Huatong in a better position to create value for shareholders while managing changes towards a climate-resilient industry and meeting expectations of the wider stakeholder community. Together with the Board, our Management remains focused in managing our commitments to sustainability efforts to ensure sustainable growth and our impact to the communities where we operate.

We have also adopted recommendations from the Taskforce for Climate-related Financial Disclosures (TCFD) Recommendations within this report. This includes managing risks and opportunities associated with the climate when shaping our business strategy, defining objectives, and establishing performance benchmarks.

Management and staff work together to build capabilities by leveraging technology such as Building Information Modeling (BIM), and digitalisation for our projects as part of our quality and innovation. to extend the value proposition of our businesses and safeguard stakeholders’ interests.

We respect human rights across our operations and value chain. The Group continues to prioritise the health and safety of our workers seriously, as we have achieved zero cases of fatalities. With regard to our performance on Human Capital, while hiring has slowed, we continue to make progress in investing in our people through continuous training and development.

We took positive steps to reduce our reliance on fossil fuels by introducing electric generated vehicles and vans gradually. This is our commitment to an environmentally friendly operations and will enable us to reduce our running costs in the long run.

As we progress on our sustainability journey, we will regularly review and revise our performance indicators and targets to align with our business objectives.

On behalf of the Board, we would like to thank all our stakeholders for their continued support and look forward to working with all stakeholders to build a sustainable future together in the year ahead.

## OUR VISION

Provision of value-added integrated solutions in civil engineering to various stakeholders and safely deliver projects on time for our customers.

We also strive to enhance growth of our industry by fostering new ideas and innovation, creating long-term value for our stakeholders.

## OUR CORE VALUES



**Teamwork**



**Integrity**



**Excellence**



**Employee Recognition**



**Safety**



**Innovation**



## ABOUT THIS REPORT

### Report Methodology

This report is prepared in accordance with Rules 711A and 711B of the SGX-ST Listing Manual Section B: Rules of Catalist (“Catalist Rules”) and with reference to the Global Reporting Initiative (“GRI”) Universal Standards Sustainability Reporting Guidelines 2021 and its reporting principles.

We have adopted the GRI reporting framework for its robust regime and detailed guidance on which offers an internationally recognised benchmark for the disclosure of governance approaches, the environmental, social and economic performance and impacts on organisations. The GRI content index and relevant references are provided at the end of this report.

The Board of Directors of the Group has complied with the Singapore Exchange Regulation in attending the Sustainability training. All directors have attended the Sustainability training required as at the date of this report.

### Reporting boundaries

The report is prepared in accordance with GRI Principles for defining report content including:

- **Materiality**  
Focusing on issues that impact business growth and are of utmost importance to stakeholders.
- **Stakeholders Inclusiveness**  
Responding to stakeholder expectations and interest.
- **Sustainability Context**  
Presenting performance in the wider context of sustainability.
- **Completeness**  
Including all information that is of significant economic, environmental, social and governance impact to enable stakeholders to assess our Group’s performance.

### Report Scope

This report covers the period from 1 January 2023 to 31 December 2023, which is in line with our Group’s financial year 2023 (“FY2023”). Our Group has not sought any external assurance for this sustainability report. As part of our conservation efforts to go paperless, this report is provided in electronic format and is available for download on our website at <http://www.huatong-global.com> and at SGXNet. Shareholders may request a hardcopy by submitting the request form via email or post by 17 April 2024.

### Report Contact and Feedback

We value your feedback as part of our continued efforts to improve our sustainability initiatives and we encourage you to contact us through the following channels:

In writing to:

#### Huatong Global Limited

No. 9 Benoi Crescent Singapore 629972

Via our contact page at:

<http://www.huatong-global.com/contact.html>

## ORGANISATIONAL PROFILE

### Background

Our Group is one of the leading civil engineering service providers, with near to 40 years of presence and track record in numerous large infrastructure projects in Singapore.

Founded in 1983 and listed on the Catalist of the SGX-ST since 9 December 2014, Huatong Global Limited is headquartered in Singapore. In addition to our core pillars of civil engineering services, inland logistic support and sale of construction materials, we have also ventured into a new sector in maintenance and operation of dormitory. Our sustainability journey is aligned and driven by our business activities along each pillar.



CIVIL ENGINEERING SERVICES



INLAND LOGISTIC SUPPORT



SALE OF CONSTRUCTION MATERIALS



DORMITORY OPERATIONS

For more information, kindly refer to the Corporate Profile on page 2 of the Company's FY2023 annual report ("Annual Report").

## CORPORATE STRUCTURE

For more information, kindly refer to page 15 of the Annual Report.

## SUPPLY CHAIN

Huatong believes that sustainable supply chain management is a robust driver of value and success for our business. As the world economy continues to face supply chain disruptions due to geo-political events, we monitor the impact and take necessary actions such as diversifying our sources of raw materials and build in longer lead time for delivery.

### Supply Chain Assurance

A set of stringent selection and evaluation criteria has been established to assess and ensure the suppliers and subcontractors' performance align with our quality standards, social and environmental principles.

The criteria that we examine our key suppliers and subcontractors include:

- the quality of the products and services provided;
- financial health;
- reputation in the industry and market; and
- sustainability efforts undertaken by our suppliers and subcontractors such as effective health and safety system, environmental management and ethical conduct.

This supplier selection and evaluation process also ensures that we provide fair and transparent treatment to all our suppliers and subcontractors.

We also recognise the importance of performing periodic checks and assessments on services provided by our existing suppliers to ensure that the products and services provided by them meet our stringent quality standards, are aligned with our business requirements and also help us achieve our sustainability objectives.

## Awards, Certificates and Memberships of Association

As testament to our commitment towards maintaining high standards of environmental, safety compliance and management, our Group has received numerous awards and accreditations such as:

- BizSAFE Level Star Certificate
- BCA Green and Gracious Builder Award
- General Builder Class 1
- General Builder Class 2
- ISO 9001: 2015
- ISO 14001:2015
- ISO 13485:2016
- ISO 45001:2018

Some subsidiaries of our Group are registered with the Singapore Contractors Association Ltd under the following trade registrations:

- CS01 - Road Works, Pipe and Cable Installation, Road Instatement and Maintenance
- CS03 - Concreting
- CS10 - Demolition
- CS11 - Soil Investigation, Stabilisation and Earthwork Services

These subsidiaries are admitted to the Registry of Singapore List of Trade Subcontractors.





## OUR APPROACH TO SUSTAINABILITY

### Sustainability Approach

Under the leadership of our Board, we integrate sustainability principles into our businesses. Our Board oversees our sustainability direction and strategies and is supported by our management team.

### The Board

- Provides strategic direction and specifically considers sustainability issues as part of its strategic formulation
- Determines material ESG factors and ensures that they are monitored and managed
- Evaluates the sustainable practices from time to time to ensure that these practices are of continued relevance to our operations

### Management team

- Assists the Board in fulfilling its responsibilities for our Group's sustainability initiatives
- Implements sustainability-related initiatives cascaded from the Board, ensuring a clear and consistent approach across our Group

We actively engage our key stakeholders, especially during this period of volatility to understand and evaluate their needs to ensure their expectations are in line with our value creation strategy. Please refer to page 24 for our stakeholder engagement framework and activities in this report.

### Corporate Governance

Our Group is committed to maintaining a high standard of corporate governance and ethical business conduct to ensure our Group's long-term success, as well as to safeguard the interests and maximise value for our stakeholders. We also strive to conduct our business activities in a socially- and environmentally-sustainable manner. We understand the importance of good corporate governance, greater transparency and accountability in our businesses.

Our Group have adopted a framework of corporate governance policies and practices in line with the principles and provisions set out in the Code of Corporate Governance 2018 (the "2018 Code"). Details of our compliance to each of the principles and provisions listed in the 2018 Code are disclosed in the corporate governance report of our Annual Report. Any deviations from the guidelines in the Code, where noted, will be duly explained.

### Code of Conduct

Our Group's Code of Conduct is established in the Employees' Handbook which is made known to all our employees. It serves as a central guide and reference to our employees on our expectations and principles of workplace behaviours. Our Group advocates a "zero tolerance" and strict stance against bribery and corruption. All employees are expected to fully comply with the Code of Conduct.

### Declaration of Conflict of Interest

Our Group have established a set of policies and procedures for employees' declaration of potential conflict of interests. All employees of our Group are required to declare and disclose any situation where their private businesses or personal interests may conflict with those of our Group.

## Whistle-Blowing Policy

Huatiang promotes constructive dialogue with employees and provides avenues for employees to raise their concerns and report cases of suspected fraud, corruption, and dishonest practices. Our Group has a whistle-blowing policy where employees may, in confidence, raise concerns about possible irregularities in financial reporting and/or other matters.

Our whistle-blowing policy also defines reportable incidents, to provide clarity to our employees. A copy of our whistle-blowing policy can be found in our Employee Handbook, which is made available to all our employees.

The policy includes provisions for the independent investigation of such matters and permits whistle blowers to report directly via email to any of the Whistle-Blowing Committee members. The Whistle-Blowing Committee comprises of all members of the Audit Committee, all of whom are Non-Executive and Independent Directors. The Audit Committee (the “AC”) has the power to conduct or authorise investigations into any matter within the AC’s scope of responsibility, and if it deems appropriate, may engage independent advisors at our Group’s expense for the purpose of resolving the complaint. Findings from any investigations shall be reported to the AC for their further action.

## Enterprise Risk Management Framework

Our Group strives for sustainable business growth through strict compliance with corporate governance and risk management practices. Risk management is a vital aspect of our business activities and decision-making process.

An Enterprise Risk Management (“ERM”) framework was established to identify, manage and mitigate significant risks of our Group, as well as to capture opportunities that our Group can potentially leverage on to meet our business objectives. The Risk Committee, comprising our Chief Executive Officer as the Chairman and three (3) independent directors as members, oversees the risk management of our Group. Regular reviews on our Group’s strategic, financial, operational and compliance matters are carried out so that the Group can identify emerging risks and adopt a precautionary approach to managing risks.

## ERM OBJECTIVES



The ERM framework includes half-yearly reports to our Board regarding current and emerging risks, and mitigating measures in place. This enables us to be vigilant and prepared while managing recognised risks in an efficient and structured manner.

## STAKEHOLDER ENGAGEMENT

Huatiang values all stakeholders and their feedback as integral parts of our business. We actively engage our key stakeholders through various channels to understand their concerns in order to align the business interest and ultimately to generate sustainable value in the long run. Huatiang continues to enforce timely and accurate corporate disclosures and transparency, via announcements through SGXNET in accordance with Catalyst Rules.

Annual General Meetings are an important platform where our Directors and Executive Officers engage shareholders directly. We have identified 6 stakeholder groups who are significant to the Group's business and operations. The key topics and the engagement platforms are as follows:

Stakeholders	Key Topics	Engagement Platform
Employees 	Occupational health and safety Fair employment practices and compensation Training & development Performance Work-from-home arrangement Staggered working hours	Employee Handbook Trainings Performance appraisals Grievance / feedback channels Internal communication through emails Team bonding activities Annual appreciation dinner Staff exit interviews
Customers 	Product / Service quality Project timeliness, requirements and specifications Workplace safety Information and data security Feedback on completed projects	Regular meetings Feedback channels such as email and telephone communications Corporate website Site visits Virtual meetings
Suppliers/ Consultants/ Subcontractors 	Product / Service quality Project timeliness, requirements and specifications Workplace safety Pricing and payment terms	Regular meetings Timely feedback regarding material/services provided Site visits Virtual meetings
Shareholders & Investors 	Business strategy and directions Financial performance Dividend pay-out	Shareholders' meetings SGX announcements Corporate website and email
Government & Regulators 	Corporate governance Compliance with rules and regulations Sharing of industry best practices	Government publication / written communication Industry networking functions Seminars conducted by the regulators
Community 	Clean and safe environment for the community Keep neighbours informed of disruption in their lives Green and gracious environment	Meetings Notices Charity events

## IDENTIFYING OUR FOCUS

With continuous engagement with our stakeholders and periodic re-assessment of the risks identified through our Enterprise Risk Management process, we have assessed that the following five (5) material aspects continue to be relevant and important to our business model and strategy.



### Materiality methodology overview

Our materiality assessment aimed to identify and assess the ESG issues, risks and opportunities in area that mattered most to our stakeholders and the Group. It adopted a rigorous data-driven approach that evaluated both internal and external perspectives.

#### 1. Risk sensing

We analysed our industry studies on current sustainability trends to identify long-term sustainability success factors.

#### 2. Stakeholder engagement

We analysed the past Q&A from direct meetings with Stakeholders and understanding their concern and identify long term sustainability success factors.

#### 3. Risk studies

We conducted risk discussions at business unit (process) level and corporate level to acquire understanding of the key operating processes risks and link these to business processes/departments. Updated key risks and controls, identified exceptions and control gaps and understood root causes of deficiencies noted. Based on root causes identified, suggested mitigation action plans to assist in rectifying gaps. Based on the existing controls, assessed the likelihood and impact on risks identified. Analysis can be qualitative, semi-quantitative or quantitative. Updated a risk-control matrix, rated the significance of each risk noted (Extreme/High/Moderate/Low/Insignificant) – prioritisation.



#### 4. Risk topic prioritisation

Business risks are prioritised based on the following potential significance:

- (i) The likelihood that the risks will have a negative impact on the organisation; and
- (ii) The magnitude of the potential impact of the risk on the organisation.

### **TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)**

Climate change is a long-term global risk that may have material financial impact on the Group. The Group is also aware that aside from climate-related physical risks, the Group may also be affected by climate-related transitional risks such as policy & legal, technology, market and reputation.

The Group is committed to building resilience against climate change. highlights the Group's climate-related risks and opportunities as well as our management of the potential impact of climate-related issues on our business strategy in our rapidly evolving global landscape.

#### **Taskforce on Climate-related Financial Disclosures Recommendations**

Integrating climate resilience into our business strategy is essential for long-term value. Sustainable practices that reduce emissions and resource consumption gives the Group a competitive edge amidst the global move towards a low-carbon future.

Climate change exerts wide ranging impacts, and the Group is not spared from it. We also acknowledge the significant influence climate change has on our business operations and stakeholders. Therefore, we remain vigilant in assessing the risks and opportunities associated with this issue. In doing so, we pave the way for a resilient business path, aligning with the global efforts of governments to achieve decarbonisation goals.

This section presents a detailed discussion of our approach to the disclosure recommendations of the TCFD framework under the four core elements: climate-related governance, strategy, risk management, and metrics and targets.

As Paris Agreement nations around the world endeavour to limit global temperature rise to below 1.5°C, we seek to do our part to reduce GHG emissions in our business activities. Our commitment is to conduct our businesses in a sustainable and environmentally responsible manner. However, we are exposed to risks and challenges resulting from climate change and must strive to build climate resilience across our businesses. The journey begins when we understand and evaluate risks and opportunities arising from climate change, and the corresponding financial impact.

#### **Governance**

*Describe the Board's oversight of climate related risks and opportunities*

Climate risks and opportunities were discussed and identified by the senior management based on the TCFD framework. After formulating the corresponding strategies and mitigation, management presented to the Board. The Board has collectively reviewed and approved the climate risks and opportunities identified by the management. In mitigating the impact of climate change, the Board will endeavour to implement and continuously fine tune its sustainability governance structure by engaging management and operational leadership teams to oversee our climate mitigation strategies.

Moving forward, the Board will be updated on the progress of the Group's mitigation and strategy against the identified climate risks and opportunities at least once a year or as necessary.

The Board has the overall responsibility for the Group's sustainability strategy, including climate-related risks and opportunities. Management evaluate and monitor climate-related risks and opportunities and report to the Board.

At the highest tier, the Board oversees the management and monitoring of the material EESG factors of the Group and ensure that sustainability considerations are incorporated into its business strategy. Management will prepare, review and report on the material EESG aspects to the Board.

Management drives and guides the Group's sustainability agenda and regularly updates the Board on the Group's sustainability strategies and initiatives and is responsible for reviewing and assessing the Group's sustainability goals and performance. Specifically, sustainability policies are also evaluated annually to highlight areas of improvement. Any critical concerns are reported to the Board. There were no critical concerns that were reported in FY2023 to the Board.

The management and execution of EESG and climate-related strategies are delegated to the respective business units and departments. The key roles and responsibilities of the management include:

- Execution of EESG strategies, policies and procedures;
- Collation of EESG data;
- Monitoring compliance with relevant regulations and industry standards; and
- Monitoring and reporting of EESG performance and targets.

All Board members have attended sustainability training courses to advance their skills and knowledge on sustainability matters, pursuant to Rule 720(7) of the SGX Mainboard Rules.

#### *Describe management's role in assessing and managing climate-related risks and opportunities*

The identification of climate-related risks and opportunities was undertaken by the management team. The management will be supporting the Board to implement the identified climate-related strategies from ground up together with the support of the operational leadership teams within the Group. The operational leaders and the Group's management will regularly review the progress and strategies within their operational sites to ensure that the strategies are implemented accordingly. For critical decisions pertaining to sustainability, the management and operational leaders will agree and make critical decisions pertaining to sustainability that might present risks or opportunities to the Group's operations.

#### **Strategy**

We seek to transform the Group to be a climate-resilient and future-ready business. Our climate strategy is to identify, assess, prioritise, mitigate, and monitor climate-related physical and transition risks in our business. Furthermore, we also seek to capitalise on climate-related opportunities with the global shift to a lower-carbon economy by year 2030 and a net-zero standard by year 2050. We expect our strategies to develop further and be improved as we progress with deeper analysis of risks and opportunities over the coming years.

## Scenario Analysis

To assess the impact of climate change on our business, we have performed scenario analysis to review risks and opportunities under different climate scenarios as follows:

Scenario	Paris-aligned scenario (below 2°C)	Missed Paris targets scenario (5°C)
Rationale	To assess the risk and impact in a world economy moving to a low carbon position. It assumes regulatory changes with corresponding affirmative corporate and national actions to limit global warming to under 2°C.	To assess the risks of a higher emission scenario, assuming limited policy changes or failure to achieve Paris targets to reduce emissions which is a worst case scenario.
Underlying model	International Energy Agency's Sustainable Development Scenario	Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway 8.5
Used to analyse	Transition impacts	Physical impacts
Assumptions	Transition features: <ul style="list-style-type: none"> <li>• Carbon tax and pricing introduced</li> <li>• Fossil fuel subsidies phased out by year 2050 in net-importers and by year 2035 in net-exporters</li> <li>• Increased generation from renewable energy</li> </ul>	Physical features: <ul style="list-style-type: none"> <li>• Global emissions continue to rise because of high carbon intensity</li> <li>• Global mean sea level rise of 0.63 metres by year 2100</li> <li>• High frequency and intensity of heat waves and extreme weather events</li> </ul>

Taking into consideration the above scenarios, we have identified the following risks and opportunities, and their impact on our business should the above scenarios materialise.

In line with our commitment to align with the recommendations, our identification and assessment of climate risks considers:

- Transition risks: include changes to policy and legal obligations, technological innovation, changing market demand for products, and changing stakeholder expectations.
- Physical risks: risks relating to the physical impacts of climate change (both acute and chronic).
  - Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods.
  - Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

The table below reflects our understanding of our most significant climate-related risks relevant to our business. The Group recognises and is aware that the list is not exhaustive, and we will broaden our understanding and responses to these risks.

## Climate related risks

Physical and Transition Risks	Impact
<b>Acute</b> Increased frequency and severity of extreme weather events (flooding, wildfires, La Nina, El Nino)	<ul style="list-style-type: none"> <li>Increased capital costs to replace assets damaged during extreme weather</li> <li>Higher insurance premiums for project sites</li> <li>Increased costs due to site delays/disruptions due to increasing number of inclement weather days</li> <li>Additional costs incurred to protect equipment and sites from extreme weather</li> </ul>
<b>Chronic</b> Rising mean temperatures	<ul style="list-style-type: none"> <li>Higher energy costs</li> <li>Increased heat related health risk for employees</li> <li>Reduced employees' work productivity</li> </ul>
<b>Policy and Legal</b> Increase in regulation of existing products and services	<ul style="list-style-type: none"> <li>Increased compliance and operation costs</li> <li>Implementation of carbon taxes will lead to higher input energy and fuel costs</li> <li>Phasing out of existing assets due to policy changes</li> <li>Additional training costs for new work processes and equipment</li> </ul>
<b>Technology</b> Costs of transition to lower emissions technology	<ul style="list-style-type: none"> <li>Cost to purchase sustainable technologies and equipment to replace existing equipment</li> </ul>
<b>Market</b> Increased cost of raw materials	<ul style="list-style-type: none"> <li>Increase in energy and water costs</li> <li>Increase in transportation and freight costs</li> </ul>
<b>Reputation</b> Increased customer expectation	<ul style="list-style-type: none"> <li>Loss of customers and fail to secure new projects</li> </ul>

## Climate related Opportunities

Type	Opportunity
<b>Resource Efficiency</b> Reduced energy water usage and consumption	<ul style="list-style-type: none"> <li>Enhancing energy efficiency and water conservation in our operations and office premises, resulting in cost savings</li> </ul>
<b>Energy Source</b> Use of supporting policy incentives	<ul style="list-style-type: none"> <li>Use of government grants and supporting incentives can offset capital expenditures required to adopt greener energy sources and technologies, resulting in cost savings</li> </ul>
<b>Resilience</b> Participation in renewable energy programs and adoption of energyefficient measures	<ul style="list-style-type: none"> <li>Increased market valuation through resilience planning (e.g., human capital, infrastructure, equipment, building)</li> <li>Better competitive position and branding to capture shifting consumer preferences for environment-friendly products and services, resulting in increased revenue</li> </ul>

## Risk Management

Huatong also acknowledges that maintaining a sound system of risk management is imperative to safeguard the interests of the Group and its stakeholders. To keep abreast of any changes in existing regulatory requirements and practice of good corporate governance, our group proactively identifies and monitors any major environmental risks related to our business.

With a systematic risk management framework in place, the Group's capabilities in identifying and mitigating business risks are continually enhanced. As part of our annual enterprise risk assessment exercise, climate-related risks are identified, assessed, and managed to ensure that these risks remain within our risk appetite.



The table below illustrates our key mitigation strategies for material climate-related risks.

Physical and Transition Risks	Key Mitigation
<b>Acute</b> Increased severity of extreme weather events such as flooding	<ul style="list-style-type: none"> <li>Identify and implement climate adaptation measures (flood prevention regulations) and mitigate and address related climate risks into work plan.</li> <li>Periodically update business continuity plan and crisis management plan</li> <li>Develop climate-resilient policies and procedures as well as integrate them as a part of enterprise risk management efforts</li> </ul>
<b>Chronic</b> Rising mean temperatures	<ul style="list-style-type: none"> <li>Adopt more water efficient fittings and energy saving products</li> <li>Assess temperature conditions and shorten outdoor exposure time and use frequent short rest breaks and work stoppages for employees</li> <li>Provide a better indoor environmental quality (e.g. air-conditioner) for our employees</li> </ul>
<b>Policy and Legal</b> Mandates on and regulation of existing products and services	<ul style="list-style-type: none"> <li>Comply with regulatory and client requirements on sustainable WHSE practices</li> <li>Monitoring of regulatory changes and performance of annual assessments to identify impact of changes on business</li> <li>Implement and obtain GGBS accreditation to train staff and promote good practices</li> </ul>
<b>Technology</b> Costs of transition to lower emissions technology	<ul style="list-style-type: none"> <li>Maintain close relationship with suppliers and customers to identify new market requirements</li> <li>Change management planning to manage gradual transition to lower emissions technology</li> <li>Explore and implement off-site construction techniques and components</li> </ul>
<b>Market</b> Increased cost of raw materials	<ul style="list-style-type: none"> <li>Prioritise the optimisation of resource consumption in our value chain</li> <li>Monitoring of material and equipment prices in the market</li> <li>Monitor energy and water consumption</li> <li>Install energy and water efficient systems</li> <li>Use of electric vehicles</li> <li>Install solar panel</li> <li>Select and utilise low-carbon and reusable materials such as formwork</li> </ul>
<b>Reputation</b> Increased customer expectation	<ul style="list-style-type: none"> <li>Update staff and work processes in line with latest regulation and best practices</li> <li>Implement processes (GGBS) to comply with regulatory and customer requirements</li> </ul>

## Metrics and Targets

In addition to our existing metrics and targets, we will continue to enhance our disclosures and ability to identify and measure emissions, working with our suppliers and customers, and exploring new ways in which we can use analytics, automation, and artificial intelligence to enhance decision-making and transparency. Refer to the following sections for disclosures of our metrics and targets.

## WATER AND ENERGY CONSUMPTION

Environmental sustainability is one of the key tenets to construction industries worldwide and our Group recognises that we can contribute positively and tackle issues such as water scarcity and global warming.

In water-scarce Singapore where Huatong's business is operating, effective management of both the consumption and quality of water at our project sites is extremely important and our Group continues to conserve and reduce water consumption through various initiatives, listed in the "Water Conservation Initiatives" section of the report.

A considerable amount of energy is required to run our operations involving construction activities. We recognise the importance of our role in managing energy consumption to promote environmental sustainability and cost savings.

We understand the significant influence our operations can have on the environment, and we are committed to minimise our energy consumption and carbon footprint. Energy-saving initiatives will contribute to environmental sustainability and also enable us to reduce costs and have a positive impact on the Group's profitability.

Through these efforts, we aim to strike a balance between responsible energy usage and financial performance.

### Energy Efficiency Policies and Initiatives

The Group's energy consumption includes the usage of diesel for fuel as well as electricity from the grid. The Group utilises fuel for operating construction equipment, heavy lift and haulage equipment, gensets and other supporting vehicles.

To minimise fuel consumption, we prioritise operational efficiency by employing fuel-efficient equipment, such as Euro 6-compliant engines, whenever feasible. We also emphasise the importance of regular equipment maintenance and educate our operators on fuel efficiency and energy-saving practices, fostering their understanding of these concepts.

In terms of electricity consumption, it encompasses the usage of electricity across our facilities, including our activities, factory, dormitory and project sites. To reduce electricity usage, we have taken proactive steps. This includes replacing high-energy consuming lights with energy-saving LED lights in common areas such as stairways and offices and utilise inverter air conditioning systems and appliances endorsed with the Singapore "Green Label". We have also installed timers for air-conditioners, replaced ceiling lights with motion-sensor lights, and replaced outdated equipment with more fuel-efficient alternatives through the national Early Turnover Scheme.

To promote energy-saving habits among our employees, we have displayed energy-saving posters throughout our premises and regularly remind employees to conserve power whenever possible. We constantly educate our employees on how to implement the Reduce, Reuse and Recycle ("3Rs") initiatives in their daily work operations, and communicate energy saving tips such as using less air-conditioning and the benefits of car-pooling. We also actively monitor electricity usage and implement measures to reduce consumption.

Through these initiatives, we strive to manage fuel and electricity consumption effectively, reducing our environmental impact and working towards a more sustainable future.

## Energy Targets and Performance

In FY2023, we consumed a total of approximately 1,928,000 kWh (FY2022: 1,767,000 kWh) of electricity energy, and 17,376,000 litres (FY2022: 18,051,000 litres) of diesel.

There was a 9.1% increase in electricity consumption but 3.7% decrease in Diesel consumption in FY2023. The increase in electricity consumption was mainly due to the increase in Group's project activities in construction projects. The decrease in diesel consumption was due the reduction in inland logistics support business in FY2023.

To ascertain the Group's carbon footprint, energy usage data from each project and operational facility is gathered to calculate our annual greenhouse gas ("GHG") emissions. GHG emissions are derived in accordance with the GHG Protocol established by the World Resources Institute and the World Business Council for Sustainable Development, which is a globally accepted basis for corporate GHG accounting. Using the "operational control" method, we include 100% of the emissions associated with businesses where we have operational control. Our carbon footprint includes the Group's diesel consumption (Scope 1) and consumption of purchased electricity in our operations (Scope 2) and waste disposal from our operations to 3rd parties facilities (Scope 3).

For GHG, our Scope 1 emissions reduced from 48,316 tonnes of CO<sub>2</sub> equivalent in FY2022 to 46,508 tonnes of CO<sub>2</sub> equivalent ("tCO<sub>2</sub>e") in FY2023, representing a reduction of 3.7%. Our Scope 2 emissions from purchased electricity, increased from 736 tCO<sub>2</sub>e in FY2022 to 804 tCO<sub>2</sub>e in FY2023, an increase of 9.2%. The increase in Scope 2 emissions was mainly due to higher activity in the civil engineering business segment. For Scope 3 emissions generated from 3rd party waste disposal plants, it increased from 1,591 tCO<sub>2</sub>e in FY2022 to 2,626 tCO<sub>2</sub>e in FY2023, an increase of 65.1%. The increase was due to higher quantities of waste generated from the higher occupancy in dormitory operations.

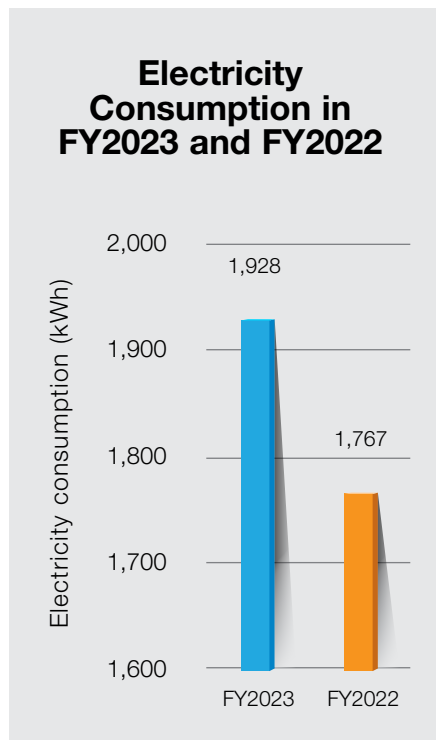
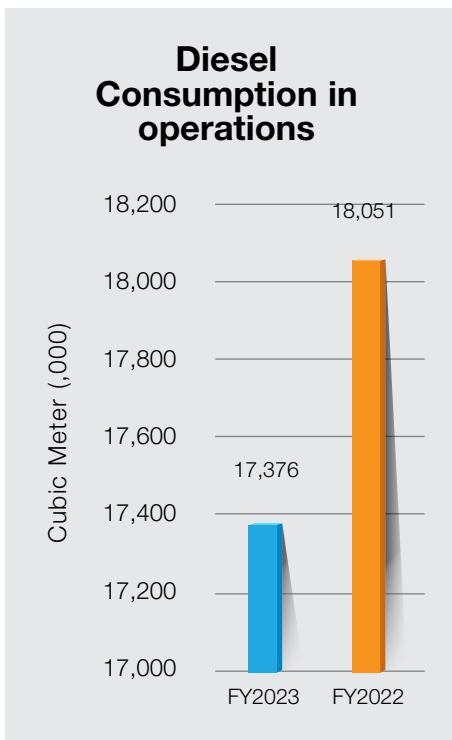
Due to the lower Scope 1 emissions, our intensity figures reduced from 334 tonnes CO<sub>2</sub> per million SGD of revenue in FY2022 to 286 tonnes CO<sub>2</sub> per million SGD of revenue in FY2023.

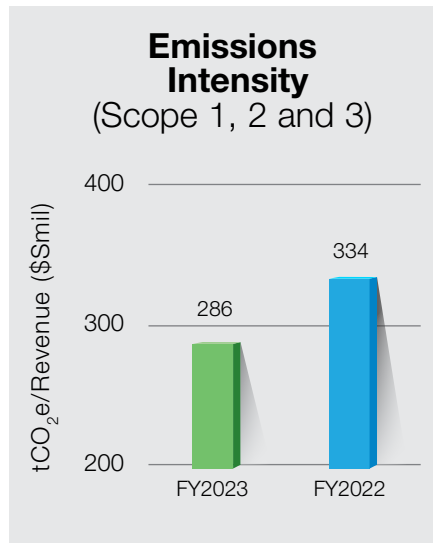
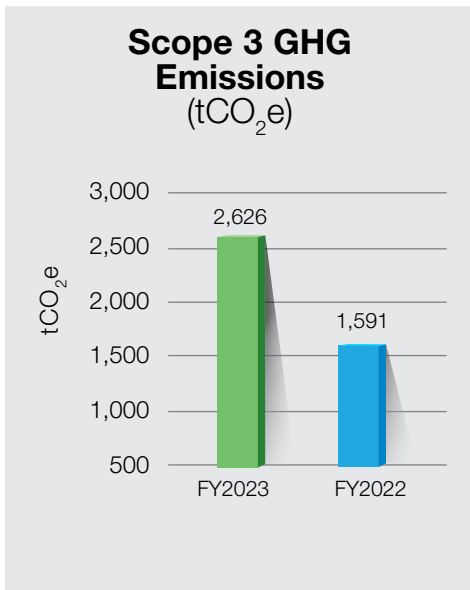
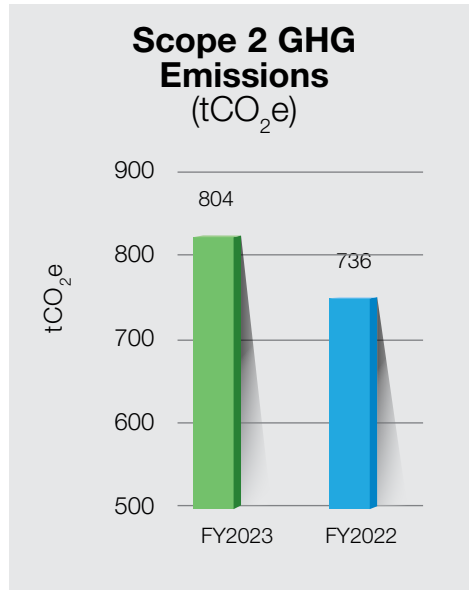
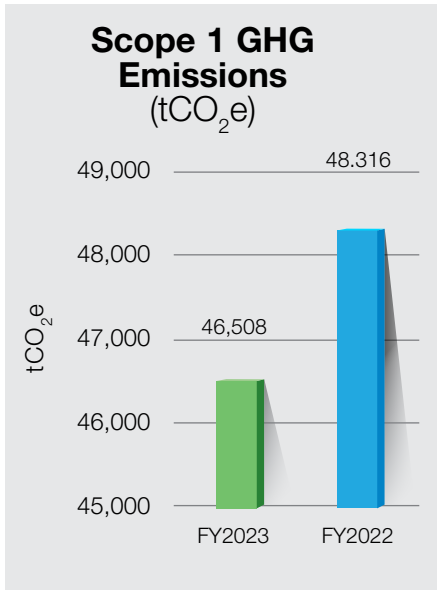
We continue to monitor our GHG emissions and adopt measures to reduce our GHG emissions in the coming years.

Target : We set an aim to work towards a quantitative target in our energy used in FY2023 but have not completed the exercise due to the change in the CRO. We aim to complete the exercise and set quantitative targets by FY2024.

An overview of the Group's energy usage is presented below:

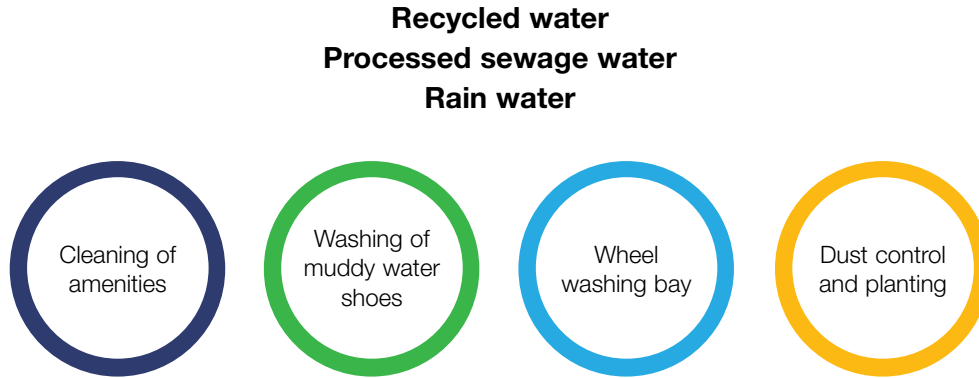
### Electricity, Water and Fuel Consumption and Direct (Scope 1) and Indirect (Scope 2 and Scope 3) GHG Emissions and Intensity





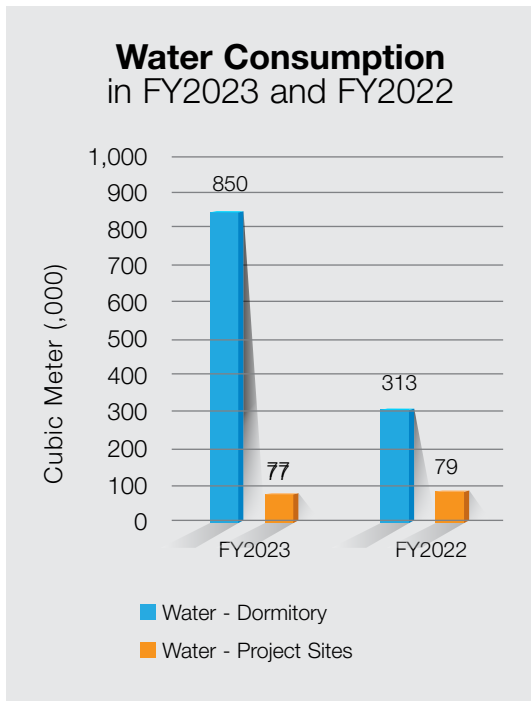


## Water Conservation Initiatives



In order to minimise the usage of fresh water in our operations, we utilise recycled water, and process sewage water and rain-water for daily operations. We encourage our employees and customers to cultivate water-saving habits by raising awareness on the importance of water conservation via sign-boards and stickers at our offices and work-sites as a friendly reminder. Our offices also use water-efficient fittings that come with half-flush mechanism and self-release water taps.

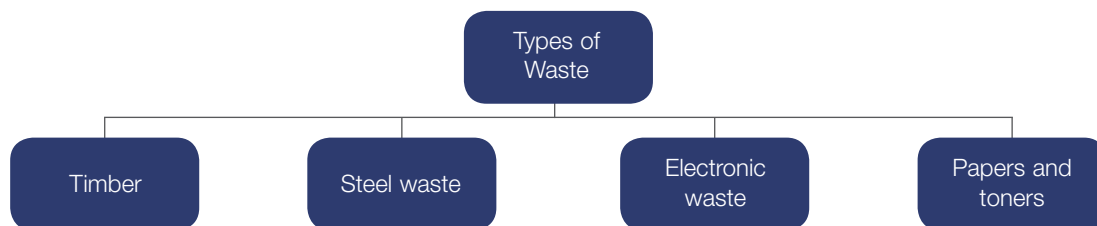
The total water consumption was 927,000 cubic meters (FY2022: 392,000 cubic meters) of water mainly due to Dormitory operation increased 136.5% from 313,000 cubic meter in FY2022 to 850,000 cubic meter in FY2023. The increase of water consumption was mainly due to a significant higher occupancy in the dormitory operations segment in FY2023.



## WASTE DISPOSAL AND MANAGEMENT

Construction activities generate waste, which puts a strain on our natural resources and ultimately leads to environmental degradation. Proper waste management is necessary to minimise environmental pollution and its threat to the environment and human health.

Our approach to waste management starts with using natural resources wisely and efficiently, accompanied with the conservation of energy and water. Our Group minimises waste through the 3Rs' approach. Disposal containers are placed around the project sites at designated areas for proper waste disposal.



Briefings are conducted regularly to guide workers for proper disposal of waste at the project sites. Materials such as timber and metal are reused at our site where possible. If the materials cannot be repurposed, they are sent for recycling, together with other non-recyclable construction wastes which are collected and processed by licensed contractors.

Currently, the majority of the waste generated is from the dormitory operation segment, as dormitory resident generate a substantial amount of general waste. The general waste could be sent directly to landfill as in other countries, which takes a great deal of time to decompose and occupies a large volume of space. However, in Singapore such general waste is sent to NEA approved incinerator plants ("NEA-IP") to generate electricity but produces 5-10% mass balance volume of ash residue which is finally sent to Pulau Semakau landfill.

For timber waste, generated from construction civil engineering activities, similarly, it can be reused as an alternative fuel source and is sent to waste-to-energy plants to generate electricity.

Construction waste collected by these contractors are segregated accordingly at respective construction sites before being transported to government landfills or incinerators.

Our Group has established a Green and Gracious Best Practices Operation Manual (the "GGBP") for the Green and Gracious Builder Scheme (the "GGBS"), including a detailed policy and procedures for waste disposal and management as well as our 3Rs Programme, which is disseminated to all our employees for adherence.

We have ongoing programs to raise awareness and encourage the employees and contractors to participate in our 3Rs Programme and responsible waste management initiatives. Through our annual GGBS Awareness Quiz, we monitor our employees' awareness on the GGBP and improve their knowledge and competency on the GGBS.

Since 2004, we have been recycling construction waste and aggregates to produce recycled concrete aggregates, which are typically used for road construction or trench backfilling.

We also manufacture and supply Liquefied Soil Stabilizer ("LSS"), a self-flowable, self-compacting and self-levelling alternative to conventional compacted fill. LSS is an environmentally friendly material and can be used as non-structural fill for buildings and other structures, as well as for backfill in utility and road construction. LSS reuses soil that has been excavated in construction projects and which would otherwise be discarded as waste. Compared to conventional compacted fill, LSS also has an advantage of being excavated again easily. Such practice serves to reduce the environmental impact with decreased dependence on non-recyclable materials.



# SUSTAINABILITY REPORT

In addition to our efforts to reduce waste disposal, the Group has also adopted the following initiatives that are both environmentally friendly and productivity-driven.

- Adoption of system formwork for its better casting quality and productivity, shorter assembling and dismantling time, is environmentally friendly due to its reusability and safer to use as compared to the conventional formwork
- Adoption of pre-fabricated reinforced concrete drains results in easy installation, higher structural and architectural standards and less concrete wastage at site when compared to the conventional cast-in-situ drains
- Adoption of high efficiency screener technology to separate rocks, soil, stones and rebar for reuse. The tier 3 engine ensures lower fuel consumption, thus reducing carbon footprint

Our sites use recycled and sustainable materials for non-structural applications such as making signages using excess rebars, timber and concrete, and making helmet racks, shoe racks using excess metal poles. We also reuse wasted plastic containers as flowerpots.

Our suppliers and subcontractors also play a role in helping us achieve our sustainability efforts. Our Green and Gracious Builder Scheme is included as one of the considerations during selection of suppliers and subcontractors. Our supplier evaluation form include scoring for suppliers' Environmental, Health and Safety performance.

In recognition of our efforts to reduce waste, our Group is certified as operating an environmental management system which conforms to the requirements of ISO 14001:2015 in the scope of providing building construction and civil engineering services as well as the production and delivery of LSS. Our Group also received the Green and Gracious Builder Award from the Building and Construction Authority ("BCA") since 2015 from Merit Award to Excellence Award in 2021.

## Volume of Waste Streams

	Timber (MT)	Steel Waste (MT)	General Waste (MT)	Electronic Waste (MT)	Paper Waste (MT)
FY2023	334	237	2,228	0.06	6.5
FY2022	306	375	1,152	0.18	1.4

Timber and general waste are sent to 3rd party NEA registered waste-to-energy plants (whether government or privately owned) where these alternative fuel sources generate electricity instead of being sent to landfill. Steel, electronic and paper waste are delivered to 3rd party NEA registered general waste disposal facility (GWDF) to be recycled in accordance with NEA guidelines.

3rd party recipients of the waste streams will weigh the waste received, either using stationary vehicle weighbridge that are ESG certified or using smaller weigh scale for waste with lower volumes. 3rd parties will provide weigh chits/notes with the weights identified and/or monthly reports with weight details. Documents and reports are maintained by the respective departments which collate the information for reporting to management.

## EMPLOYMENT

Our employees are recognised as vital assets as they ensure smooth-running and innovative operations within our Group, enabling us to achieve our business strategies and sustainable growth, and serve as a point of contact between our customers and our management. Hence, we recognise the importance of attracting and retaining a diversified talent pool to help inject fresh ideas and perspectives into the Group.

We have in place integrated human capital strategies and policies to enhance our Group's ability to attract and retain top talents as well as to improve employees' overall performance. Our comprehensive Human Resource ("HR") Policy covers key areas such as:

- staff recruitment and selection;
- remuneration and benefits;
- performance appraisals;
- career development and training;
- safety and security; and
- cessation of employment.

We also value recommendations and area of improvement gathered from exit interviews with leaving staff.

### Fair Employment Practices and Diversity

To ensure that we practice fair employment, we reference our HR practices from the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) which comprises the Ministry of Manpower (the "MOM"), Singapore National Employers Federation and National Trades Union Congress.

We embrace diversity by hiring and retaining talents based on meritocracy to ensure equal opportunities for growth and development. We conduct performance appraisal annually to evaluate the employees' performance and help them achieve their self-development goals.

These HR practices are encapsulated in our Employee Handbook which is shared to all our employees for transparency and accountability.

### Open Communication and Timely Feedback

In line with our commitment towards creating a conducive working environment, we constantly gather feedback from employees and communicate with them on their concerns and expectations through platforms such as departmental and project meetings, performance reviews and tea sessions. Through performance reviews and exit interviews, we gather feedback from our employees for the continuous improvement of our organisation. Furthermore, we establish a common understanding and promote an inclusive work environment based on mutual trust and respect by having open and effective communication channels with our employees. This is key to improving the effectiveness and efficiency of our business operations and management.

### Work Environment

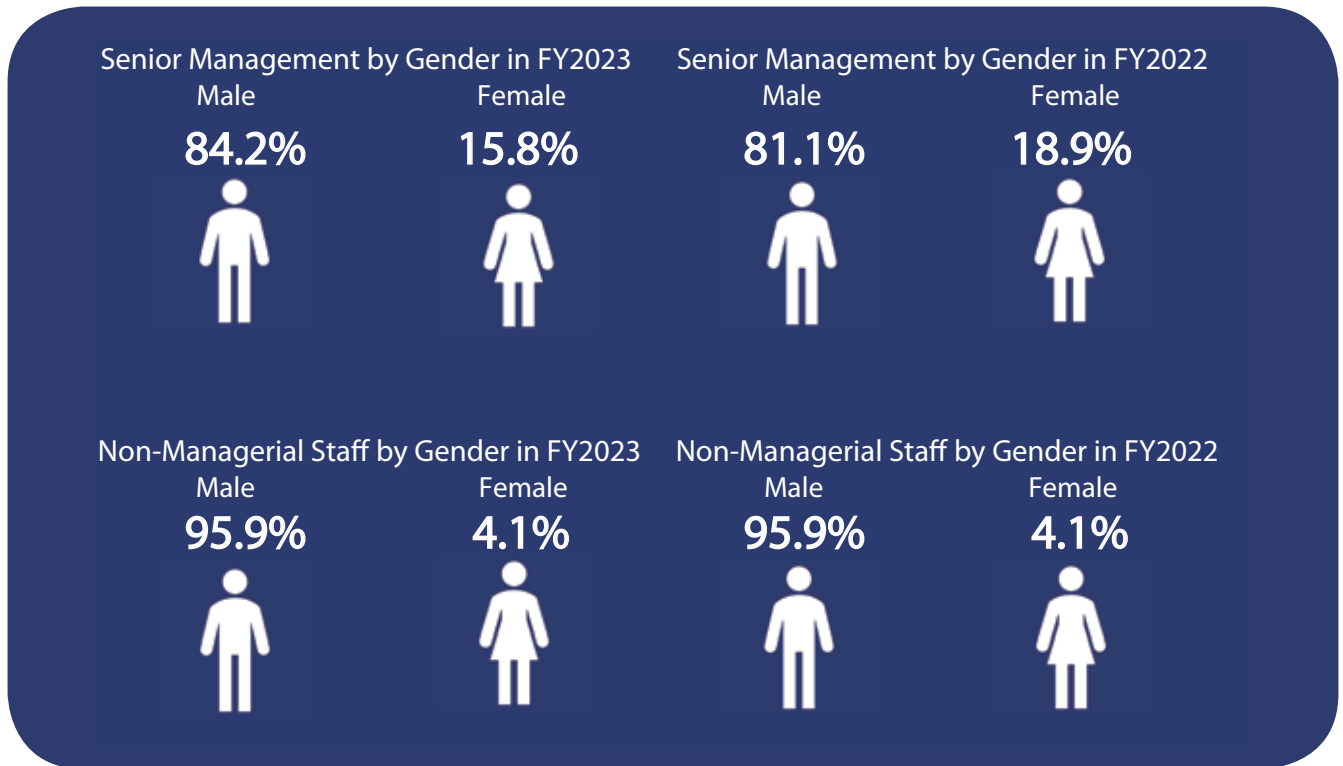
Our Group supports employees' mental and physical wellbeing through the provision of a secure and conducive working environment. We regularly monitor our performance in these areas and periodically review our policies so that we provide the best for our employees.

In addition to annual leave benefits mandated by government regulations, we go beyond by promoting work-life balance and a healthy lifestyle for our employees. We have a fitness gym and badminton courts located at our Headquarters where our employees can enjoy a change of pace by working out or playing a game of badminton with their colleagues. We also engaged a certified yoga teacher for a 2 sessions per week yoga training for interested staff to bring together mind and body after work.

We also extend our team bonding through company trips and events. Since the easing of Covid-19 measures, the Company has tried its best to promote bonding among the staffs. As such, the Company did a few meaningful events for staffs' participation, such as in Run and Walk event. The Company also threw in an oversea retreat for staffs which carries bags of memories and having back the annual Dinner and Dance in January 2023. These events and trip were memorable and brought the bonding of staffs and management to another level.



## Employee Statistics



Due to the nature of our industry, it is not feasible to achieve gender equality as more male workers are hired by the company to handle a physically demanding job scope. In FY2023, the number of female employees represented approximately 4.5% of our fulltime headcount of the Group and 15.8% of the Group's senior management post.

In FY2023, we hired 325 new employees, of which 12 were female.

## OCCUPATIONAL HEALTH AND SAFETY

Our employees' health and safety is the top priority of our Group, given that the industry we operate in has a higher risk of workplace accidents as compared to the other industries. We are responsible for and obligated to provide a safe and healthy environment for our employees, subcontractors and customers. The health and well-being of our people ultimately affect our Group's goals and objectives.

We believe that safety education and accident prevention is everyone's responsibility. All employees, especially site workers are equipped with the skills and knowledge to take ownership of workplace safety. Our management takes responsibility to closely monitor high-risk activities and share near-miss accidents that could lead to an accident. We also engage with our contractors and consultants through risk reviews and monitoring of environmental, health and safety matters.

We educate our employees to ensure they understand the safety rules and mandatory use of personal protective equipment to prevent injuries. It is compulsory for all our workers to attend regular safety and health trainings. These trainings present our WSH policy, highlight workplace hazards and potential risk areas of accidents that may occur and introduce our Occupational Health and Safety measures. Trainings for specific work activities, such as lifting, excavation, work at height, hot work confined space, are provided when required. These trainings help embed the fundamental concepts of safety into the work culture and ingrain these habits into of our employees.

Biannual fire drill exercises are conducted on site as well as in office as part of emergency preparedness procedure to ensure our employees are aware of the safety evacuation procedures.

Reminders are also given to employees on workplace safety. Safety measures and occupational health precautions are constantly conveyed to employees during the regular meetings such as daily toolbox meetings to ensure maximum safety protection at worksites. We circulate the WSH alerts issued by WSH Council to all the employees to remind them the importance of workplace safety. The alerts keep the Company and workers informed of recent WSH incidents, learning points and provide recommendations on how similar incidents can be averted.

We are certified under ISO 45001:2018 in Occupational Health and Safety Management. We also received BizSAFE Level Star certificate in recognition of our ongoing commitment and efforts to health and safety. Safety recognition and certifications incentivise employees at construction sites to maintain and improve the standards of health and safety at the sites.

In addition, we have established exclusion zones to prohibit entry of non-authorized personnel. Pedestrian walkway and vehicular paths are clearly segregated with barricades to eliminate risk of accidents and anti-slip gloves are provided for handling glass. We also have implemented the use of digital permit-to-work system for some of our projects. It is a versatile platform where digital permit-to-work can be submitted, validated and approved through the platform which allows easier monitoring of safety processes on site as all key stakeholders have real time access to the safety information on site.

In FY2023 and FY2022, there were no fatalities involved with any accident, and one (1) number of work-related injuries reported in FY2023 as compared to zero (0) accidents reported in previous financial year. We set a target for FY2023 for zero work-related accidents, which was not achieved. We will strive to continue to improve our safe work processes.

### Subsequent reporting for FY2024

Looking forward in FY2024, we aim towards a zero number of work-related injuries and fatalities. We will also continue to increase our state of preparedness in the event of any emergency and ensure a safe and healthy working environment for our employees.

## TRAINING AND EDUCATION

Our Group advocates continuous development and advancement for our employees through training programs as we believe that this equips employees with the necessary skillsets to execute their work, and helps in enhancing employees' competitiveness and productivity.

Our orientation programmes are conducted for new employees to familiarise themselves with our Group's key policies, general working environment, corporate culture, service knowledge as well as quality requirements. Workers are briefed on the in-house safety rules and regulations regularly and during their first day of induction.



# SUSTAINABILITY REPORT

On-the-job trainings are provided by the employees' immediate supervisors, who share their experiences and knowledge, provide guidance and advice, as well as monitor performance of individual employees. Experienced workers are assigned to new workers as part of our buddy system program.

We empower our staff with skills and experience through a range of learning and development programmes coordinated by our Group's Human Resource department or initiated by staff themselves. We regularly send our employees to attend seminars, conferences and trainings to improve their technical and functional skills, broaden their knowledge, and ultimately increase their productivity and efficiency at work. Our BCA Approved Training and Testing Centre ("ATTC") conducts courses on hydraulic excavator operation which are also open to public. We will continue to impart knowledge and skills on handling machineries, so as to help the workers to improve their work productivity and quality in a safe manner.

In FY2023, our employees attended various trainings in physical settings. Among others, we have named a few courses attended as follows:-

- Workplace Safety and Health Management in Construction Industry
- JTC Safety Induction
- Occupational First Aid Course and CPR + AED
- WSH Coordinator Refresher Training
- Perform Work At Height
- Electrical Wiring Installation
- HAZMAT Transport Driver Permit (HTDP)
- Perform Work In Confined Space Operation
- Workplace Safety And Health In Process Plant
- Construction Plant Operation (Non-Lifting)
- Foreign Workers Settling-in Programme
- Supervise Work In Confined Space Operation
- Chemical Safety Awareness
- Continual Education Training – Reinforced Concrete Works
- Develop Risk Management Implementation Plan

We set a target to increase the number of training hours per employee. However, we did not achieve the target, as our employees attended on average slightly less training hours in FY2023 as compared to FY2022. The average training hours per employee for FY2023 and FY2022 are as follows.

Training	FY2023	FY2022
Average hours of training per employee	15.1 hours	16.6 hours

### Subsequent reporting for FY2024

Our Group aims to improve the quality of our training courses and increase the current level of training hours so that our employees are provided with the necessary competencies and skills to perform their work in a safe and efficient manner.

## GRI CONTENT INDEX

<b>Statement of use</b>	Huatong Global Limited has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>LOCATION</b>
<b>GRI 2: General Disclosures 202</b>	2-1 Organizational details	Page 15
	2-2 Entities included in the organization's sustainability reporting	Page 15
	2-3 Reporting period, frequency and contact point	Page 19
	2-4 Restatements of information	Not applicable
	2-5 External assurance	Page 19
	2-6 Activities, value chain and other business relationships	Page 21
	2-7 Employees	Page 38
	2-8 Workers who are not employees	Not applicable
	2-9 Governance structure and composition	Page 22
	2-10 Nomination and selection of the highest governance body	Page 54
	2-11 Chair of the highest governance body	Page 52
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 63
	2-13 Delegation of responsibility for managing impacts	Page 47
	2-14 Role of the highest governance body in sustainability reporting	Page 22
	2-15 Conflicts of interest	Page 22
	2-16 Communication of critical concerns	Page 23
	2-17 Collective knowledge of the highest governance body	Page 10-13
	2-18 Evaluation of the performance of the highest governance body	Page 57
	2-19 Remuneration policies	Page 58
	2-20 Process to determine remuneration	Page 58
	2-21 Annual total compensation ratio	Due to confidentiality of this information, no disclosure is made.
	2-22 Statement on sustainable development strategy	Page 18
	2-23 Policy commitments	Page 18
	2-24 Embedding policy commitments	Page 18
	2-25 Processes to remediate negative impacts	Page 23
	2-26 Mechanisms for seeking advice and raising concerns	Page 23
	2-27 Compliance with laws and regulations	Page 44
	2-28 Membership associations	Page 21
	2-29 Approach to stakeholder engagement	Page 24
	2-30 Collective bargaining agreements	Not applicable

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Page 25
	3-2 List of material topics	Page 25
	3-3 Management of material topics	Page 25
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Page 32
<b>GRI 303: Water and Effluents 2018</b>	303-5 Water consumption	Page 34
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Page 35-36
	306-2 Management of significant waste-related impacts	Page 36
<b>GRI 401: Employment 2016</b>	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 37
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Page 39
	403-2 Hazard identification, risk assessment, and incident investigation	Page 39
	403-5 Worker training on occupational health and safety	Page 40
	403-9 Work-related injuries	Page 39
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Page 40
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 40



## TCFD DISCLOSURES INDEX

Governance		
<b>TCFD 1(a)</b>	Describe the board's oversight of climate-related risks and opportunities.	Page 26
<b>TCFD 1(b)</b>	Describe management's role in assessing and managing climate-related risks and opportunities.	Page 27
Strategy		
<b>TCFD 2(a)</b>	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Page 29
<b>TCFD 2(b)</b>	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Page 29
<b>TCFD 2(c)</b>	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 28
Risk Management		
<b>TCFD 3(a)</b>	Describe the organisation's processes for identifying and assessing climate-related risks.	Page 27
<b>TCFD 3(b)</b>	Describe the organisation's processes for managing climate related risks.	Page 30
<b>TCFD 3(c)</b>	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Page 29
<b>TCFD 4(a)</b>	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 31-36
<b>TCFD 4(b)</b>	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Page 32-33
<b>TCFD 4(c)</b>	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Page 32

# CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) and the management (the “**Management**”) of Huatong Global Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company’s corporate governance practices that were in place during the financial year ended 31 December 2023 (“**FY2023**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**2018 Code**”), the practice guidance issued by the Monetary Authority of Singapore (the “**MAS**”) in August 2018 (the “**Practice Guidance**”) and the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). In line with the 2018 Code and the requirements under Catalist Rules, the Board hereby confirms that the Company has adhered to the principles and provisions of the 2018 Code and the Practice Guidance, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the 2018 Code and/or the Practice Guidance.

## PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

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

Provision 1.1	<p><u>Principal Duties of the Board</u></p> <p>Directors have objectively discharged their duties and responsibilities as fiduciaries in the best interests of the Company and have held Management accountable for performance during FY2023.</p> <p>The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and Management remains accountable to the Board. The Board oversees the corporate policy and overall strategy for the Group. In addition to the aforementioned and its statutory and fiduciary duties, the Board’s principal functions include:</p> <ul style="list-style-type: none"> <li>• Overseeing the overall long-term strategic plans and directions including considering sustainability and environmental issues as part of its strategic formulation, strategic human resources framework, and financial objectives of the Group;</li> <li>• Reviewing the operational and financial performance of the Group including reviewing the performance of the Management;</li> <li>• Approving half yearly and full year financial results announcements, circulars and audited financial statements and annual reports;</li> <li>• Approving changes in the composition of the Board;</li> <li>• Overseeing and safeguarding shareholders’ interests and Company’s assets through a robust system of effective internal controls, risk management, financial reporting and compliance;</li> <li>• Overseeing and enhancing corporate governance and practices within the Group;</li> <li>• Dealing with matters such as conflict of interest issues relating to Directors and substantial shareholders, major acquisitions and disposals of material assets, dividend and other distributions to shareholders, and those transactions or matters which require Board’s approval under the provisions of the Catalist Rules, or any applicable regulations;</li> <li>• Appointing the senior management, approving the policies and guidelines for the Board and senior management executives’ remuneration, in addition to approving the appointment of new Directors;</li> </ul>
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	<ul style="list-style-type: none"> <li>• Identifying key stakeholder groups and recognizing that their perceptions affect the Company's reputation; and</li> <li>• Setting the Company's values and standards (including ethical standards) and ensuring that obligations to Shareholders and other stakeholders are understood and met.</li> </ul> <p>The Board has put in place a code of conduct and ethics, which sets out a code of conduct and ethical standards for Directors and staff to adhere to, and sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors who face a conflict of interest recuse themselves from discussions and decisions involving issues of conflict.</p>
<p>Provision 1.2</p> <p>Catalist Rule 406(3)(a)</p>	<p><u>Induction of Directors</u></p> <p>Directors understand the Company's business as well as their directorship duties, and have appropriate experience and expertise to manage the Group's business.</p> <p>Upon appointment, the Director will receive a letter of appointment setting out their duties and responsibilities.</p> <p>All newly appointed Directors will undergo an orientation programme where the Director would be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. To get a better understanding of the Group's business, newly appointed Directors will be given briefings and orientation by the Executive Directors and Management to familiarise them with the businesses and operations of the Group.</p> <p>Where a new Director has no prior experience as a director of an issuer listed on the SGX-ST, he or she will undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. If the Nominating Committee (the "<b>NC</b>") is of the view that training is not required because the Director has other relevant experience, the basis of the NC's assessment will be disclosed.</p> <p>Ms Gn Jong Yuh Gwendolyn ("<b>Ms Gn</b>") and Mr Wong King Kheng ("<b>Mr Wong</b>") were appointed to the Board on 16 February 2024 and 6 April 2024 respectively, as an Independent Director, and both are members of the Audit Committee (the "<b>AC</b>"), the Remuneration Committee (the "<b>RC</b>") and the NC. As disclosed in the Company's announcement dated 16 February 2024 and 5 April 2024 respectively, in relation to Ms Gn's and Mr Wong's appointment, both Ms Gn and Mr Wong have previous experience as a director of an issuer listed on the SGX-ST. Ms Gn and Mr Wong have been briefed by Management on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. With their various experiences as a director of listed entities, the Group is of the reasonable view that Ms Gn and Mr Wong will contribute positively to the Group.</p> <p><u>Training and development of Directors</u></p> <p>Directors are encouraged to join institutes and group associations of specific interests, and attend relevant training seminars or informative talks from time to time so that they are in a better position to discharge their duties. The Company also encourages Directors to attend courses in areas of Directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act 1967 of Singapore ("<b>Companies Act</b>") and industry-related matters, to develop themselves professionally, at the Company's expense.</p> <p>Briefings, updates and trainings for the Directors during FY2023 included:</p> <ul style="list-style-type: none"> <li>• LED – Environment, Social and Governance Essentials (Core);</li> <li>• SID Conference 2023; and</li> <li>• ACRA – SGX-SID Audit Committee Seminar 2023.</li> </ul>

# CORPORATE GOVERNANCE REPORT

	<p>From time to time, and through Board meetings and other meetings, both formal and informal, our Chief Executive Officer (“<b>CEO</b>”) has been advising our Directors of the relevant new laws and regulations affecting the Group, and the changing commercial and business risks faced by our Group.</p> <p>The Directors are also updated regularly with changes to the Catalist Rules, risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members.</p> <p>New releases issued by the SGX-ST and Accounting and Corporate Regularity (“<b>ACRA</b>”) which are relevant to the Directors are communicated and/or circulated to the Directors, so as to ensure that the Directors are kept apprised of the latest updates.</p> <p>The external auditors also update the AC and the Board on the new and revised financial reporting standards that are applicable to the Company and/or the Group.</p>
Provision 1.3	<p><u>Board Approval</u></p> <p>The Group has adopted internal guidelines governing matters that require the Board’s approval and clearly communicates this to the Management in writing. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those prescribed limits to Board Committees and specific members of the key management via a structured Delegation of Authority matrix, which is reviewed on a regular basis and revised accordingly when necessary.</p> <p>Matters that require the Board’s approval include, among others, the following:</p> <ul style="list-style-type: none"> <li>• corporate strategy and business plans;</li> <li>• material acquisitions and disposals of assets;</li> <li>• corporate or financial restructuring;</li> <li>• share issuances, declaration of dividends and other returns to shareholders;</li> <li>• changes in the composition of the Board;</li> <li>• budgets, circulars, financial results announcements, annual report and audited financial statements; and</li> <li>• matters which require Board approval as specified under the Catalist Rules.</li> </ul>

<p>Provision 1.4</p> <p>Catalist Rule 1204(10B)</p>	<p><u>Board Committees</u></p> <p>The Board has delegated certain responsibilities to the AC, the RC and the NC (collectively, the “<b>Board Committees</b>”).</p> <p>As at the date of this Corporate Governance report, the compositions of the Board Committees are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 15%; text-align: center;"><b>AC</b></th> <th style="width: 15%; text-align: center;"><b>NC</b></th> <th style="width: 10%; text-align: center;"><b>RC</b></th> </tr> </thead> <tbody> <tr> <td>Yap Kian Peng (Non-executive / Independent)</td> <td style="text-align: center;">Chairman</td> <td style="text-align: center;">Member</td> <td style="text-align: center;">Member</td> </tr> <tr> <td>Cheang You Kong (Non-executive / Independent)</td> <td style="text-align: center;">Member</td> <td style="text-align: center;">Member</td> <td style="text-align: center;">Chairman</td> </tr> <tr> <td>Wee Heng Yi, Adrian (Non-executive / Independent)</td> <td style="text-align: center;">Member</td> <td style="text-align: center;">Chairman</td> <td style="text-align: center;">Member</td> </tr> <tr> <td>Ng Kian Ann Patrick (Executive)</td> <td style="text-align: center;">–</td> <td style="text-align: center;">Member</td> <td style="text-align: center;">–</td> </tr> <tr> <td>Gn Jong Yuh Gwendolyn (Non-executive / Independent)</td> <td style="text-align: center;">Member</td> <td style="text-align: center;">Member</td> <td style="text-align: center;">Member</td> </tr> <tr> <td>Wong King Kheng (Non-executive / Independent)</td> <td style="text-align: center;">Member</td> <td style="text-align: center;">Member</td> <td style="text-align: center;">Member</td> </tr> </tbody> </table> <p>The Board Committees operate within clearly defined written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The Board Committees play an important role in ensuring good corporate governance in the Company and within the Group. The written terms of reference of the Board Committees are reviewed on a regular basis to ensure their continued relevance.</p> <p><u>Risk Committee</u></p> <p>As at the date of this Corporate Governance report, the Risk Committee comprises Mr Ng Kian Ann Patrick as the Chairman and Mr Yap Kian Peng, Mr Cheang You Kong and Mr Wee Heng Yi, Adrian as members. The Chief Financial Officer of the Group (“<b>CFO</b>”) is appointed as the Chief Risk Officer (“<b>CRO</b>”). The Risk Committee operates within clearly defined written terms of reference setting out its compositions, authorities and duties. Half-yearly, at the AC meeting, the CRO, with the assistance of Internal Auditors, will present matters in relation to enterprise risk management (“<b>ERM</b>”) to the Risk Committee for discussion following internal ERM meetings which the CRO will hold with the sub-committee comprising key management personnel at the operational level.</p> <p>Further details of the AC, NC and RC are set out below:</p> <ul style="list-style-type: none"> <li>(i) Nominating Committee (Principle 4);</li> <li>(ii) Remuneration Committee (Principle 6); and</li> <li>(iii) Audit Committee (Principle 10).</li> </ul>		<b>AC</b>	<b>NC</b>	<b>RC</b>	Yap Kian Peng (Non-executive / Independent)	Chairman	Member	Member	Cheang You Kong (Non-executive / Independent)	Member	Member	Chairman	Wee Heng Yi, Adrian (Non-executive / Independent)	Member	Chairman	Member	Ng Kian Ann Patrick (Executive)	–	Member	–	Gn Jong Yuh Gwendolyn (Non-executive / Independent)	Member	Member	Member	Wong King Kheng (Non-executive / Independent)	Member	Member	Member
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# CORPORATE GOVERNANCE REPORT

<p>Provision 1.5</p>	<p><u>Board Meetings and Attendance</u></p> <p>The Board meets on a half-yearly basis, and as and when circumstances require, to approve matters relating to announcements of, among others, financial results, annual report, material acquisitions and disposals of assets. At the meetings of the Board and Board Committees, Directors actively participate and are free to discuss and openly challenge the views presented by the Management and the other Directors.</p> <p>In FY2023, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.</p> <table border="1" data-bbox="411 689 1455 1126"> <thead> <tr> <th></th> <th>Board</th> <th>AC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td><b>Number of meetings held</b></td> <td><b>2</b></td> <td><b>2</b></td> <td><b>1</b></td> <td><b>1</b></td> </tr> <tr> <td><b>Name of Director</b></td> <td colspan="4"><b>Number of Meetings Attended</b></td> </tr> <tr> <td>Mr Ng Hai Liong</td> <td>2</td> <td>2*</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Mr Ng Kian Ann Patrick</td> <td>2</td> <td>2*</td> <td>1</td> <td>1*</td> </tr> <tr> <td>Mr Ng Kian Yeow, Vincent</td> <td>2</td> <td>2*</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Mr Wee Heng Yi Adrian</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr Cheang You Kong</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr Yap Kian Peng</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Ms Gn Jong Yuh Gwendolyn<sup>(1)</sup></td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Mr Wong King Kheng<sup>(2)</sup></td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table> <p>* <i>By invitation</i></p> <p><b>Notes:</b></p> <p>(1) Ms Gn Jong Yuh Gwendolyn was appointed as an Independent Director with effect from 16 February 2024.</p> <p>(2) Mr Wong King Kheng was appointed as an Independent Director with effect from 6 April 2024.</p> <p>Directors with multiple board representations who were on the Board of the Company in FY2023 have ensured that sufficient time and attention were given to the affairs of the Company during FY2023.</p>		Board	AC	NC	RC	<b>Number of meetings held</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>Name of Director</b>	<b>Number of Meetings Attended</b>				Mr Ng Hai Liong	2	2*	1*	1*	Mr Ng Kian Ann Patrick	2	2*	1	1*	Mr Ng Kian Yeow, Vincent	2	2*	1*	1*	Mr Wee Heng Yi Adrian	2	2	1	1	Mr Cheang You Kong	2	2	1	1	Mr Yap Kian Peng	2	2	1	1	Ms Gn Jong Yuh Gwendolyn <sup>(1)</sup>	N/A	N/A	N/A	N/A	Mr Wong King Kheng <sup>(2)</sup>	N/A	N/A	N/A	N/A
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<p>Provision 1.6</p>	<p><u>Access to Information</u></p> <p>The Management provides Directors with complete, adequate and timely information prior to Board and Board Committee meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.</p> <p>The Directors are regularly updated by the Management on the developments within the Group and are supplied with such other information so that they are equipped to participate fully at Board and Board Committee meetings.</p>																																																							
<p>Provision 1.7</p>	<p><u>Access to Management and Company Secretary</u></p> <p>Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the Company's expense.</p> <p>The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:</p> <ul style="list-style-type: none"> <li>ensuring that Board procedures are observed and that the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act 2001 of Singapore, the Companies Act 1967 and the Catalist Rules, are complied with;</li> </ul>																																																							

	<ul style="list-style-type: none"> <li>• assisting the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhance long-term shareholder value;</li> <li>• assisting the Chairman to ensure good information flows within the Board and its committees and key management personnel. To facilitate this, all Board members are given the names and contact details of the Company's senior management and the Company Secretary to facilitate direct, separate and independent access;</li> <li>• training, designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information;</li> <li>• attends and prepares minutes for all Board meetings;</li> <li>• as secretary to all the other Board Committees, assisting to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and</li> <li>• assisting the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings.</li> </ul>
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## PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

*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.*

<p>Provisions 2.1 &amp; 4.4</p> <p>Catalist Rule 406(3)(d)</p>	<p><u>Independent Directors</u></p> <p>As at the date of this Corporate Governance report, the five (5) Independent Directors of the Company comprise Mr Yap Kian Peng, Mr Cheang You Kong, Mr Wee Heng Yi, Adrian, Ms Gn Jong Yuh Gwendolyn and Mr Wong King Kheng. Mr Yap Kian Peng is the Lead Independent Director of the Company and makes himself available to Shareholders at the Company's annual general meetings.</p> <p>The independence of each Director is reviewed annually by the NC, in accordance with the 2018 Code, the Practice Guidance and the Catalist Rules.</p> <p>The Board and the NC considers an Independent Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company, in accordance with Provision 2.1 of the 2018 Code. The Board and the NC also takes into account Catalist Rule 406(3)(d) and consider whether if a Director is not independent under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>(i) if he is employed by the Company or any of its related corporations for the current or any of the past three financial years;</li> <li>(ii) if he has an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC; and</li> <li>(iii) if he has been a director for an aggregate period of more than 9 years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the Company.</li> </ul> <p>In addition, the NC reviews the individual Directors' declaration in their assessment of independence. The Board, with the recommendation and concurrence of the NC, has reviewed and determined that the Independent Directors are independent.</p>
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# CORPORATE GOVERNANCE REPORT

	Based on the confirmations provided by the independent directors, none of the Independent Directors had any existing relationships with the Company, its related corporations, its substantial shareholders or its officers as set out in the 2018 Code which may affect their independence.																		
Provision 2.2 & 2.3	<p>The Board reviewed the Board composition and is of the view that while the Executive Chairman, Mr Ng Hai Liong, is not independent, Independent Directors make up a majority of the Board comprising 5 Independent Directors and 3 Executive Directors.</p> <p>Immediately following the conclusion of the forthcoming Annual General Meeting, the Board will comprise of 4 Independent Directors and 3 Executive Directors, as Wee Heng Yi, Adrian is not seeking re-election.</p>																		
Catalist Rule 406(3)(c)	There are at least two Non-Executive Directors who are independent and free of any material business and financial connection with the Company and at least one-third of the Board comprise of Independent Directors.																		
Provision 2.4  Catalist Rule 1204(10B) Catalist Rule 710A	<p><u>Board Composition</u></p> <p>As at the date of this Corporate Governance Report, the Board comprises of three (3) Executive Directors and five (5) Independent Directors. The key information of the Directors is set out as follows:</p> <table border="1"> <thead> <tr> <th>Name of Director</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Mr Ng Hai Liong</td> <td>Executive Chairman</td> </tr> <tr> <td>Nr Ng Kian Ann, Patrick</td> <td>Executive Director and Chief Executive Officer (“CEO”)</td> </tr> <tr> <td>Mr Ng Kian Yeow, Vincent</td> <td>Executive Director and Chief Operating Officer (“COO”)</td> </tr> <tr> <td>Mr Yap Kian Peng</td> <td>Lead Independent Director</td> </tr> <tr> <td>Mr Cheang You Kong</td> <td>Independent Director</td> </tr> <tr> <td>Mr Wee Heng Yi, Adrian</td> <td>Independent Director</td> </tr> <tr> <td>Ms Gn Jong Yuh Gwendolyn</td> <td>Independent Director</td> </tr> <tr> <td>Mr Wong King Kheng</td> <td>Independent Director</td> </tr> </tbody> </table> <p><u>Board Composition and Diversity</u></p> <p>The Company has adopted a formal board diversity policy (the “<b>Policy</b>”). The composition of the Board is reviewed on an annual basis by the NC to ensure that that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board as a whole provides an appropriate balance of diversity of skills, experience, gender and knowledge of the Company, with core competencies in accounting and finance, legal expertise, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge. This enables the Management to benefit from the external and expert perspectives of the Directors who collectively possess the core competencies relevant to the direction and growth of the Group.</p> <p>The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required.</p> <p>To meet the constantly evolving challenges in the industry and countries which the Group operates in, the Company conducts regular reviews to ensure that the Board dynamic remains optimal. Such reviews include considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies of the Board.</p> <p>The Board’s policy in identifying Director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.</p>	Name of Director	Designation	Mr Ng Hai Liong	Executive Chairman	Nr Ng Kian Ann, Patrick	Executive Director and Chief Executive Officer (“CEO”)	Mr Ng Kian Yeow, Vincent	Executive Director and Chief Operating Officer (“COO”)	Mr Yap Kian Peng	Lead Independent Director	Mr Cheang You Kong	Independent Director	Mr Wee Heng Yi, Adrian	Independent Director	Ms Gn Jong Yuh Gwendolyn	Independent Director	Mr Wong King Kheng	Independent Director
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Ms Gn Jong Yuh Gwendolyn	Independent Director																		
Mr Wong King Kheng	Independent Director																		

The Board has reviewed and believes that its current composition satisfies a diversity of skills, experience, gender and knowledge to the Company and is represented in the table below:

<b>Core Competencies</b>	<b>Number of Directors</b>	<b>Proportion of Board</b>
Accounting or finance	4	50%
Project management	6	75%
Legal or corporate governance	6	75%
Engineering	4	50%
Strategic planning experience	8	100%
Customer based experience or knowledge	8	100%

The Board has taken the following steps to maintain or enhance its balance and diversity:

- annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understanding the range of expertise and diversity which is lacking by the Board.

The Board has set the following targets to achieve diversity:

- (a) Independence - Majority of the Board are Independent Directors. Achieved - With the appointment of Ms Gn and Mr Wong in 2024, the Board consists of 5 Independent Directors compared to 3 Independent Directors.
- (b) Age - Board comprises Directors from following age groups: i) below 55 and ii) above 55. Achieved - Currently, the Board has 4 Directors who are below 55 years old and 4 Directors who are above 55 years old.
- (c) Tenure - The Board to comprises Directors across the following tenure groups: (i) 5 years or less; and (ii) more than 5 years. The Company believes that a mix of Directors with long and short tenures on the Board allows the Board to benefit from senior Directors' knowledge continuity about the Company and its business operations, complemented by the fresh perspectives that new Directors may bring. Achieved – As at the end of FY2023, the Board comprises Directors across both tenure groups. In particular, four (4) Directors have been on the Board for 5 years or less, and four (4) Directors have been on the Board for more than 5 years.
- (d) Skills & Experience – To ensure that the Directors, as a group, possess a variety of skill sets (at least 3 Directors), including in core competencies, which support the work of the Board and Board committees, and needs of the Company. Achieved – As at the end of FY2023, the Board comprises Directors who possess the identified core skills & experience. In particular, the Board comprises at least 3 Directors who have skills and domain knowledge across core competencies set out in the table above. In terms of experience, the Directors, collectively have experience in construction industry, general business management and sit or have sat on public listed company boards.

The Board set diversity targets leading up to FY2025, to ensure that the Board:-

- (a) has a majority of Independent Directors;
- (b) has at least 2 members aged below 55 years and 2 members above 55 years;
- (c) has at least 2 members with tenure above 5 years and 2 members with tenure below 5 years;
- (d) has at least 3 members with the identified 6 core competencies.

# CORPORATE GOVERNANCE REPORT

	<p>Following the conclusion of the forthcoming AGM, Mr Wee Heng Yi, Adrian will be retiring from the Board of Directors of the Company and the Board is of the view that all the diversity targets would continue to be met.</p> <p>The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent Directors.</p>
Provision 2.5	<p><u>Meeting of Independent Directors without Management</u></p> <p>The Independent Directors who were present during FY2023, led by the Lead Independent Director, met once without the presence of key management personnel in FY2023. The Lead Independent Director provided feedback to the Board and/or Chairman as appropriate.</p>

### PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Provisions 3.1 & 3.2	<p><u>Role of Chairman and the CEO</u></p> <p>Mr Ng Hai Liong is the Chairman of the Board and an Executive Director. Mr Ng Kian Ann Patrick is the CEO and an Executive Director.</p> <p>The roles of the Chairman and CEO in the Company are separate, and are taken up by separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making.</p> <p>The CEO has the executive responsibility for the day-to-day operations of the Group whilst the Chairman provides overall leadership to the Board. The Chairman, with the help of the Company Secretary, ensures that Board meetings are held as and when necessary and sets the meeting agenda in consultation with the CEO and fellow Directors and other executives, and if warranted, with professional advisors.</p> <p>The Chairman also ensures the quality, quantity and timeliness of the flow of information between the Management, the Board and shareholders. He assumes the lead role in promoting high standards of corporate governance processes as well as the culture of openness and debate at Board meetings. He also encourages constructive relationships within the Board and between the Board and Management while facilitating the effective contributions of Non-Executive Directors and Independent Directors during the Board meetings, as well as effective communication with shareholders.</p> <p>The Board has established and set out in writing, the division of responsibilities between the Chairman and CEO.</p>
Catalist Rule 1204(10A)	<p>The Chairman, Mr Ng Hai Liong, is the father of the CEO, Mr Ng Kian Ann Patrick. Notwithstanding the familial relationship between the Chairman and CEO, the Board is satisfied that there is sufficient transparency and accountability in view of the distinction of responsibilities and the strong independent element on the Board, as elaborated and explained in the preceding section.</p>
Provision 3.3	<p><u>Appointment of Lead Independent Director</u></p> <p>The Lead Independent Director, Mr Yap Kian Peng (“Mr Yap”) provides leadership in situations where the Chairman is conflicted. He also makes himself available to shareholders when they have concerns for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. Mr Yap attended the annual general meeting held in FY2023 and made himself available to Shareholders.</p>



## PRINCIPLE 4: BOARD MEMBERSHIP

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

<p>Provision 4.1</p> <p>Catalist Rule 406(3)(e)</p>	<p><u>Role of the NC</u></p> <p>The NC is guided by written terms of reference, which include the following:</p> <ul style="list-style-type: none"> <li>(a) reviewing and approving any new employment of related persons and the proposed terms of their employment;</li> <li>(b) nominating and re-nominating of Directors for re-election in accordance with the Constitution of the Company at each annual general meeting and having regard to the Director's contribution and performance;</li> <li>(c) determining annually, and as and when required, whether or not a Director of the Company is independent;</li> <li>(d) deciding whether or not a Director of the Company is able to and has been adequately carrying out his duties as a Director, considering issues including the Director's competencies, commitment, contribution and performance;</li> <li>(e) deciding how the Board's performance may be evaluated and proposing objective performance criteria, as approved by the Board that allows comparison with its industry peers, and address how the Board has enhanced long-term Shareholders' value;</li> <li>(f) recommending and reviewing board succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, the CEO and key management personnel; and</li> <li>(g) recommending training and professional development programs for the Board and its directors.</li> </ul>
<p>Provision 4.2</p>	<p><u>NC Composition</u></p> <p>The NC comprises six (6) Directors, of whom, four (4) are Independent Directors. The Lead Independent Director is one of the members of the NC.</p> <p>Please refer to Provision 1.4 above on the names of the members and the composition of the NC.</p>

# CORPORATE GOVERNANCE REPORT

<p>Provision 4.3</p>	<p><u>Process for Selection, Appointment and Re-appointment of Directors</u></p> <p>The process for the selection, appointment and re-appointment of Directors takes into consideration the composition and progressive renewal of the Board, as well as each Director's competencies, commitment, contribution and performance.</p> <p>The Company's process for the selection and appointment of Directors to the Board are set out below:</p> <table border="1" data-bbox="411 629 1453 1081"> <tr> <td data-bbox="411 629 488 815">1.</td> <td data-bbox="488 629 826 815">Determination of selection criteria</td> <td data-bbox="826 629 1453 815">The NC takes into consideration the background, qualifications, experience and knowledge that the candidate brings and which could benefit the Board, taking into account the current needs of the Board in terms of skills, experience, gender and knowledge to complement and strengthen the Board and increase its diversity.</td> </tr> <tr> <td data-bbox="411 815 488 943">2.</td> <td data-bbox="488 815 826 943">Search for suitable candidates</td> <td data-bbox="826 815 1453 943">The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td> </tr> <tr> <td data-bbox="411 943 488 1010">3.</td> <td data-bbox="488 943 826 1010">Assessment of shortlisted candidates</td> <td data-bbox="826 943 1453 1010">The NC would meet and interview the shortlisted candidates to assess their suitability.</td> </tr> <tr> <td data-bbox="411 1010 488 1081">4.</td> <td data-bbox="488 1010 826 1081">Appointment of Director</td> <td data-bbox="826 1010 1453 1081">The NC would recommend the selected candidate to the Board for consideration and approval.</td> </tr> </table> <p>The Company's process for the assessment and re-appointment of Directors to the Board are set out below:</p> <table border="1" data-bbox="411 1200 1453 1429"> <tr> <td data-bbox="411 1200 488 1301">1.</td> <td data-bbox="488 1200 826 1301">Assessment of Director</td> <td data-bbox="826 1200 1453 1301">The NC would assess the performance of the Director in accordance with the performance criteria set by the Board and consider the current needs of the Board.</td> </tr> <tr> <td data-bbox="411 1301 488 1429">2.</td> <td data-bbox="488 1301 826 1429">Re-appointment of Director</td> <td data-bbox="826 1301 1453 1429">Subject to the NC's satisfactory assessment of their overall contributions and performance, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.</td> </tr> </table>	1.	Determination of selection criteria	The NC takes into consideration the background, qualifications, experience and knowledge that the candidate brings and which could benefit the Board, taking into account the current needs of the Board in terms of skills, experience, gender and knowledge to complement and strengthen the Board and increase its diversity.	2.	Search for suitable candidates	The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.	3.	Assessment of shortlisted candidates	The NC would meet and interview the shortlisted candidates to assess their suitability.	4.	Appointment of Director	The NC would recommend the selected candidate to the Board for consideration and approval.	1.	Assessment of Director	The NC would assess the performance of the Director in accordance with the performance criteria set by the Board and consider the current needs of the Board.	2.	Re-appointment of Director	Subject to the NC's satisfactory assessment of their overall contributions and performance, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.
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<p>Catalist Rule 720(4)</p>	<p>Pursuant to Regulation 117 of the Company's Constitution, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third with a minimum of one) shall retire from office by rotation.</p> <p>The Directors who are retiring pursuant to Regulation 117 of the Company's Constitution at the forthcoming Annual General Meeting ("<b>AGM</b>") are:</p> <ul style="list-style-type: none"> <li>(i) Mr Cheang You Kong ("<b>Mr Cheang</b>"); and</li> <li>(ii) Mr Wee Heng Yi, Adrian ("<b>Mr Wee</b>").</li> </ul> <p>The Board, with the recommendation of the NC, has nominated Mr Cheang You Kong for re-election at the forthcoming AGM. Any member of the NC who is interested in the discussion had abstained from the deliberations.</p> <p>Mr Cheang You Kong Ng Hai Liong, being eligible, has given consent to submit himself for re-election at the forthcoming AGM.</p>																		

Pursuant to Rule 406(3)(d)(iv) of the SGX-ST Catalist Rules read with Paragraph 2.1 of SGX Transitional Practice Note 3 on Transitional Arrangements regarding the Tenure Limit for Independent Directors, as of the date of an issuer's annual general meeting for the financial year ending on or after 31 December 2023, a director (whether independent, executive or non-executive) who has served on the board of an issuer for an aggregate period of nine years will no longer be eligible to be designated as an independent director of the issuer. Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules and Paragraph 1.3 of SGX Transitional Practice Note 3 on Transitional Arrangements regarding the Tenure Limit for Independent Directors, such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer.

Mr Wee was appointed as an Independent Non-executive Director on 11 November 2014 and has served as an Independent Non-executive Director for more than 9 years. Accordingly, following the conclusion of the AGM, Mr Wee will no longer be considered independent.

As part of the Board renewal process, Mr Wee Heng Yi, Adrian has indicated, in accordance with Regulation 119(b) of the Constitution of the Company, that he will be retiring and will not be seeking re-election at the AGM. Accordingly, at the conclusion of the Annual General Meeting, he will also step down from his position as the Chairman of the Nominating Committee, as well as a member of the Remuneration Committee, Nominating Committee and Risk Committee.

Pursuant to Regulation 122 of the Company's Constitution, the Company may by ordinary resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director, and any person so appointed shall hold office only until the next AGM and shall be eligible for re-election.

Ms Gn Jong Yuh Gwendolyn was appointed to the Board with effect from 16 February 2024 and shall hold office until the forthcoming AGM and be eligible for re-election at the forthcoming AGM, pursuant to Regulation 122 of the Company's Constitution.

Mr Wong King Kheng was appointed to the Board with effect from 6 April 2024 and shall hold office until the forthcoming AGM and be eligible for re-election at the forthcoming AGM, pursuant to Regulation 122 of the Company's Constitution.

In FY2023, all Directors, with the exception of Ms Gn Jong Yuh Gwendolyn who was appointed to the Board with effect from 16 February 2024 and Mr Wong King Kheng who was appointed to the Board with effect from 6 April 2024, have submitted themselves for re-nomination and re-election at least once every three (3) years.

Mr Cheang You Kong will upon re-appointment as a Director of the Company, remain as an Independent Director of the Company, the Chairman of the RC, and a member of the AC and the NC. The Board considers Mr Cheang You Kong to be independent for the purposes of Catalist Rule 704(7).

Ms Gn Jong Yuh Gwendolyn and Mr Wong King Kheng will upon re-appointment as a Director of the Company, remain as an Independent Director of the Company, and a member of the AC, the RC and the NC. The Board considers Ms Gn Jong Yuh Gwendolyn and Mr Wong King Kheng to be independent for the purposes of Catalist Rule 704(7).

Save as disclosed, neither Mr Cheang You Kong, Mr Wee Heng Yi, Adrian, Ms Gn Jong Yuh Gwendolyn nor Mr Wong King Kheng has any other material relationships (including family relationships) between themselves and the Directors, the Company or its substantial shareholders.

For good corporate governance, Mr Cheang You Kong, Mr Wee Heng Yi, Adrian, Ms Gn Jong Yuh Gwendolyn and Mr Wong King Kheng, who are retiring at the AGM, abstained from voting at the relevant Board meeting on the respective resolutions recommending their re-election to be tabled for shareholders' approval.

# CORPORATE GOVERNANCE REPORT

Provision 4.5	<p><u>Directors' Time Commitments</u></p> <p>The NC ensured that new Directors were aware of their duties and obligations.</p> <p>The NC has reviewed whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company.</p> <p>The considerations in assessing the capacity of Directors include the following:</p> <ul style="list-style-type: none"> <li>• expected and/or competing time commitments of Directors;</li> <li>• geographical location of Directors;</li> <li>• size and composition of the Board; and</li> <li>• nature and scope of the Group's operations and size.</li> </ul> <p>The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately for FY2023.</p> <p>Please refer to the Board of Directors' section for key information on the directorships and principal commitments of each Director.</p> <p>In FY2023, the Board did not set a maximum number of directorships given that all Independent Directors were able to dedicate their time to the business of the Company and that the multiple board representations held by Directors of the Company did not impede their performance in carrying out their duties to the Company.</p> <p>The measures and evaluation tools in place to assess the performance and consider competing time commitments of the Directors include the following:</p> <ul style="list-style-type: none"> <li>• declarations by individual Directors of their other listed company board directorships and principal commitments; and</li> <li>• annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his other commitments.</li> </ul> <p>Nevertheless, if the NC finds that time commitment is lacking from any particular Director, the NC may consider imposing a maximum number of directorships to be held by each Director in future.</p>
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## PRINCIPLE 5: BOARD PERFORMANCE

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

Provision 5.1	<p><u>Board Evaluation Process</u></p> <p>The NC is tasked with the assessment of the Board's performance, and reviews and evaluates the performance of the Board as a whole, each Board Committee, the contribution by the Chairman and each individual Director on an annual basis. The NC also recommends for the Board's approval the objective performance criteria and process for the abovementioned evaluation. The evaluation is conducted annually to identify areas of improvement and as a form of good Board practice.</p>
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Provision 5.2

Board Evaluation Criteria

The performance criteria, as recommended by the NC and approved by the Board, is set out below:

Performance Criteria	Board and Board Committees	Individual Directors
<b>Qualitative</b>	<ol style="list-style-type: none"> <li>1. Size and composition</li> <li>2. Access to information</li> <li>3. Board processes</li> <li>4. Strategic planning</li> <li>5. Board accountability</li> <li>6. Risk management</li> </ol>	<ol style="list-style-type: none"> <li>1. Commitment of time</li> <li>2. Knowledge and abilities</li> <li>3. Teamwork</li> <li>4. Contribution and performance at Board and Board Committee meetings</li> <li>5. Independence (if applicable)</li> <li>6. Overall effectiveness</li> </ol>
<b>Quantitative</b>	<ol style="list-style-type: none"> <li>1. Performance of the Company's share price over a one-year period vis-à-vis the Singapore Straits Time Index and a benchmark of the Company's industry peers</li> <li>2. Return on equity</li> <li>3. Return on Assets</li> </ol>	<ol style="list-style-type: none"> <li>1. Attendance at Board and Board Committee meetings</li> </ol>

The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, and propose amendments if any, to the Board for approval.

The NC did not propose any changes to the performance criteria for FY2023 as compared to the previous financial year as the economic climate, Board composition, the Group's principal business activities remained relatively the same since FY2022.

Board Evaluation Process

The review of the performance of the Board is conducted by the NC annually. The review of the performance of each Director is also conducted at least annually.

For FY2023, the review process was as follows:

- all Directors collectively as a whole completed a Board evaluation questionnaire on the effectiveness of the Board and the Board Committees based on criteria disclosed in the table above;
- all Directors completed the individual directors' evaluation form and presented it to the NC Chairman; and
- the NC discussed the evaluations of the Board and individual Directors and concluded the performance results during the NC meeting. All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance.

The NC, having reviewed the overall performance of the Board, Board Committees and each individual Director, is of the view that the Board and its Board Committees operate effectively and each director has contributed to the overall effectiveness of the Board.

No external facilitator was used in the evaluation process for FY2023.



# CORPORATE GOVERNANCE REPORT

## PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

Provisions 6.1 & 6.3 Catalist Rule 406(3)(e)	<p><u>Role of the RC</u></p> <p>The RC is guided by written terms of reference which include the following:</p> <ul style="list-style-type: none"> <li>(a) reviewing and recommending to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel;</li> <li>(b) reviewing and approving the quantum of the bonus of the Executive Directors and CEO;</li> <li>(c) reviewing and submitting its recommendations for endorsement by the Board in relation to, share-based incentives or awards or any long-term incentive schemes such as the Huatong Employee Share Option Scheme (“<b>ESOS</b>”) and the Huatong Performance Share Plan (“<b>PSP</b>”), in particular to review whether Directors and key management personnel should be eligible for such schemes and also to evaluate the costs and benefits of such schemes and to do all acts necessary in connection therewith;</li> <li>(d) functioning as the committee referred to in the ESOS and PSP and have all powers as set out in the ESOS and PSP;</li> <li>(e) reviewing and recommending to the Board the service contracts of Executive Directors and key management personnel and ensure that such services contracts are fair and not excessively long or with onerous renewal/termination clauses; and</li> <li>(f) reviewing and recommending to the Board all aspects of remuneration, including but not limited to Directors’ fees, salaries, allowances, bonuses, remuneration of senior management and employees related to the Directors (if any), options and benefits-in-kind.</li> </ul>
Provision 6.2	<p><u>RC Composition</u></p> <p>The RC comprises five (5) Directors, of which all are Non-Executive and Independent Directors.</p> <p>Please refer to Provision 1.4 above on the names of the members and the composition of the RC.</p>
Provision 6.4	No remuneration consultants were engaged by the Company in FY2023.

## PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

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

Provision 7.1	<p><u>Remuneration of Executive Directors and key management personnel</u></p> <p>The RC has structured remuneration packages for Executive Directors and key management personnel to take into account performance related indicators, which include financial and non-financial factors. A significant and appropriate proportion of the remuneration is structured to link rewards to the Company’s and individual’s performance.</p> <p>The remuneration policy articulates to staff the link that total compensation is structured to link to the achievement of organisational and individual performance objectives, and is benchmarked against relevant and comparative compensation in the market.</p> <p>The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Directors and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual performance of its Executive Directors and key management personnel, “claw-back” provisions in the service agreements may not be relevant or appropriate.</p>
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Provision 7.2	<p><u>Remuneration of Non-Executive and Independent Directors</u></p> <p>The remuneration of Non-Executive and Independent Directors is appropriate to the level of contribution, taking into account factors such as credentials, qualifications, experience, effort, time spent and responsibilities and contribution to the Board.</p> <p>Their remuneration is subject to shareholders' approval at the AGM. Directors' fees are recommended by the Board and are subject to the approval of Shareholders at the forthcoming AGM. The Non-Executive and Independent Directors shall not be overcompensated to the extent that their independence may be compromised.</p>
Provision 7.3	<p>The remuneration framework for Directors and key management personnel is aligned with the interests of the shareholders and other relevant stakeholders and which is appropriate to attract, retain and motivate them to provide good stewardship of the Company for the long-term success of the Company.</p>

## PRINCIPLE 8: DISCLOSURE ON REMUNERATION

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.

Provisions 8.1	<p><u>Remuneration of Directors</u></p> <p>The breakdown for the remuneration of the Directors for FY2023 is as follows (no Director or any of his or her associates has been involved in deciding his or her own remuneration):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of Director / Remuneration Band</th> <th style="text-align: center;">Salary and allowance* (%)</th> <th style="text-align: center;">Annual Wage Supplement ("AWS") (%)</th> <th style="text-align: center;">Performance Bonus (%)</th> <th style="text-align: center;">Directors Fees (%)</th> <th style="text-align: center;">Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="6"><i>S\$1,750,000 to S\$2,000,000</i></td> </tr> <tr> <td>Ng Kian Ann Patrick</td> <td style="text-align: center;">28.1</td> <td style="text-align: center;">5.2</td> <td style="text-align: center;">66.7</td> <td style="text-align: center;">–</td> <td style="text-align: center;">100.0</td> </tr> <tr> <td colspan="6"><i>S\$1,500,000 to S\$1,750,000</i></td> </tr> <tr> <td>Ng Kian Yeow, Vincent</td> <td style="text-align: center;">31.1</td> <td style="text-align: center;">5.8</td> <td style="text-align: center;">63.1</td> <td style="text-align: center;">–</td> <td style="text-align: center;">100.0</td> </tr> <tr> <td colspan="6"><i>S\$1,000,000 to S\$1,250,000</i></td> </tr> <tr> <td>Ng Hai Liong</td> <td style="text-align: center;">31.7</td> <td style="text-align: center;">5.9</td> <td style="text-align: center;">62.4</td> <td style="text-align: center;">–</td> <td style="text-align: center;">100.0</td> </tr> <tr> <td colspan="6"><i>S\$250,000 and below</i></td> </tr> <tr> <td>Wee Heng Yi, Adrian</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">100.0</td> <td style="text-align: center;">100.0</td> </tr> <tr> <td>Cheang You Kong</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">100.0</td> <td style="text-align: center;">100.0</td> </tr> <tr> <td>Yap Kian Peng</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">100.0</td> <td style="text-align: center;">100.0</td> </tr> <tr> <td>Ms Gn Jong Yuh Gwendolyn<sup>(1)</sup></td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> </tr> <tr> <td>Mr Wong King Kheng<sup>(2)</sup></td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> </tr> </tbody> </table> <p><i>*These amounts are inclusive of employer's CPF contribution and transport allowances.</i></p> <p><b>Notes:</b></p> <p>(1) Ms Gn Jong Yuh Gwendolyn was appointed as an Independent Director with effect from 16 February 2024.</p> <p>(2) Mr Wong King Kheng was appointed as an Independent Director with effect from 6 April 2024</p>	Name of Director / Remuneration Band	Salary and allowance* (%)	Annual Wage Supplement ("AWS") (%)	Performance Bonus (%)	Directors Fees (%)	Total (%)	<i>S\$1,750,000 to S\$2,000,000</i>						Ng Kian Ann Patrick	28.1	5.2	66.7	–	100.0	<i>S\$1,500,000 to S\$1,750,000</i>						Ng Kian Yeow, Vincent	31.1	5.8	63.1	–	100.0	<i>S\$1,000,000 to S\$1,250,000</i>						Ng Hai Liong	31.7	5.9	62.4	–	100.0	<i>S\$250,000 and below</i>						Wee Heng Yi, Adrian	–	–	–	100.0	100.0	Cheang You Kong	–	–	–	100.0	100.0	Yap Kian Peng	–	–	–	100.0	100.0	Ms Gn Jong Yuh Gwendolyn <sup>(1)</sup>	–	–	–	–	–	Mr Wong King Kheng <sup>(2)</sup>	–	–	–	–	–
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# CORPORATE GOVERNANCE REPORT

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director, the Company is of the view that disclosure of details in excess of the above would be prejudicial to its business interests given the highly competitive environment.

There are no termination, retirement, post-employment benefits that may be granted to Directors, the CEO or key management personnel.

#### Remuneration of key management personnel

The Company had three (3) key management personnel (who are not Directors or the CEO) during FY2023. The total remuneration paid to the top three (3) key management personnel (who are not Directors or the CEO) for FY2023 was S\$309,489.

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2023 is as follows:

Name of key executives/ remuneration <sup>#</sup>	Designation	Salary and allowance* (%)	AWS/ Bonus (%)	Total (%)
S\$250,000 and below				
Goh Tuck Peng <sup>1</sup>	CFO	92.9	7.1	100.0
Tan Siew Hee <sup>2</sup>	CFO	100.0	0.0	100.0
Heng Yann Syin	Head of Contracts	77.5	22.5	100.0

\* These amounts are inclusive of employer's CPF contribution, transport allowances.

Note 1: Mr Goh Tuck Peng's last day of employment was 12 July, 2023.

Note 2: Mr Tan Siew Hee started employment on 14 November, 2023.

Given the highly competitive conditions of the Group's industry, and the prevalent poaching of experienced executives, the Company believes that the disclosure of the aggregate total remuneration paid to each individual key management personnel as recommended by the 2018 Code may not be in the best interests of the Group. Nevertheless, the Company has sought to provide the remuneration of these key management personnel in the bands of S\$250,000 and also a breakdown in percentage terms. The Board is of the opinion that the information disclosed in this Corporate Governance report strikes an appropriate balance between detailed disclosure and confidentiality.

#### Performance conditions

The following performance conditions were implemented for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:

Performance Conditions	Short-term Incentives (such as performance bonus)	Long-term Incentives (such as the Employee Share Option Scheme and the Performance Share Plan)
<b>Qualitative</b>	<ol style="list-style-type: none"> <li>Leadership</li> <li>People development</li> <li>Commitment</li> <li>Teamwork</li> <li>Current market and industry practices</li> <li>Macro-economic factors</li> </ol>	<ol style="list-style-type: none"> <li>Group's major project or developments</li> <li>Current market and industry practices</li> </ol>
<b>Quantitative</b>	Group's PBT of at least S\$4 million for Executive Directors	

The RC has reviewed and is satisfied that the performance conditions were fulfilled for FY2023.

Provision 8.2	<p><u>Remuneration of immediate family members of Directors and CEO</u></p> <p>Ms Lee Swee Chu is the spouse of Mr Ng Hai Liong and mother to Mr Ng Kian Ann Patrick and Mr Ng Kian Yeow, Vincent. Mr Douglas Ng is the son of Mr Ng Hai Liong and brother to Mr Ng Kian Ann Patrick and Mr Ng Kian Yeow, Vincent. The remuneration of Ms Lee Swee Chu and Mr Douglas Ng is between S\$100,000 to S\$150,000 in FY2023.</p> <p>Save as disclosed above, there are no other employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during FY2023.</p>																				
Provision 8.3	<p><u>Remuneration, payments and benefits to Executive Directors</u></p> <p>The remuneration received by each of the Executive Directors takes into consideration his individual performance and contribution towards the overall performance of the Group in FY2023.</p> <p>The remuneration of the Executive Directors is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, allowance and annual wage supplement (the “<b>AWS</b>”). The variable compensation is a performance bonus (the “<b>Performance Bonus</b>”) determined based on the Group’s profit before income tax (“<b>PBT</b>”) for each financial year as stated in the service agreements, in place since the date of IPO. For this purpose, “<b>PBT</b>” refers to the audited consolidated profit before income tax of the Group (before the Incentive Bonus, nonrecurring exceptional items and minority interests) for the relevant financial year.</p> <p>The amount of Performance Bonus is determined as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="text-align: left; padding: 5px;"><b>PBT</b></th> <th style="text-align: left; padding: 5px;"><b>Mr Ng Hai Liong (Executive Chairman)</b></th> <th style="text-align: left; padding: 5px;"><b>Mr Ng Kian Ann Patrick (CEO)</b></th> <th style="text-align: left; padding: 5px;"><b>Mr Ng Kian Yeow, Vincent (COO)</b></th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Less than S\$4.0 million</td> <td style="padding: 5px;">Nil</td> <td style="padding: 5px;">Nil</td> <td style="padding: 5px;">Nil</td> </tr> <tr> <td style="padding: 5px;">Exceeds S\$4.0 million but does not exceed or equal to S\$6.0 million</td> <td style="padding: 5px;">2.0% of the amount in excess of S\$4.0 million</td> <td style="padding: 5px;">3.5% of the amount in excess of S\$4.0 million</td> <td style="padding: 5px;">3.2% of the amount in excess of S\$4.0 million</td> </tr> <tr> <td style="padding: 5px;">Exceeds S\$6.0 million but does not exceed or equal to S\$8.0 million</td> <td style="padding: 5px;">S\$40,000 and 2.5% of the amount in excess of S\$6.0 million</td> <td style="padding: 5px;">S\$70,000 and 4.0% of the amount in excess of S\$6.0 million</td> <td style="padding: 5px;">S\$64,000 and 3.7% of the amount in excess of S\$6.0 million</td> </tr> <tr> <td style="padding: 5px;">Exceeds S\$8.0 million</td> <td style="padding: 5px;">S\$90,000 and 3.0% of the amount in excess of S\$8.0 million</td> <td style="padding: 5px;">S\$150,000 and 4.5% of the amount in excess of S\$8.0 million</td> <td style="padding: 5px;">S\$138,000 and 4.2% of the amount in excess of S\$8.0 million</td> </tr> </tbody> </table> <p><u>Remuneration, payments and benefits to key management personnel</u></p> <p>The remuneration received by key management personnel is made up of fixed compensation consisting of an annual base salary and allowance. Included in the remuneration was also AWS and/or bonus to key management personnel for FY2023.</p>	<b>PBT</b>	<b>Mr Ng Hai Liong (Executive Chairman)</b>	<b>Mr Ng Kian Ann Patrick (CEO)</b>	<b>Mr Ng Kian Yeow, Vincent (COO)</b>	Less than S\$4.0 million	Nil	Nil	Nil	Exceeds S\$4.0 million but does not exceed or equal to S\$6.0 million	2.0% of the amount in excess of S\$4.0 million	3.5% of the amount in excess of S\$4.0 million	3.2% of the amount in excess of S\$4.0 million	Exceeds S\$6.0 million but does not exceed or equal to S\$8.0 million	S\$40,000 and 2.5% of the amount in excess of S\$6.0 million	S\$70,000 and 4.0% of the amount in excess of S\$6.0 million	S\$64,000 and 3.7% of the amount in excess of S\$6.0 million	Exceeds S\$8.0 million	S\$90,000 and 3.0% of the amount in excess of S\$8.0 million	S\$150,000 and 4.5% of the amount in excess of S\$8.0 million	S\$138,000 and 4.2% of the amount in excess of S\$8.0 million
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## Share-Based Incentive Plans

The Company has in place the Huationg PSP and the Huationg ESOS (collectively, the “**Share-Based Incentive Plans**”). The Share-Based Incentive Plans are administered by the NC and the RC (the “**Administration Committee**”).

The primary objective of establishing the Share-Based Incentive Plans is to recognise and reward the Directors and employees for their valuable contributions to the growth and success of the Group as well as to retain employees whose services are vital to the success and greater growth of the Group.

Under the ESOS, the total number of shares over which the Administration Committee may grant options on any date, when added to the number of shares issued and issuable in respect of (a) all options granted under the ESOS; (b) all awards granted under the Share Plan; and (c) any other share option schemes of the Company, shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings of the Company) on the day immediately preceding the date of the relevant grant. Options under the ESOS may be granted with the exercise price set at market price or with the exercise price set at a discount to market price. The former shall only be exercisable after the first anniversary of the date of grant and expire on the fifth anniversary of such date of grant, while the latter shall only be exercisable after the second anniversary of the date of grant and expire on the fifth anniversary of such date of grant.

The PSP is designed to reward its participants through the issue of fully-paid shares according to the extent to which they complete certain time-based service conditions or achieve their performance targets over set performance periods. No minimum vesting periods are prescribed under the PSP for awards, and the length of the vesting period in respect of each award shall be determined on a case-by-case basis. The size of the Award granted to a participant will be determined based on, amongst others, his rank, job performance, potential for future development and his contribution to the success and development of the Group as determined by the Administration Committee prior to the date of grant. The performance period here is a forward-looking period for which performance conditions and targets are set and measured over the performance period. The final Award is determined by the performance achievement over the performance period. Awards may comprise fully paid shares, cash or a combination of fully paid shares and cash. The performance period, vesting period and other conditions will be determined by the Administration Committee.

Since the implementation of the Share-Based Incentive Plans, no share awards or share options have been granted to the Directors, controlling shareholders of the Company or associates of controlling shareholders of the Company, and no employee of the Group has received 5% or more of the total number of share awards or share options (as the case may be) available under the Share-Based Incentive Plans. Since the implementation of the PSP, there are no participants who have received Awards comprising shares representing 5.0% or more of the aggregate of (i) the total number of shares available under the PSP, nor (ii) the total number of existing shares purchased for delivery of released Awards under the PSP.

An aggregate number of 855,000 shares have been granted since the commencement of the PSP to the end of FY2023. The Company had on 15 August 2022 granted Awards pursuant to which 855,000 shares (0.5% of the Company’s share capital as at date of this annual report) were vested on the same day to eligible persons (none of whom are Directors / controlling shareholders) under the Huationg Performance Share Plan.

There are no shares comprised in Awards which have not been released as at the end of FY2023. The Share-Based Incentive Plans are expiring on 17 November 2024. As such, the Company is seeking to adopt new share schemes that are on substantially the same terms as the Share-Based Incentive Plans. The new share schemes shall come into effect immediately after the expiry of the Share-Based Incentive Plans on 17 November 2024.

## PRINCIPLE 9: ACCOUNTABILITY AND AUDIT – RISK MANAGEMENT AND INTERNAL CONTROLS

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

Provision 9.1	<p><u>Risk assessment and evaluation</u></p> <p>Risk assessment and evaluation, which determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation, has become an essential part of the business planning and monitoring process. To address this, the Board has set up a Risk Committee which comprises Mr Ng Kian Ann Patrick as the Chairman and Mr Yap Kian Peng, Mr Cheang You Kong and Mr Wee Heng Yi, Adrian as members.</p> <p>Nevertheless, the Board acknowledges that it is responsible for the governance of risks and the overall internal control framework, but recognises that no cost effective 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, and can provide only reasonable and not absolute assurance against the occurrence of material errors or poor judgment in decision-making.</p> <p>The Group has put in place a documentation on its risk profile which summarises the material risks faced by the Group and the counter measures in place to manage or mitigate those risks for the review by the Board at least annually.</p> <p>Save for the above, the Board is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2023.</p> <p>The bases for the Board's view are as follows:</p> <ul style="list-style-type: none"> <li>(i) assurance has been received from the CEO and CFO (who is also the CRO);</li> <li>(ii) an internal audit has been done by the internal auditor (the "IA") (who has unfettered access to all the Company's documents, records, properties and personnel) and significant matters highlighted to the AC and key management personnel were appropriately addressed;</li> <li>(iv) key management personnel regularly evaluates, monitors and reports to the AC and the Board on material risks;</li> <li>(v) the AC, on behalf of the Board, reviews the Group's system of internal controls, including financial, operational, compliance controls and information technology and risk management policies and systems established by Management;</li> <li>(vi) discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns; and</li> <li>(vii) an enterprise risk management framework was established to identify, manage and mitigate significant risks.</li> </ul>
Provision 9.2	<p><u>Assurance from the CEO, CFO, EA and IA</u></p> <p>The Board has obtained assurance from the CEO and CFO (who is also the CRO) that in FY2023:</p> <ul style="list-style-type: none"> <li>(i) 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</li> <li>(ii) the Company's risk management and internal control systems are adequate and effective.</li> </ul>



# CORPORATE GOVERNANCE REPORT

	<p>The Board has further relied on the independent auditor's report as set out in this Annual Report as assurance that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's finances.</p> <p>The Board has also relied on the reports of the IA's examination of the Company's system of internal control and risk management as assurance that the Company's risk management and internal control system are effective.</p>
Catalist Rule 1204(10)	<p><u>Confirmation of adequacy of internal controls</u></p> <p>Taking into account the nature and size of the Group's business and operations, the Board, with the concurrence of the AC, are of the opinion that the internal controls and risk management systems are adequate and effective to address the financial, operational, compliance and information technology risks based on the following:</p> <ul style="list-style-type: none"> <li>• internal controls and the risk management system established by the Company;</li> <li>• work performed by the IA and EA;</li> <li>• assurance from the CEO and CFO; and</li> <li>• reviews done by the various Board Committees and key management personnel.</li> </ul>

## PRINCIPLE 10: AUDIT COMMITTEE

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

Provision 10.1	<u>Duties and Functions of the AC</u>
Catalist Rule 406(3)(e)	<p>The duties and functions of the AC include the following:</p> <ol style="list-style-type: none"> <li>(a) assisting the Board in the discharge of its responsibilities on financial and reporting matters;</li> <li>(b) reviewing, with the IA and EA, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the management's response, and results of audits compiled by the IA and EA;</li> <li>(c) reviewing the assurance from the CEO and CFO on the financial records and financial statements;</li> <li>(d) reviewing the half-yearly and annual financial statements and results announcements before 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, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;</li> <li>(e) reviewing at least annually the effectiveness and adequacy of the internal control and procedures, including accounting and financial controls and procedures and ensure coordination between the IA and EA, and the Management, reviewing the assistance given by Management to the IA, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the IA may wish to discuss (in the absence of Management where necessary);</li> <li>(f) reviewing the scope and results of the external audit, and the adequacy, effectiveness, independence and objectivity of the EA and IA;</li> <li>(g) reviewing and discussing with the EA any suspected fraud or irregularity, or suspected 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 Management's response;</li> </ol>

<p>LR 1204(18A) and LR 1204(18B)</p>	<p>(h) make recommendations to the Board on (i) the proposals to the shareholders on the appointment, re-appointment and removal of the EA; and (ii) the remuneration and terms of engagement of the EA;</p> <p>(i) review significant financial reporting issues and judgments with the CFO and the EA so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance before their submission to the Board;</p> <p>(j) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's material internal controls and risk management systems with the CFO and the IA and EA, including financial, operation, compliance and information technology controls via reviews carried out by the IA;</p> <p>(k) reviewing and approving transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);</p> <p>(l) reviewing any potential conflicts of interest;</p> <p>(m) reviewing and approving all hedging policies and instruments (if any) to be implemented by the Group;</p> <p>(n) undertaking such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of AC;</p> <p>(o) reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Group, amongst others, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and</p> <p>(p) generally undertaking such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.</p> <p><u>Changes to accounting standards and issues</u></p> <p>In FY2023, the AC was provided with information such as updates on the changes to the Singapore Financial Reporting Standards, as and when there are material updates to the financial reporting standards when the AC meets with the EA during AC meetings and the AC members were encouraged to attend external courses conducted by relevant professional institutes as and when deemed necessary or upon request.</p> <p><u>Whistle-blowing policy</u></p> <p>The AC oversees and reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed-up.</p> <p>The Company has a whistle-blowing policy whereby staff of the Group may, in confidence, raise concerns about possible irregularities in matters of financial reporting or other matters, such as suspected fraud, corruption, dishonest practices etc. The Company ensures that the identity of the whistleblower is kept confidential. The policy defines the processes clearly to ensure independent investigation of such matters and permits whistle blowers to submit complaints confidentially or anonymously to any of the whistle-blowing committee members. In the event that the whistle-blowing matter to be raised concerns any particular member of the whistleblowing committee, the whistle blower can direct the email to any other member of the whistle-blowing committee who has no conflict of interest.</p>
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# CORPORATE GOVERNANCE REPORT

	<p>The whistle-blowing committee comprises of all members of the AC, of which all are Non-Executive and Independent Directors, and is responsible for the oversight and monitoring of whistleblowing. The whistle-blowing committee will direct an independent investigation to be conducted on the complaint when received in writing, via email or in person. The AC has power to conduct or authorise investigations into any matter within the AC's scope of responsibility, and if it deems appropriate, may engage independent advisors at the Company's expense for the purpose of resolving the complaint. Findings from any investigations shall be reported to the AC for their further actions. The AC ensures that the whistleblower is protected against detrimental or unfair treatment.</p> <p>As of the date of this Corporate Governance Report, there were no whistle-blowing reports received in FY2023.</p>
<p>Provision 10.2</p>	<p><u>AC Composition</u></p> <p>The AC comprises five (5) Directors, all of whom are Non-Executive and Independent Directors. The AC Chairman, Mr Yap Kian Peng, is an Independent Director.</p> <p>Please refer to Provision 1.4 above on the names of the members and the composition of the AC.</p> <p>The Board considers Mr Yap Kian Peng, who has accounting and extensive financial management knowledge and experience, well qualified to chair the AC. At least two members of the AC collectively have recent and relevant accounting and related financial management expertise or experience and are appropriately qualified to discharge their responsibilities.</p>
<p>Provision 10.3</p>	<p>None of the AC members was a former partner or director of the Company's existing auditing firm or auditing corporation: (a) within the previous 2 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.</p>
<p>Provision 10.4</p> <p>Catalist Rule 719(3)</p> <p>Catalist Rule 1204(10C)</p>	<p><u>Internal Audit</u></p> <p>The Company's internal audit function is outsourced to CLA Global TS Risk Advisory Pte. Ltd. (formerly known as Nexia TS Risk Advisory Pte. Ltd.) ("<b>CLA Global TS</b>") who reports directly to the AC. CLA Global TS is a company of CLA Global TS Holdings Pte Ltd, an independent member firm of CLA Global Network. CLA Global TS possesses vast experience in providing internal audits, risk management services and advisory services in the region. The engagement team assigned comprises of 2 staff members led by the Manager of 8 years internal audit experience and headed by Ms Pamela Chen who has more than 16 years of experience performing audits for listed companies.</p> <p>The AC is responsible for the hiring, removal and evaluation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to. The AC reviews and approves the internal audit plan annually to ensure the adequacy of the scope of audit and assess whether there are adequate resources for the IA to perform and discharge its functions during the financial year, whether the proposed work plan is aligned with the risk management framework of the Company and also the overall effectiveness of the IA.</p> <p>The internal audit function adheres to standards set by internationally recognised professional bodies including International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors and is therefore staffed with persons with the relevant qualifications and experience.</p> <p>The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Company.</p> <p>The AC is of the view that the Company's internal audit function is effective, adequately resourced and independent of the activities it audits.</p>

Provision 10.5	<p><u>Meeting Auditors without the Management</u></p> <p>The AC has met once with the Company's external auditors and internal auditors without the presence of Management during FY2023 to discuss on the findings and results of the audit, as well as review and address any concerns if any.</p>
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**PRINCIPLE 11: SHAREHOLDER RIGHTS AND ENGAGEMENT – SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS**

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

Provision 11.1 & Provision 11.2	<p><u>Conduct of General Meetings</u></p> <p>Shareholders are entitled to attend the general meetings of the Company and are afforded the opportunity to participate effectively in and vote at general meetings of the Company.</p> <p>At general meetings of the Company, shareholders are informed of the rules, including voting procedures before all resolutions are put to vote by poll, and their detailed results of the number of votes for and against each resolution and their respective percentages will be announced via SGXNET after the conclusion of the general meeting.</p> <p>The Company provided necessary information on the resolutions to enable Shareholders to exercise their vote on an informed basis during the annual general meeting held during FY2023 and there were no other general meetings held during FY2023. The Company tabled separate resolutions on each substantially separate issue at the annual general meeting held during FY2023. There were no resolutions which were bundled.</p> <p>Due to Covid-19 advisories issued by the relevant authorities in Singapore and the related safe distancing measures in Singapore, the annual general meeting of the Company for FY2023 was held by way of electronic means and shareholders were not able to attend the annual general meeting in person. To enable shareholders to participate in and vote effectively at general meetings held by way of electronic means, the Company set out detailed information on the arrangements relating to attendance at the general meetings, submission of questions in advance of the general meetings, addressing of substantial and relevant questions at the general meetings, and voting procedures for the general meetings.</p>
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# CORPORATE GOVERNANCE REPORT

<p>Provision 11.3</p>	<p><u>Interaction with Shareholders</u></p> <p>At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Group.</p> <p>All Directors attend general meetings of shareholders, and the EA are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.</p> <p>The attendance of the Directors at the general meetings of the Company held in FY2023 are set out below:</p> <table border="1" data-bbox="411 745 1455 1160"> <thead> <tr> <th rowspan="2">Name of Director</th> <th colspan="2">Annual General Meeting</th> </tr> <tr> <th>No. of meetings held</th> <th>No. of meetings attended</th> </tr> </thead> <tbody> <tr> <td>Mr Ng Hai Liong</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr Ng Kian Ann Patrick</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr Ng Kian Yeow, Vincent</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr Wee Heng Yi, Adrian</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr Cheang You Kong</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr Yap Kian Peng</td> <td>1</td> <td>1</td> </tr> <tr> <td>Ms Gn Jong Yuh Gwendolyn<sup>(1)</sup></td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Mr Wong King Kheng<sup>(2)</sup></td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) Ms Gn Jong Yuh Gwendolyn was appointed as an Independent Director with effect from 16 February 2024.</p> <p>(2) Mr Wong King Kheng was appointed as an Independent Director with effect from 6 April 2024</p>	Name of Director	Annual General Meeting		No. of meetings held	No. of meetings attended	Mr Ng Hai Liong	1	1	Mr Ng Kian Ann Patrick	1	1	Mr Ng Kian Yeow, Vincent	1	1	Mr Wee Heng Yi, Adrian	1	1	Mr Cheang You Kong	1	1	Mr Yap Kian Peng	1	1	Ms Gn Jong Yuh Gwendolyn <sup>(1)</sup>	N/A	N/A	Mr Wong King Kheng <sup>(2)</sup>	N/A	N/A
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Ms Gn Jong Yuh Gwendolyn <sup>(1)</sup>	N/A	N/A																												
Mr Wong King Kheng <sup>(2)</sup>	N/A	N/A																												
<p>Provision 11.4</p>	<p><u>Shareholders' Participation</u></p> <p>A shareholder may vote in person or appoint not more than two (2) proxies to attend and vote in his stead. In the case of a shareholder who is a relevant intermediary (as defined in the Companies Act), he may appoint more than two proxies but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.</p> <p>Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a Central Provident Fund agent bank may appoint more than two (2) proxies to attend and vote at general meetings.</p> <p>Pursuant to Regulation 77(3)(c) of the Constitution of the Company, Shareholders who are unable to vote in person at any general meeting may, subject to the approval of the Directors, have the option of voting in absentia, including but not limited to voting by mail, electronic mail, or facsimile.</p>																													
<p>Provision 11.5</p>	<p><u>Minutes of General Meetings</u></p> <p>The Company prepares 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 "<b>Minutes of General Meeting</b>").</p> <p>During FY2023, the minutes of the annual general meeting was published on SGXNET and the Company's corporate website within one (1) month after the annual general meeting. Minutes of all general meetings convened will be published on SGXNET and the Company's corporate website within one month after the meeting.</p>																													

Provision 11.6	<p><u>Dividend Policy</u></p> <p>The Company does not have a fixed dividend policy at present. The Company is committed to enhancing value for its shareholders and strives to achieve an efficient capital structure that balances the returns to shareholders with the Company's capital needs for investment and growth. The declaration and payment of dividends by the Group is subject to many factors, including but not limited to, the level of the Group's cash and retained earnings, the Group's actual and projected performance, the projected levels of capital requirements and general financing conditions and restrictions on payment of dividends imposed on the Group by the financing arrangement (if any).</p> <p><u>Dividend Payments</u></p> <p>As announced by the Company on 14 August 2023, the Company had declared and paid a tax-exempt (one-tier) interim dividend of S\$0.003 per ordinary share for FY2023.</p> <p>The Company will also be proposing a final (one-tier) tax exempt dividend of S\$0.005 per ordinary share for FY2023, subject to shareholders' approval during the forthcoming AGM.</p>
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## PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1, 12.2 & 12.3	<p><u>Communication between the Board and Shareholders</u></p> <p>The Company solicits feedback from and addresses the concerns of shareholders via the following:</p> <ul style="list-style-type: none"> <li>• a dedicated investor relations page on the Group's website; and</li> <li>• annual general meetings.</li> </ul> <p>In addition, if the need arises, the Company may organise media/analyst briefings to enable a better appreciation of the Group's performance and developments which will also act as platforms to solicit and understand the views of shareholders and investors.</p> <p><u>Investor Relations</u></p> <p>The Company's CEO is responsible for the Company's communication with shareholders and serves as the dedicated contact point for investor relations. Shareholders and investors can contact the Company by submitting their queries through the enquiry portal of our corporate website. The Company will follow up and respond to stakeholders' queries as soon as practicable. The Company continues to enforce timely and accurate corporate disclosures and transparency. Relevant and timely disclosures are made via announcements through SGXNET where applicable. Annual General Meetings, a platform where our Directors and Executive Officers engage shareholders directly. Stakeholders can also email the Company via <a href="mailto:IR-enquiry2023@huatong.com.sg">IR-enquiry2023@huatong.com.sg</a>.</p> <p>Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at <a href="http://www.huatong-global.com">www.huatong-global.com</a>.</p>
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# CORPORATE GOVERNANCE REPORT

## PRINCIPLE 13: MANAGING STAKEHOLDER RELATIONSHIPS – ENGAGEMENT WITH STAKEHOLDERS

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.

<p>Provisions 13.1 &amp; 13.2</p>	<p><u>Stakeholders' Engagement</u></p> <p>The Company actively engages its key stakeholders periodically through various medium and channels to understand their needs and expectations, address their concerns so as to improve services and product's standards, as well as to align the business interest with those of the stakeholders and ultimately to generate sustainable value in the long-run.</p> <p>The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are able to impact the Group's business and operations. Six stakeholder groups have been identified through an assessment of their significance to the business operations. They are namely: customers, employees, suppliers/consultants/subcontractors, shareholders &amp; investors, Government &amp; regulators and the community.</p> <p>Having identified the stakeholders and the key topics, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships. The key areas of focus include waste disposal and management, water and energy consumption, occupational health and safety, training and education as well as employment practices.</p>
<p>Provision 13.3</p>	<p><u>Corporate Website</u></p> <p>The Company maintains a current corporate website, <a href="http://www.huatong-global.com">www.huatong-global.com</a>, which contains various information on the Group and the Company and serves as an important resource for investors and all stakeholders.</p>

<b>Catalist Rule</b>	<b>Company's Compliance or Explanation</b>												
<p>712 and 716 1204(6)(c)</p>	<p><u>Appointment of Auditors</u></p> <p>The Company and all its Singapore-incorporated subsidiaries are audited by Baker Tilly TFW LLP, save for Banyan Capital Pte. Ltd., an insignificant wholly-owned indirect subsidiary of the Company, which is audited by RSM Chio Lim LLP, Singapore. As at 29 December 2023, Golden Empire-Huatong Pte. Ltd. has been struck off from the Register of Companies.</p> <p>Notwithstanding the above, the Board and the AC are satisfied that the appointment of a different auditing firms for its subsidiaries or significant associated companies would not compromise the standards and effectiveness of the audit of the Company. Therefore, the Company confirms its compliance with Catalist Rules 712 and 716.</p>												
<p>1204(6)(a) and (b)</p>	<p><u>Fees Paid/Payable to the EA for FY2023</u></p> <table border="1" data-bbox="411 1666 1447 1827"> <thead> <tr> <th></th> <th>S\$</th> <th>% of total</th> </tr> </thead> <tbody> <tr> <td><b>Audit fees</b></td> <td>165,000</td> <td>91.2</td> </tr> <tr> <td><b>Non-audit fees (Tax services)</b></td> <td>16,000</td> <td>8.8</td> </tr> <tr> <td><b>Total</b></td> <td><b>181,000</b></td> <td><b>100.0</b></td> </tr> </tbody> </table> <p>The AC confirms that it has undertaken a review of non-audit services provided by the EA and they will not, in the AC's opinion, affect the independence of the EA.</p>		S\$	% of total	<b>Audit fees</b>	165,000	91.2	<b>Non-audit fees (Tax services)</b>	16,000	8.8	<b>Total</b>	<b>181,000</b>	<b>100.0</b>
	S\$	% of total											
<b>Audit fees</b>	165,000	91.2											
<b>Non-audit fees (Tax services)</b>	16,000	8.8											
<b>Total</b>	<b>181,000</b>	<b>100.0</b>											

1204(8)	<p><u>Material Contracts</u></p> <p>Save for as disclosed in Note 29 of the notes to the financial statements, there were no material contracts entered into by the Group involving the interest of the CEO, any Director or controlling shareholder, which are either still subsisting at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.</p>																
711A, 711B	<p><u>Sustainability Reporting</u></p> <p>The Group recognises the importance of sustainability that creates long-term value to our stakeholders by embracing opportunities and managing risks derived from the environment, social developments and governance. The Group is committed towards implementing sustainable practices in order to achieve the right balance between the needs of the wider community and the requirements of stakeholders and business growth. The Group's sustainability report will be prepared in line with the requirements of the Catalist Rules on sustainability reporting. The report will highlight the environmental and social factors such as waste and energy consumption, occupational health and safety and training and education. Details of the sustainability practices are presented in our 2023 Sustainability Report which will be published on the SGXNET together with the Company's Annual Report for FY2023 on 9 April 2024.</p>																
1204(17)  907	<p><u>Interested Person Transactions ("IPT")</u></p> <p>The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.</p> <p>Other than the IPTs as set out in the table below, there were no additional IPTs of S\$100,000 and above for FY2023. There was no subsisting general mandate from shareholders for IPTs pursuant to Catalist Rule 920 during FY2023.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of Interested Person</th> <th style="text-align: left;">Nature of relationship</th> <th style="text-align: center;">Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</th> <th style="text-align: center;">Aggregate value of all IPTs during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td style="text-align: center;">S\$'000</td> <td style="text-align: center;">S\$'000</td> </tr> <tr> <td>NHL Holding Pte. Ltd.</td> <td style="text-align: center;">#</td> <td style="text-align: center;">1,100</td> <td style="text-align: center;">N.A.</td> </tr> <tr> <td>NB Auto Pte. Ltd.</td> <td style="text-align: center;">#</td> <td style="text-align: center;">391</td> <td style="text-align: center;">N.A.</td> </tr> </tbody> </table> <p># Under Chapter 9 of the Catalist Rules on interested person transactions, NHL and NB Auto are regarded as associates of the Company's controlling shareholders, as Mr Ng Hai Liong and Mr Ng Kian Ann, Patrick, are directors and controlling shareholders of NHL and NB Auto and Mr Ng Kian Yeow, Vincent, is also a controlling shareholder of NHL and NB Auto.</p>	Name of Interested Person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)			S\$'000	S\$'000	NHL Holding Pte. Ltd.	#	1,100	N.A.	NB Auto Pte. Ltd.	#	391	N.A.
Name of Interested Person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)														
		S\$'000	S\$'000														
NHL Holding Pte. Ltd.	#	1,100	N.A.														
NB Auto Pte. Ltd.	#	391	N.A.														

# CORPORATE GOVERNANCE REPORT

1204(19)	<p><u>Dealing in Company's Securities</u></p> <p>In compliance with Rule 1204(19) of the Catalist Rules of the SGX-ST, the Company has adopted its own internal compliance code to provide guidance to its officers with regard to dealing by the Company and its officers in the Company's securities.</p> <p>The Company has in place a policy prohibiting dealings of the Company's securities by the Company, its Directors and officers on short-term considerations or when they are in possession of price sensitive information. The Company, Directors and officers are also prohibited from dealing in the Company's securities during the period commencing one month before the announcement of the Company's half-year and full-year financial results.</p> <p>The Company, Directors and officers are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading period.</p>																
1204(21)	<p><u>Non-sponsor fees</u></p> <p>No non-sponsorship fees were being paid to its sponsor, PrimePartners Corporate Finance Pte. Ltd. in FY2023.</p>																
1204(22)	<p><u>Use of Placement proceeds</u></p> <p>The Company had, in its Corporate Governance report for FY2021, disclosed that an aggregate of S\$280,000 remains unutilised from the Placement of 25.0 million of ordinary shares on the Catalist Board of the SGX-ST during FY2021.</p> <p>As at the date of this Corporate Governance report, there is no unutilised balance of the Placement net proceeds. The amount of \$1,280,000 allocated for general working capital purposes was wholly utilised for the repayment of trade related trust receipts.</p> <table border="1" data-bbox="411 1220 1455 1467"> <thead> <tr> <th data-bbox="411 1220 949 1317">Use of Proceeds</th> <th data-bbox="949 1220 1117 1317">Amount Allocated (S\$'000)</th> <th data-bbox="1117 1220 1284 1317">Amount Utilised (S\$'000)</th> <th data-bbox="1284 1220 1455 1317">Amount Unutilised (S\$'000)</th> </tr> </thead> <tbody> <tr> <td data-bbox="411 1317 949 1384">To explore opportunities in mergers and acquisitions, joint ventures and strategic alliances</td> <td data-bbox="949 1317 1117 1384">1,000</td> <td data-bbox="1117 1317 1284 1384">(1,000)</td> <td data-bbox="1284 1317 1455 1384">–</td> </tr> <tr> <td data-bbox="411 1384 949 1429">General working capital purposes</td> <td data-bbox="949 1384 1117 1429">1,280</td> <td data-bbox="1117 1384 1284 1429">(1,280)</td> <td data-bbox="1284 1384 1455 1429">–</td> </tr> <tr> <td data-bbox="411 1429 949 1467">Total</td> <td data-bbox="949 1429 1117 1467">2,280</td> <td data-bbox="1117 1429 1284 1467">(2,280)</td> <td data-bbox="1284 1429 1455 1467">–</td> </tr> </tbody> </table> <p style="text-align: right; margin-right: 100px;"><b>Working Capital (S\$'000)</b></p> <hr style="width: 100px; margin-left: auto; margin-right: 0;"/> <p data-bbox="411 1601 837 1635">Repayment of trade related trust receipts</p> <p style="text-align: right; margin-right: 100px;"><b>1,280</b></p>	Use of Proceeds	Amount Allocated (S\$'000)	Amount Utilised (S\$'000)	Amount Unutilised (S\$'000)	To explore opportunities in mergers and acquisitions, joint ventures and strategic alliances	1,000	(1,000)	–	General working capital purposes	1,280	(1,280)	–	Total	2,280	(2,280)	–
Use of Proceeds	Amount Allocated (S\$'000)	Amount Utilised (S\$'000)	Amount Unutilised (S\$'000)														
To explore opportunities in mergers and acquisitions, joint ventures and strategic alliances	1,000	(1,000)	–														
General working capital purposes	1,280	(1,280)	–														
Total	2,280	(2,280)	–														

The Directors of Huatong Global Limited (the “Company”) are pleased to present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”), the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023.

## Opinion of the Directors

In the opinion of the Board of Directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 81 to 149 are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)”); and
- (ii) at the date of this statement, after considering the measures taken by the Group with respect to the Group’s ability to continue as a going concern as described in Note 3 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

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

Ng Hai Liong  
Ng Kian Ann Patrick  
Ng Kian Yeow, Vincent  
Yap Kian Peng  
Cheang You Kong  
Wee Heng Yi, Adrian  
Gn Jong Yuh Gwendolyn (Appointed on 16 February 2024)

## Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than share options as disclosed in this statement.

# DIRECTORS' STATEMENT

## Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company or its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance as at 1.1.2023	Balance as at 31.12.2023	Balance as at 1.1.2023	Balance as at 31.12.2023
<b>Number of ordinary shares</b>				
<b>The Company</b>				
Ng Hai Liong	–	–	121,759,600	121,759,600
Ng Kian Ann Patrick	726,800	1,227,800	121,759,600	121,759,600
Ng Kian Yeow, Vincent	–	–	121,759,600	121,759,600
<b>Ultimate holding company</b>				
<i>Dandelion Capital Pte. Ltd.</i>				
Ng Hai Liong	17	17	35	35
Ng Kian Ann Patrick	25	25	–	–
Ng Kian Yeow, Vincent	23	23	–	–

The Directors, Mr Ng Hai Liong, Mr Ng Kian Ann Patrick and Mr Ng Kian Yeow, Vincent, by virtue of Section 7 of the Act are deemed to have an interest in the shares held by the Company in its wholly-owned subsidiary corporations.

Mr Ng Hai Liong, Mr Ng Kian Ann Patrick and Mr Ng Kian Yeow, Vincent, by virtue of their interest of not less than 20% of the issued share capital of the ultimate holding company are deemed to have an interest in the shares held by the Company in the following subsidiary corporations that are not wholly-owned by the Group:

	Balance as at 1.1.2023	Balance as at 31.12.2023
<b>Number of ordinary shares</b>		
HT Equipment Pte. Ltd.	375,000	375,000
Changi East Dorm Dwall Private Limited	51	51

The Directors' interests in the ordinary shares as at 21 January 2024 were the same as those as at 31 December 2023.

## Share options

### Huatong Employee Share Option Scheme

The Huatong Employee Share Option Scheme (the "Share Option Scheme") was approved and adopted at the Company's extraordinary general meeting held on 18 November 2014 and expires after 10 years, on 17 November 2024. The Share Option Scheme is administered by the members of both Remuneration Committee and Nominating Committee comprising Mr Cheang You Kong, Mr Yap Kian Peng, Mr Wee Heng Yi, Adrian and Mr Ng Kian Ann Patrick (collectively, the "Administration Committee"). The Share Option Scheme provides for the grant of incentive share options to employees and Directors of the Group.

## Share options (cont'd)

### Huatiang Employee Share Option Scheme (cont'd)

Under the Share Option Scheme, the total number of shares over which the Administration Committee may grant options on any date, when added to the number of shares issued and issuable in respect of (a) all options granted under the Share Option Scheme; (b) all awards granted under the Huatiang Performance Share Plan; and (c) any other share option schemes of the Company, shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings of the Company) on the day immediately preceding the date of the relevant grant.

Options granted with the exercise price set at market price shall only be exercisable after the first anniversary of the date of grant and expire on the fifth anniversary of such date of grant.

Options granted with the exercise price set at a discount to market price shall only be exercisable after the second anniversary of the date of grant and expire on the fifth anniversary of such date of grant.

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

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

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

Since the commencement of the Share Option Scheme till the end of the financial year, no options have been granted to the Directors or controlling shareholders of the Company; and no participant has received 5% or more of the total options available under the Share Option Scheme.

## Share awards

### Huatiang Performance Share Plan

The Huatiang Performance Share Plan (the "Share Plan") was approved at the Company's extraordinary general meeting held on 18 November 2014 and expires after 10 years, on 17 November 2024. The Share Plan is administered by the Administration Committee, which provides for the grant of incentive share awards to employees and Directors of the Group.

The Share Plan is designed to reward its participants through the issue of fully-paid shares according to the extent to which they complete certain time-based service conditions or achieve their performance targets over set performance periods.

No minimum vesting periods are prescribed under the Share Plan for awards, and the length of the vesting period in respect of each award shall be determined on a case-by-case basis.

There were no share awards granted during the financial year.

On 15 August 2022, the Company granted a total of 855,000 shares awarded to eligible participants under the Share Plan which were vested on the same day. The market price of the shares was determined based on the closing price of the shares of the Company as at 15 August 2022.

Following the allotment and issuance of these shares, the Company's issued and paid-up share capital has increased from 176,384,600 shares to 177,239,600 shares during the previous financial year. These shares shall be rank pari passu in all respects with all other existing ordinary shares in the share capital of the Company.

Since the commencement of the Share Plan till the end of the financial year, no share awards have been granted to the Directors or controlling shareholders of the Company; and there were 12 participants who received 5% or more of the total shares awarded under the Share Plan.



# DIRECTORS' STATEMENT

## Audit committee

The Audit Committee at the date of this statement comprises the following members, all of whom are non-executive independent Directors:

Yap Kian Peng (Chairman)  
Cheang You Kong  
Wee Heng Yi, Adrian  
Gn Jong Yuh Gwendolyn

The Audit Committee performed the functions specified in Section 201B(5) of the Act, the Listing Manual - (Section B: Rules of Catalyst) of the SGX-ST and the Code of Corporate Governance.

In performing its functions, the Audit Committee met with the Company's independent and internal auditors to review the audit plans and overall scope of examination by the internal and independent auditors and the reports of the internal auditors' examination of the Group's systems of internal accounting control.

The Audit Committee also reviewed the following:

- (i) assistance provided by the Company's officers to the internal and independent auditors;
- (ii) consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company and independent auditor's report on those financial statements before their submission to the Directors of the Company;
- (iii) interested person transactions (as defined in Chapter 9 of the SGX Listing Manual);
- (iv) re-appointment of the independent and internal auditors of the Company; and
- (v) the half-yearly and full-year announcements as well as the related press releases on the results and financial position of the Group and the Company.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority to invite any Director or executive officer to attend its meetings. The independent and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has carried out an annual review of non-audit services provided by the independent auditor to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the independent auditor.

The Audit Committee has recommended to the Board of Directors the nomination of Baker Tilly TFW LLP, for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

## Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

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Ng Hai Liong  
Director

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Ng Kian Ann Patrick  
Director

Singapore

5 April 2024

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HUATONG GLOBAL LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Huatong Global Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 81 to 149, which comprise the statements of financial position of the Group and of the Company as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report and 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.

### Revenue from civil engineering contract works

#### *Description of key audit matter:*

For the financial year ended 31 December 2023, the Group recognises revenue from civil engineering contract works of \$104,170,000 (2022: \$100,642,000) over time by reference to the stage of completion as disclosed in Note 4 to the financial statements. The stage of completion is determined by reference to the contract costs incurred to-date relative to the estimated total costs for the contract.

We consider this area to be a key audit matter because significant assumptions are used in the estimation of the total contract revenue (including variation of claims) and total contract costs (including estimated costs to complete), and the determination of the stage of completion as disclosed in Note 3 to the financial statements.

#### *Our procedures to address the key audit matter:*

We have evaluated the Group's accounting policies for revenue recognition to be in compliance with SFRS(I) 15 *Revenue from Contracts with Customers* and obtained an understanding of internal controls over the revenue recognition process and performed test of design and implementation over relevant key operational and accounting controls.

On a sample basis, we read contracts and obtained an understanding of the key terms and conditions. For these contracts, we performed procedures with respect to the reasonableness of management estimates for total contract revenue (including variation of claims) and total contract costs (including estimated costs to complete). We held discussions with contract team to understand the basis of making key estimates in estimating total contract revenue (including variation of claims) and total contract costs (including estimated costs to complete), and also the progress of these projects to assess the appropriateness of the estimated costs to complete. We have checked the actual costs incurred to-date against supporting documents. We recomputed management's computation of the stage of completion. We reviewed the budgets for these projects for cost overruns, provision for onerous contract, liquidated damages and rectification costs.

We also assessed the adequacy and appropriateness of the Group's disclosures made in the financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HUATONG GLOBAL LIMITED

## Report on the Audit of the Financial Statements (cont'd)

### Key Audit Matters (cont'd)

#### Expected credit loss for trade receivables (including retention sums) and contract assets

*Description of key audit matter:*

As at 31 December 2023, the Group has trade receivables (including retention sums) and contract assets of \$42,168,000 (2022: \$29,368,000) (Note 18) and \$64,872,000 (2022: \$65,606,000) (Note 15) respectively. During the financial year ended 31 December 2023, the Group recognises allowance for expected credit loss ("ECL") of \$4,264,000 (2022: \$5,759,000) on trade receivables (including retention sums) and contract assets. The Group determines the ECL of trade receivables (including retention sums) and contract assets by the credit profile and characteristics of the counterparties. The Group further categorises the trade receivables based on days past due. The ECL rates for each category of debtors are estimated based on historical credit loss experience adjusted as appropriate to reflect current condition and forward-looking information which is based on assumptions and forecasts of future economic conditions and how these conditions will affect the Group's ECL assessment as disclosed in Notes 3 and 32(b) to the financial statements.

We consider this area to be a key audit matter because it requires the application of significant estimates and judgements by management and trade receivables (including retention sums) and contract assets are significant to the Group's total assets.

*Our procedures to address the key audit matter:*

We obtained an understanding of management's basis for determination of ECL, factors for determination of default event, credit risk assessment process and credit risk management practices. We evaluated management's determination of the ECL rates, including assumptions surrounding current conditions and adjustment for forward looking information and recomputed ECL of trade receivables (including retention sums) and contract assets using the provision matrix. We assessed the historical ageing data and the key inputs used by management in the provision matrix.

We also assessed the adequacy and appropriateness of the Group's disclosures made in the financial statements.

#### 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), 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HUATONG GLOBAL LIMITED

## Report on the Audit of the Financial Statements (cont'd)

### *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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current 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 HUATIONG GLOBAL 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 Heng Bao Sheng.

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

5 April 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 \$'000	2022 \$'000
Revenue	4	174,591	151,703
Cost of sales and services		(128,879)	(115,785)
Gross profit		45,712	35,918
<i>Other items of income</i>			
Other income	5	3,922	7,106
Interest income	5	1,238	83
<i>Other items of expense</i>			
Administrative expenses		(24,707)	(21,605)
Other expenses		(913)	(705)
Loss allowance on trade receivables and contract assets		(4,264)	(5,759)
Finance costs	6	(3,418)	(2,857)
Share of results of a joint venture	13	(1)	(151)
Profit before income tax	7	17,569	12,030
Income tax expense	8	(3,337)	(1,879)
Profit for the financial year		14,232	10,151
<i>Other comprehensive income/(loss):</i>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Fair value gain/(loss) on financial assets at FVOCI	16	5	(14)
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Gain on revaluation of property, plant and equipment	9	363	775
Other comprehensive income, net of tax		368	761
Total comprehensive income for the financial year		14,600	10,912
<b>Profit/(loss) attributable to:</b>			
Owners of the parent		14,274	10,219
Non-controlling interests		(42)	(68)
		14,232	10,151
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the parent		14,642	10,980
Non-controlling interests		(42)	(68)
		14,600	10,912
<b>Earnings per share attributable to owners of the parent:</b>			
- Basic and diluted (in cents)	28	8.05	5.78

Note:

(1) FVOCI: fair value through other comprehensive income

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



# STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2023

		Group	
	Note	2023 \$'000	2022 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	49,200	21,404
Right-of-use assets	10	37,930	42,955
Financial assets at FVTPL	11	2,867	2,825
Investment in a joint venture	13	–	271
Intangible assets	14	47	63
		<b>90,044</b>	67,518
<b>Current assets</b>			
Contract assets	15	64,872	65,606
Financial assets at FVTPL	11	3,083	3,037
Financial assets at FVOCI	16	802	806
Inventories	17	2,240	1,571
Trade and other receivables	18	45,998	32,424
Prepayments		4,342	2,178
Cash and cash equivalents	19	70,691	23,065
		<b>192,028</b>	128,687
Disposal group assets classified as held-for-sale	26	–	21,370
		<b>192,028</b>	150,057
<b>Total assets</b>		<b>282,072</b>	217,575
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	20	41,157	41,157
Accumulated profits		70,762	57,906
Other reserves	21	(15,100)	(26,119)
Reserve of disposal group classified as held-for-sale	21	–	10,651
<b>Equity attributable to owners of the parent</b>		<b>96,819</b>	83,595
Non-controlling interests		(1,056)	(1,014)
<b>Total equity</b>		<b>95,763</b>	82,581
<b>Non-current liabilities</b>			
Trade and other payables	22	1,000	8,508
Lease liabilities	23	18,438	13,266
Bank borrowings	24	8,640	12,570
Deferred tax liabilities	25	2,818	1,858
		<b>30,896</b>	36,202
<b>Current liabilities</b>			
Contract liabilities	15	41,812	2,699
Trade and other payables	22	69,801	42,087
Lease liabilities	23	9,602	11,350
Bank borrowings	24	30,669	35,088
Current income tax payable		3,529	2,848
		<b>155,413</b>	94,072
Liabilities directly associated with disposal group classified as held-for-sale	26	–	4,720
		<b>155,413</b>	98,792
<b>Total liabilities</b>		<b>186,309</b>	134,994
<b>Total equity and liabilities</b>		<b>282,072</b>	217,575

Note:

(1) FVTPL: fair value through profit or loss

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

# STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2023

	Note	Company	
		2023 \$'000	2022 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	12	41,735	41,735
Intangible assets	14	6	8
Other receivable	18	12,710	12,710
		<b>54,451</b>	<b>54,453</b>
<b>Current assets</b>			
Other receivables	18	4,000	1,000
Prepayments		5	1
Cash and cash equivalents	19	78	217
		<b>4,083</b>	<b>1,218</b>
<b>Total assets</b>		<b>58,534</b>	<b>55,671</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	20	41,157	41,157
Accumulated profits		4,544	3,284
<b>Total equity</b>		<b>45,701</b>	<b>44,441</b>
<b>Non-current liabilities</b>			
Other payables	22	10,432	10,432
<b>Current liabilities</b>			
Trade and other payables	22	2,401	798
<b>Total liabilities</b>		<b>12,833</b>	<b>11,230</b>
<b>Total equity and liabilities</b>		<b>58,534</b>	<b>55,671</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Share capital \$'000	Accumulated profits \$'000	Other reserves \$'000	Reserve of disposal group classified as held-for-sale \$'000	Total equity attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance as at 1.1.2023		41,157	57,906	(26,119)	10,651	83,595	(1,014)	82,581
Profit/(loss) for the financial year		–	14,274	–	–	14,274	(42)	14,232
<i>Other comprehensive income:</i>								
Gain on revaluation of property, plant and equipment	9	–	–	363	–	363	–	363
Fair value gain on financial assets at FVOCI	16	–	–	5	–	5	–	5
		–	–	368	–	368	–	368
Total comprehensive income/(loss) for the financial year		–	14,274	368	–	14,642	(42)	14,600
Reclassified from disposal group classified as held-for-sale	21	–	–	10,651	(10,651)	–	–	–
Dividend	27	–	(1,418)	–	–	(1,418)	–	(1,418)
<b>Balance as at 31.12.2023</b>		<b>41,157</b>	<b>70,762</b>	<b>(15,100)</b>	<b>–</b>	<b>96,819</b>	<b>(1,056)</b>	<b>95,763</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	Share capital \$'000	Accumulated profits \$'000	Other reserves \$'000	Reserve of disposal group classified as held-for-sale \$'000	Total equity attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance as at 1.1.2022	41,081	48,219	(16,229)	–	73,071	(946)	72,125
Profit/(loss) for the financial year	–	10,219	–	–	10,219	(68)	10,151
<i>Other comprehensive income/(loss):</i>							
Gain on revaluation of property, plant and equipment	9	–	775	–	775	–	775
Fair value loss on financial assets at FVOCI	16	–	(14)	–	(14)	–	(14)
		–	761	–	761	–	761
Total comprehensive income/(loss) for the financial year	–	10,219	761	–	10,980	(68)	10,912
Reserve attributable to disposal group classified as held-for-sale	21	–	(10,651)	10,651	–	–	–
Issuance of ordinary shares	20	76	–	–	76	–	76
Dividend	27	–	(532)	–	(532)	–	(532)
Balance as at 31.12.2022	41,157	57,906	(26,119)	10,651	83,595	(1,014)	82,581

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Share capital \$'000	Accumulated profits \$'000	Total equity \$'000
<b>Company</b>				
Balance at 1.1.2023		41,157	3,284	44,441
Profit and total comprehensive income for the financial year		–	2,678	2,678
Dividend	27	–	(1,418)	(1,418)
<b>Balance at 31.12.2023</b>		<b>41,157</b>	<b>4,544</b>	<b>45,701</b>
Balance at 1.1.2022		41,081	4,170	45,251
Loss and total comprehensive loss for the financial year		–	(354)	(354)
Issuance of ordinary shares	20	76	–	76
Dividend	27	–	(532)	(532)
Balance at 31.12.2022		41,157	3,284	44,441

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Profit before income tax		17,569	12,030
Adjustments for:			
Reversal of allowance for impairment of financial assets at FVOCI upon redemption	5	(11)	(11)
Loss allowance on trade receivables and contract assets	7	4,264	5,759
Amortisation of intangible assets	14	16	16
Depreciation of property, plant and equipment	9	8,333	9,277
Depreciation of right-of-use assets	10	6,354	7,717
Remeasurement of disposal group assets classified as held-for-sale recognised in profit or loss	26	1,197	–
Property, plant and equipment written off	9	36	58
Gain on disposal of property, plant and equipment	5	(76)	(74)
Gain on lease modification	23	–	(601)
Amortisation of gain on sale and leaseback transactions	5	–	(272)
Interest expenses	6	3,265	2,681
Interest income	5	(1,238)	(83)
Share of results of a joint venture	13	1	151
Loss on liquidation of a joint venture	13	10	–
Fair value gain of financial assets at FVTPL	11	(205)	(205)
Performance share expenses	20	–	76
Unrealised exchange differences, net		63	9
Operating cash flows before working capital changes		39,578	36,528
Working capital changes:			
Trade and other receivables		(13,386)	(847)
Prepayments		(2,164)	502
Contract assets, net		35,962	2,942
Inventories		(669)	(171)
Trade and other payables		16,220	3,768
Cash from operations		75,541	42,722
Interest received		1,185	29
Income tax paid		(2,797)	(530)
<b>Net cash from operating activities</b>		<b>73,929</b>	<b>42,221</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(4,500)	(3,255)
Deposits paid for purchase of property, plant and equipment		(567)	(146)
Interest received	16	53	54
Return of capital from a joint venture	13	170	–
Dividend received from a joint venture	13	90	1,300
Proceeds from disposal of property, plant and equipment		405	217
Proceeds from redemption of financial assets at FVOCI		20	20
<b>Net cash used in investing activities</b>		<b>(4,329)</b>	<b>(1,810)</b>

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group	
	Note	2023 \$'000	2022 \$'000
<b>Cash flows from financing activities</b>			
Proceeds from trust receipts/letters of credits	24	<b>52,492</b>	66,829
Repayments of trust receipts/letters of credits	24	<b>(53,329)</b>	(73,020)
Proceeds from bank loans	24	<b>1,448</b>	2,500
Repayments of bank loans	24	<b>(8,906)</b>	(6,273)
Interest paid		<b>(3,265)</b>	(2,681)
Repayments of lease liabilities	24	<b>(8,996)</b>	(14,515)
Dividend paid	27	<b>(1,418)</b>	(532)
<b>Net cash used in financing activities</b>		<b>(21,974)</b>	(27,692)
<b>Net changes in cash and cash equivalents</b>			
Cash and cash equivalents as at the beginning of the financial year		<b>47,626</b>	12,719
<b>Cash and cash equivalents as at the end of the financial year</b>	19	<b>23,065</b>	10,346
		<b>70,691</b>	23,065

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

## 1. General corporate information

Huatong Global Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The Company’s registered office address and principal place of business is at 9 Benoi Crescent, Singapore 629972. The Company’s registration number is 201422395Z.

The Company’s immediate and ultimate holding company is Dandelion Capital Pte. Ltd., a company incorporated in Singapore, which is controlled by Ng Hai Liong, Ng Kian Ann Patrick and Ng Kian Yeow, Vincent.

The principal activity of the Company is that of investment holding company.

The principal activities of the Company’s subsidiaries are set out in Note 12.

## 2. Material accounting policies

### (a) Basis of preparation

The financial statements are presented in Singapore dollar (“\$”), and all financial information presented in Singapore dollar are rounded to the nearest thousand (\$’000) except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) (“SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of 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 financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

#### *Use of estimates and judgements*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and current bank borrowings approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (cont'd)

### (a) Basis of preparation (cont'd)

*New and revised standards that are adopted*

In the current financial year, the Group has adopted all the new and revised SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new and revised SFRS(I) and INT SFRS(I) did not have any material effect on the financial results or position of the Group and the Company except as disclosed below:

#### **Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies**

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies, and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group has adopted the amendments to SFRS(I) 1-1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Group's and the Company's financial statements.

*New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

### (b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group.

### (c) Revenue recognition

#### (i) *Revenue from civil engineering contract works*

The Group provides civil engineering contract works to customers. Revenue is recognised when the control over the contract work is transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the contract work over time or at a point in time by determining if the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced or the customer simultaneously receives and consumes the benefits provided by the Group's performance as the work progresses. The Group recognises contract revenue over time by reference to the stage of completion of the contract work. The stage of completion is determined by reference to the contract costs incurred to-date relative to the estimated total contract costs for the contract.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (cont'd)

### (c) Revenue recognition (cont'd)

#### (i) *Revenue from civil engineering contract works (cont'd)*

The Group progressively invoices the customer on progress claims, where the Group has right over payment over the value of services transferred to the customer. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

The period between the transfer of the promised service and invoicing to the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customer from the Group's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

#### (ii) *Inland logistics support service income*

Inland logistics support service income is recognised at point in time when services are provided.

#### (iii) *Sales of construction materials*

Revenue from the sales of construction materials is recognised at point in time when the goods are delivered to customers.

#### (iv) *Dormitory operations*

Dormitory services income is recognised over time when services are provided.

#### (v) *Rental income from operating leases*

Lease payments from operating leases are recognised on a straight-line basis over the lease term.

#### (vi) *Interest income*

Interest income is recognised using the effective interest method.

#### (vii) *Contract assets and contract liabilities*

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

### (d) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (cont'd)

### (d) Income taxes (cont'd)

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax liability is provided on all taxable temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

Deferred tax is measured based on the tax consequence that will follow 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.

### (e) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease.

#### ***When a Group entity is the lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

#### *Lease liabilities*

The lease liabilities are 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 its incremental borrowing rate.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (cont'd)

### (e) Leases (cont'd)

#### ***When a Group entity is the lessee (cont'd)***

##### *Lease liabilities (cont'd)*

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient to its leases for land-use-rights.

#### ***When a Group entity is the lessor***

Where the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

### (f) Financial assets

#### ***Classification and measurement***

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

The classification is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (cont'd)

### (f) Financial assets (cont'd)

#### ***Subsequent measurement***

##### *(i) Debt instruments*

Debt instruments include cash and cash equivalents, trade and other receivables (excluding non-refundable deposits) and quoted debt securities. There are three subsequent measurement categories, depending on the Group's business model for managing the asset and cash flow characteristics of the asset:

##### *Amortised cost*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Interest income from these financial assets is included in interest income using the EIR method.

##### *Fair value through other comprehensive income ("FVOCI")*

The Group measures debts instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in fair values for debts instruments at FVOCI are recognised in other comprehensive income and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment and presented in "other income/expense". Interest income from these financial assets is recognised in profit or loss using the EIR method.

##### *(ii) Investments in life insurances*

The Group's investments in life insurances are classified as FVTPL. Movements in fair values and interest income are recognised in profit or loss in the period in which it arises and presented in "other income".

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (cont'd)

### (f) Financial assets (cont'd)

#### *Impairment*

The Group recognises an allowance for expected credit losses (“ECLs”) for financial assets carried at amortised cost.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. 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 (a “12-month ECL”). 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 (a “lifetime ECL”).

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

### (g) Financial liabilities

Financial liabilities include trade and other payables (excluding goods and services tax payable and provision for unutilised leave), lease liabilities and bank borrowings. Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

## 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Critical judgements in applying the Group's accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

#### ***Critical judgements in applying the Group's accounting policies (cont'd)***

##### *Going concern assumption*

As at 31 December 2023, included in the Group's net current assets of \$36,615,000 (2022: \$51,265,000) were contract assets of \$64,872,000 (2022: \$65,606,000) which will be converted to trade receivables upon issuance of invoices. The Group progressively invoices the customers on progress claims based on progress milestone as agreed by customers, where the Group has right over payment over the value of services transferred to the customer.

Notwithstanding the above, management is of the view that the Group has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of preparation of these financial statements remains appropriate based on the following factors:

- i. The Group is able to generate sufficient cash flows from their operations to meet their current and future obligations; and
- ii. The banking facilities from their bankers for their working capital requirements for the next twelve months will be available as and when required.

Based on the above factors, the financial statements have been prepared on a going concern basis.

#### ***Key sources of estimation uncertainty***

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### *Civil engineering contract works*

The Group recognises contract revenue over time by reference to the stage of completion of the contract work. The stage of completion is determined by reference to the contract costs incurred to-date relative to the estimated total contract costs for the contract.

Significant assumptions are used to estimate the total contract revenue (including variation of claims) and total contract costs (including estimated costs to complete), at the inception of the contract and at the end of each reporting period and the determination of the stage of completion. In making these estimates, management has relied on past experience and knowledge of the contract team.

The carrying amounts of the Group's contract assets and contract liabilities as at 31 December 2023 were \$64,872,000 (2022: \$65,606,000) and \$41,812,000 (2022: \$2,699,000) respectively (Note 15).

##### *Estimating expected credit loss allowance on trade receivables (including retention sums) and contract assets*

The Group has applied the simplified approach within SFRS(I) 9 *Financial Instruments*, based on lifetime ECL, in determining the loss allowance on trade receivables (including retention sums) and contract assets at the end of each reporting period.

The Group determined the ECL of trade receivables (including retention sums) and contract assets by segregating amounts due from government agencies and debtors who are also the Group's suppliers with amounts due from are lower than amount due to the same counterparties where the associated credit risk is not significant and credit-impaired debtors, and using a provision matrix for the remaining trade receivables (including retention sums) and contract assets. The Group further categorises the remaining trade receivables based on days past due. The ECL rates for each category of the remaining debtors are estimated based on historical credit loss experience adjusted as appropriate to reflect current condition and forward-looking information which is based on assumptions and forecasts of future economic conditions and how these conditions will affect the Group's ECL assessment as disclosed in Note 32(b).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

#### **Key sources of estimation uncertainty (cont'd)**

##### *Estimating expected credit loss allowance on trade receivables (including retention sums) and contract assets (cont'd)*

As the calculation of loss allowance on trade receivables (including retention sums) and contract assets is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables (including retention sums) and contract assets.

During the financial year, a loss allowance on trade receivables (including retention sums) of \$379,000 (2022: reversal of loss allowance of \$37,000) was recognised in the Group's profit or loss. The carrying amount of the Group's trade receivables (including retention sums) as at 31 December 2023 was approximately \$42,168,000 (2022: \$29,368,000) (Note 18).

During the financial year, the loss allowance on contract assets of \$3,885,000 (2022: \$5,796,000) was recognised in the Group's profit or loss. The carrying amount of the Group's contract assets as at 31 December 2023 was approximately \$64,872,000 (2022: \$65,606,000) (Note 15).

##### *Impairment of investments in subsidiaries*

The Company assesses at the end of each reporting period whether there are any indicators of impairment for investments in subsidiaries. Investments in subsidiaries are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of the investment exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use.

When value-in-use calculations are undertaken, management is required to estimate the expected future cash flows from the business and a suitable terminal growth rate and discount rate, in order to determine the present value of those cash flows.

The carrying amount of the Company's investments in subsidiaries as at 31 December 2023 was \$41,735,000 (2022: \$41,735,000) (Note 12).

##### *Impairment of non-financial assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use.

When value-in-use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate, in order to determine the present value of those cash flows.

The carrying amounts of the Group's property, plant and equipment and right-of-use assets as at 31 December 2023 were \$49,200,000 (2022: \$21,404,000) (Note 9) and \$37,930,000 (2022: \$42,955,000) (Note 10) respectively.

##### *Depreciation of property, plant and equipment*

The Group depreciates property, plant and equipment on a straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economic, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges.

The carrying amounts of the Group's property, plant and equipment as at 31 December 2023 was \$49,200,000 (2022: \$21,404,000) (Note 9).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

#### Key sources of estimation uncertainty (cont'd)

##### Income taxes

Significant judgement is involved in determining the provision for income taxes. The Group recognises expected liabilities for income tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual liability arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax provisions in the period when such determination is made.

The carrying amounts of the Group's current income tax payable and deferred tax liabilities as at 31 December 2023 were \$3,529,000 (2022: \$2,848,000) and \$2,818,000 (2022: \$1,858,000) respectively.

### 4. Revenue

#### (a) Disaggregation of revenue

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>By nature</b>		
Revenue from civil engineering contract works	<b>104,170</b>	100,642
Inland logistics support service income	<b>17,973</b>	23,379
Sales of construction materials	<b>6,458</b>	2,982
Dormitory operations	<b>45,990</b>	24,700
	<b>174,591</b>	151,703
<b>By timing of revenue recognition</b>		
At a point in time	<b>24,431</b>	26,361
Over time	<b>150,160</b>	125,342
	<b>174,591</b>	151,703

#### (b) Transaction price allocated to remaining performance obligations

The transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) in relation to civil engineering contract works are as follows:

	<b>Remaining performance obligations</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Group</b>		
Within two years	<b>265,463</b>	132,712
Later than two years and not later than five years	<b>22,987</b>	40,166
	<b>288,450</b>	172,878

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. Other income and interest income

	Group	
	2023	2022
	\$'000	\$'000
<i>Other income</i>		
Amortisation of gain on sale and leaseback transactions	–	272
Fair value gain of financial assets at FVTPL (Note 11)	205	205
Foreign exchange gain, net	–	49
Government grants income*	151	1,704
Insurance claim monies received	696	780
Gain on disposal of property, plant and equipment	76	74
Gain on lease modification (Note 23)	–	601
Bad debts recovered	–	35
Lease income from other operating facilities	71	317
Reversal of allowance for impairment of financial assets at FVOCI upon redemption (Note 16)	11	11
Sundry income	2,712	3,058
	<b>3,922</b>	<b>7,106</b>
<i>Interest income</i>		
- Banks	1,128	16
- Financial assets at FVOCI (Note 16)	53	54
- Others	57	13
	<b>1,238</b>	<b>83</b>

\* During the previous financial year ended 31 December 2022, government grants income of \$1,162,000 was recognised under the Foreign Worker Levy (“FWL”) rebate. The FWL rebate is a cash grant from the Singapore Government to support businesses employing foreign workers on work permits and S-passes that had to suspend operations during the circuit breaker period and it was further extended for businesses that were not able to resume operations after the circuit breaker period and all businesses in the Construction, Marine Shipyard, and Process (“CMP”) sectors.

## 6. Finance costs

	Group	
	2023	2022
	\$'000	\$'000
<i>Interest expenses</i>		
- Bank overdrafts	–	2
- Lease liabilities (Notes 23 and 24)	1,017	1,084
- Late payment	2	4
- Revolving loans (Note 24)	833	505
- Term loans (Note 24)	701	484
- Trust receipts/letter of credits (Note 24)	712	602
	<b>3,265</b>	<b>2,681</b>
Bank charges	153	176
	<b>3,418</b>	<b>2,857</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 7. Profit before income tax

In addition to those disclosed elsewhere in the financial statements, profit before income tax is arrived at after charging/(crediting) the following:

		Group	
	Note	2023 \$'000	2022 \$'000
<i>Cost of sales and services</i>			
Employee benefits expense			
- Salaries, wages and other benefits		<b>19,189</b>	20,030
- Contribution to Central Provident Fund		<b>188</b>	245
Depreciation of property, plant and equipment	9	<b>8,254</b>	8,876
Depreciation of right-of-use assets	10	<b>6,354</b>	7,520
Remeasurement of disposal group assets classified as held-for-sale recognised in profit or loss			
- Depreciation of property, plant and equipment	9, 26	<b>696</b>	–
Property, plant and equipment written off	9	<b>36</b>	56
Diesel/fuel costs		<b>18,798</b>	22,616
Material costs		<b>18,536</b>	13,316
Short-term lease expense			
- Trucks and equipment	23	<b>2,353</b>	2,712
- Rental of premises	23	<b>–</b>	37
Repair and maintenance		<b>12,068</b>	9,898
Subcontract costs		<b>20,113</b>	18,688
Management fee		<b>5,031</b>	1,852
<i>Administrative expenses</i>			
Employee benefits expense			
- Salaries, wages and other benefits		<b>16,587</b>	15,297
- Contribution to Central Provident Fund		<b>876</b>	756
- Performance share expenses	20	<b>–</b>	76
Directors' fees		<b>125</b>	121
Directors' remuneration			
- Salaries, wages and other benefits		<b>4,321</b>	2,507
- Contribution to Central Provident Fund		<b>70</b>	64
Audit fees paid/payable to:			
- Auditor of the Company		<b>160</b>	145
- Other auditors		<b>5</b>	5
Non-audit fees by auditor of the Company		<b>16</b>	18
Depreciation of property, plant and equipment	9	<b>79</b>	401
Depreciation of right-of-use assets	10	<b>–</b>	197
Remeasurement of disposal group assets classified as held-for-sale recognised in profit or loss			
- Depreciation of property, plant and equipment	9, 26	<b>298</b>	–
- Depreciation of right-of-use assets	10, 26	<b>203</b>	–
Property, plant and equipment written off	9	<b>–</b>	2
Amortisation of intangible assets	14	<b>16</b>	16
Short-term lease expense			
- Construction site and other operating facilities	23	<b>300</b>	467
<i>Other expenses</i>			
Penalty and fine		<b>18</b>	59
<i>Loss allowance/(reversal of loss allowance) on trade receivables and contract assets</i>			
Loss allowance/(reversal of loss allowance) on trade receivables	18	<b>379</b>	(37)
Loss allowance on contract assets	15	<b>3,885</b>	5,796

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 8. Income tax expense

	Group	
	2023	2022
	\$'000	\$'000
Current income tax		
- Current financial year	3,515	2,803
- Over provision in prior financial years	(37)	(94)
	<u>3,478</u>	<u>2,709</u>
Deferred tax (Note 25)		
- Current financial year	(425)	(875)
- Under provision in prior financial years	284	45
	<u>(141)</u>	<u>(830)</u>
	<u>3,337</u>	<u>1,879</u>
Deferred tax charged to other comprehensive income		
- Current financial year (Note 25)	73	159

### Reconciliation of effective income tax rate

Singapore income tax is calculated at 17% (2022: 17%) of the estimated assessable profit for the financial year. The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate to profit before income tax as a result of the following differences:

	Group	
	2023	2022
	\$'000	\$'000
Profit before income tax	<u>17,569</u>	12,030
Income tax calculated at Singapore's statutory tax rate	2,987	2,045
Tax effects of:		
- Income not subject to tax	(433)	(484)
- Expenses not deductible for tax purposes	596	369
- Tax rebates and enhanced allowances	-	(11)
- Singapore statutory income exemption and incentives	(60)	(17)
- Effects of results of joint venture presented net of tax	-	26
- Over provision of current income tax in prior financial years	(37)	(94)
- Under provision of deferred tax in prior financial years	284	45
	<u>3,337</u>	<u>1,879</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 9. Property, plant and equipment

	Leasehold properties \$'000	Renovation \$'000	Computers \$'000	Container offices \$'000	Office equipment and electrical fittings \$'000	Plant and machineries \$'000	Worksite equipment \$'000	Trucks and vehicles \$'000	Total \$'000
<b>Group</b>									
<b>Cost or valuation</b>									
Balance as at 1.1.2023	–	–	667	467	865	80,815	6,794	29,796	119,404
Additions	–	–	11	29	10	8,576	352	3,875	12,853
Reclassified from disposal group held-for-sale (Note 26)	17,750	83	–	–	–	–	–	–	17,833
Reclassified to right-of-use assets upon obtaining financing through leases (Note 10)	–	–	–	–	–	(2,500)	–	(1,867)	(4,367)
Reclassified from right-of-use assets upon full payment (Note 10)	–	–	–	–	–	18,538	–	3,315	21,853
Disposals	–	–	–	–	(2)	(134)	–	(2,477)	(2,613)
Written off	–	–	–	–	(2)	(330)	–	–	(332)
Revaluation	(550)	–	–	–	–	–	–	–	(550)
Balance as at 31.12.2023	<b>17,200</b>	<b>83</b>	<b>678</b>	<b>496</b>	<b>871</b>	<b>104,965</b>	<b>7,146</b>	<b>32,642</b>	<b>164,081</b>
Representing:									
At cost	–	83	678	496	871	104,965	7,146	32,642	146,881
At valuation	17,200	–	–	–	–	–	–	–	17,200
	<b>17,200</b>	<b>83</b>	<b>678</b>	<b>496</b>	<b>871</b>	<b>104,965</b>	<b>7,146</b>	<b>32,642</b>	<b>164,081</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 9. Property, plant and equipment (cont'd)

Group	Leasehold properties \$'000	Renovation \$'000	Computers \$'000	Container offices \$'000	Office equipment and electrical fittings \$'000	Plant and machineries \$'000	Worksite equipment \$'000	Trucks and vehicles \$'000	Total \$'000
<b>Accumulated depreciation</b>									
Balance as at 1.1.2023	–	–	597	392	757	66,367	5,619	24,118	97,850
Depreciation (Note 7)	–	–	39	35	31	5,783	533	1,912	8,333
Remeasurement of disposal group assets classified as held-for-sale recognised in profit or loss (Note 26)	986	8	–	–	–	–	–	–	994
Reclassified from disposal group held-for-sale (Note 26)	–	1	–	–	–	–	–	–	1
Reclassified to right-of-use assets upon obtaining financing through leases (Note 10)	–	–	–	–	–	(56)	–	(31)	(87)
Reclassified from right-of-use assets upon full payment (Note 10)	–	–	–	–	–	9,612	–	1,594	11,206
Disposals	–	–	–	–	–	(88)	–	(2,196)	(2,284)
Written off	–	–	–	–	(2)	(294)	–	–	(296)
Elimination of depreciation on revaluation	(986)	–	–	–	–	–	–	–	(986)
Balance as at 31.12.2023	–	9	636	427	786	81,324	6,152	25,397	114,731
<b>Accumulated impairment losses</b>									
Balance as at 1.1.2023 and 31.12.2023	–	–	–	–	–	150	–	–	150
<b>Net carrying amount</b>									
Balance as at 31.12.2023	17,200	74	42	69	85	23,491	994	7,245	49,200

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 9. Property, plant and equipment (cont'd)

	Leasehold properties \$'000	Renovation \$'000	Computers \$'000	Container offices \$'000	Office equipment and electrical fittings \$'000	Plant and machineries \$'000	Worksite equipment \$'000	Trucks and vehicles \$'000	Total \$'000
<b>Group</b>									
<b>Cost or valuation</b>									
Balance as at 1.1.2022	17,750	–	657	459	877	74,209	6,504	26,471	126,927
Additions	–	83	10	8	61	3,309	307	2,800	6,578
Reclassified to disposal group held-for-sale (Note 26)	(17,750)	(83)	–	–	–	–	–	–	(17,833)
Reclassified to right-of-use assets upon obtaining financing through leases (Note 10)	–	–	–	–	–	(2,356)	–	(1,180)	(3,536)
Reclassified from right-of-use assets upon full payment (Note 10)	–	–	–	–	–	5,962	–	2,517	8,479
Disposals	–	–	–	–	(47)	(241)	–	(668)	(956)
Written off	–	–	–	–	(26)	(68)	(17)	(144)	(255)
Balance as at 31.12.2022	–	–	667	467	865	80,815	6,794	29,796	119,404

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 9. Property, plant and equipment (cont'd)

	Leasehold properties \$'000	Renovation \$'000	Computers \$'000	Container offices \$'000	Office equipment and electrical fittings \$'000	Plant and machineries \$'000	Worksite equipment \$'000	Trucks and vehicles \$'000	Total \$'000
<b>Group</b>									
<b>Accumulated depreciation</b>									
Balance as at 1.1.2022	–	–	548	353	731	56,814	4,960	21,044	84,450
Depreciation (Note 7)	934	1	49	39	66	5,053	665	2,470	9,277
Reclassified to disposal group held-for-sale (Note 26)	–	(1)	–	–	–	–	–	–	(1)
Reclassified to right-of-use assets upon obtaining financing through leases (Note 10)	–	–	–	–	–	(13)	–	(10)	(23)
Reclassified from right-of-use assets upon full payment (Note 10)	–	–	–	–	–	4,782	–	1,281	6,063
Disposals	–	–	–	–	(15)	(213)	–	(557)	(785)
Written off	–	–	–	–	(25)	(56)	(6)	(110)	(197)
Elimination of depreciation on revaluation	(934)	–	–	–	–	–	–	–	(934)
Balance as at 31.12.2022	–	–	597	392	757	66,367	5,619	24,118	97,850
<b>Accumulated impairment losses</b>									
Balance as at 1.1.2022	–	–	–	–	–	149	–	–	149
Reclassified from right-of-use assets upon full payment (Note 10)	–	–	–	–	–	29	–	–	29
Disposals	–	–	–	–	–	(28)	–	–	(28)
Balance as at 31.12.2022	–	–	–	–	–	150	–	–	150
<b>Net carrying amount</b>									
Balance as at 31.12.2022	–	–	70	75	108	14,298	1,175	5,678	21,404



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 9. Property, plant and equipment (cont'd)

Leasehold properties are initially recorded at cost and subsequently carried at revalued amount less accumulated depreciation and accumulated impairment losses, if any. Their fair values are determined by an independent professional valuer annually and whenever their carrying amounts are likely to differ materially from their fair values.

Other property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. Any increase in the carrying amount arising from revaluation is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous reserve relating to that asset, in which case it is charged against any related revaluation reserve, to the extent that the decrease does not exceed the amount held in the revaluation reserve in respect of that same asset.

The estimated useful lives of the property, plant and equipment are as follows:

	<b>Years</b>
Leasehold properties	Remaining lease period of between 1 and 18 years
Renovation	10 years
Computers	3 years
Container offices	5 years
Office equipment and electrical fittings	3 - 10 years
Plant and machineries	5 - 10 years
Worksite equipment	5 - 10 years
Trucks and vehicles	10 years

As at 31 December 2023, the Group's leasehold properties with a fair value of \$17,200,000 (2022: \$17,750,000) and plant and machineries with net carrying amount of \$1,325,000 (2022: \$Nil) are pledged as securities for the banking facilities granted to the Group (Note 24).

During the financial year, the Group's additions to property, plant and equipment were financed as follows:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Additions to property, plant and equipment	<b>12,853</b>	6,578
Reclassified to right-of-use assets upon obtaining financing through leases	<b>(4,367)</b>	(3,536)
Changes in unpaid amount included under trade and other payables*	<b>(3,986)</b>	213
Cash payments to acquire property, plant and equipment	<b>4,500</b>	3,255

\* The amount could subsequently be either financed through leases or settled in cash.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 9. Property, plant and equipment (cont'd)

Particulars of the leasehold properties held by the Group are as follows:

Location	Description	Tenure
Pioneer Road	Industrial building with a floor area of 2,156 square metre	3 years from 15 January 2022 (expiring 14 January 2025)
9 Benoi Crescent Singapore 629972	Industrial building, including a 3-storey dormitory, with a floor area of 8,457 square metre	52 years from 1 January 1989 (expiring 31 December 2040)

The Group's leasehold properties were revalued on 31 December 2023 and 31 December 2022 by an accredited independent valuation firm. The fair value of the Group's leasehold properties on 31 December 2023 has been determined based on the market comparison approach that reflects most recent transaction prices for similar properties, after adjusting for relevant factors such as property size. The revaluation increase of \$436,000 (2022: \$934,000) net of tax charge of \$73,000 (2022: \$159,000) arising from the revaluations have been credited to other comprehensive income and accumulated in equity under asset revaluation reserve (Note 21). The valuation conforms to International Valuation Standards and is based on the asset's highest and best use, which is in line with their actual use. There were no changes to the valuation techniques during the financial year. Details of valuation techniques and inputs used are disclosed in Note 34.

If the revalued leasehold properties of the Group had been included in the financial statements at historical cost less accumulated depreciation and accumulated impairment loss, if any, the carrying amount as at 31 December 2023 would have been approximately \$10,458,000 (2022: \$11,080,000).

## 10. Right-of-use assets

The Group has lease contracts for land-use-rights for leasehold properties and construction sites, machineries, trucks and vehicles and worksite equipment. The Group's obligation under these leases are secured by the lessor's title to the leased assets. There are no externally imposed restrictions on these lease arrangements for right-of-use assets. Except for the land-use-rights for leasehold properties and construction sites, the Group is not restricted from assigning and subleasing the leased assets.

	Land-use- rights \$'000	Machineries \$'000	Worksite equipment \$'000	Trucks and vehicles \$'000	Total \$'000
<b>Group Cost</b>					
Balance as at 1.1.2023	628	52,538	1,369	9,965	64,500
Additions	–	3,811	–	431	4,242
Reclassified from disposal group held-for-sale (Note 26)	4,046	–	–	–	4,046
Reclassified from property, plant and equipment upon obtaining financing through leases (Note 9)	–	2,500	–	1,867	4,367
Modification to lease terms	119	–	–	–	119
Reclassified to property, plant and equipment upon full payment (Note 9)	–	(18,538)	–	(3,315)	(21,853)
Balance as at 31.12.2023	<b>4,793</b>	<b>40,311</b>	<b>1,369</b>	<b>8,948</b>	<b>55,421</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10. Right-of-use assets (cont'd)

	Land-use- rights \$'000	Machineries \$'000	Worksite equipment \$'000	Trucks and vehicles \$'000	Total \$'000
<b>Group</b>					
<b>Accumulated depreciation</b>					
Balance as at 1.1.2023	209	17,880	575	2,881	21,545
Depreciation (Note 7)	210	4,893	274	977	6,354
Remeasurement of disposal group assets classified as held-for-sale recognised in profit or loss (Note 26)	203	–	–	–	203
Reclassified from disposal group held-for-sale (Note 26)	508	–	–	–	508
Reclassified from property, plant and equipment upon obtaining financing through leases (Note 9)	–	56	–	31	87
Reclassified to property, plant and equipment upon full payment (Note 9)	–	(9,612)	–	(1,594)	(11,206)
Balance as at 31.12.2023	<b>1,130</b>	<b>13,217</b>	<b>849</b>	<b>2,295</b>	<b>17,491</b>
<b>Net carrying amount</b>					
Balance as at 31.12.2023	<b>3,663</b>	<b>27,094</b>	<b>520</b>	<b>6,653</b>	<b>37,930</b>
<b>Cost</b>					
Balance as at 1.1.2022	4,242	55,538	1,369	13,906	75,055
Additions	629	1,069	–	768	2,466
Reclassified to disposal group held-for-sale (Note 26)	(4,046)	–	–	–	(4,046)
Reclassified from property, plant and equipment upon obtaining financing through leases (Note 9)	–	2,356	–	1,180	3,536
Modification to lease terms	(197)	(463)	–	(3,372)	(4,032)
Reclassified to property, plant and equipment upon full payment (Note 9)	–	(5,962)	–	(2,517)	(8,479)
Balance as at 31.12.2022	628	52,538	1,369	9,965	64,500
<b>Accumulated depreciation</b>					
Balance as at 1.1.2022	508	16,913	301	3,113	20,835
Depreciation (Note 7)	406	5,907	274	1,130	7,717
Reclassified to disposal group held-for-sale (Note 26)	(508)	–	–	–	(508)
Reclassified from property, plant and equipment upon obtaining financing through leases (Note 9)	–	13	–	10	23
Modification to lease terms	(197)	(171)	–	(91)	(459)
Reclassified to property, plant and equipment upon full payment (Note 9)	–	(4,782)	–	(1,281)	(6,063)
Balance as at 31.12.2022	209	17,880	575	2,881	21,545

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10. Right-of-use assets (cont'd)

	Land-use- rights \$'000	Machineries \$'000	Worksite equipment \$'000	Trucks and vehicles \$'000	Total \$'000
<b>Group</b>					
<b>Accumulated impairment losses</b>					
Balance as at 1.1.2022	–	29	–	–	29
Reclassified to property, plant and equipment upon full payment (Note 9)	–	(29)	–	–	(29)
Balance as at 31.12.2022	–	–	–	–	–
<b>Net carrying amount</b>					
Balance as at 31.12.2022	419	34,658	794	7,084	42,955

The useful life of the right-of-use assets are as follows:

	Years
Land-use-rights	Remaining lease period of between 1 and 18 years
Machineries	10 years
Worksite equipment	5 years
Trucks and vehicles	3 - 10 years

Included in the above, machineries with net carrying amount of \$27,094,000 (2022: \$34,658,000), trucks and vehicles with net carrying amount of \$6,362,000 (2022: \$6,950,000) and worksite equipment with net carrying amount of \$520,000 (2022: \$794,000) are secured over the lease liabilities of \$23,882,000 (2022: \$24,047,000) as at 31 December 2023.

The carrying amounts of lease liabilities, movements during the financial year and the maturity analysis of lease liabilities are disclosed in Note 23, Note 24 and Note 32(b) respectively.

The Group has several lease contracts that include extension options. The options are negotiated by management to provide flexibility in managing the leased assets portfolio and align with the Group's business needs.

## 11. Financial assets at FVTPL

	Group	
	2023 \$'000	2022 \$'000
Investments in life insurances, at fair value		
<b>Current</b>		
- Life Insurance Policy II	3,083	3,037
<b>Non-current</b>		
- Life Insurance Policy I	2,867	2,825
	5,950	5,862

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 11. Financial assets at FVTPL (cont'd)

Movements of investments in life insurances are as follows:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Balance as at the beginning of the financial year	<b>5,862</b>	5,693
Unrealised foreign exchange loss recognised in profit or loss	<b>(117)</b>	(36)
Fair value gain recognised in profit or loss (Note 5)	<b>205</b>	205
Balance as at the end of the financial year	<b>5,950</b>	5,862

During the financial year ended 31 December 2014, the Group entered into a Flexible Premium Universal Life Insurance Policy - Asian Wealth Prestige Plus (the "Policy I") for an Executive Director of the Company with a single premium amounting to US\$1,929,910 (approximately \$2,410,458) by taking up a term loan (Note 24). Policy I's total initial sum insured is US\$10,000,000, and had a guaranteed return of 4.20% per annum within the 5 years lock-in period.

During the financial year ended 31 December 2015, the Group entered into a Life Insurance Policy - PruUniversal Vantage Zenith (the "Policy II") for an Executive Director of the Company with a single premium amounting to US\$2,296,910 (approximately \$3,116,447) by taking up a revolving loan (Note 24). Policy II's total initial sum insured is US\$12,000,000, and had a guaranteed return of 3.60% per annum within the 1 year lock-in period.

Policy I and Policy II (collectively known as the "Policies") both provide the Group with the sum insured or return on investment when the Policies are surrendered to the insurer based on the cash value as determined by the insurer.

5 years from the date of the Policies taken up by the Group on the life of the director, the director shall become the beneficiary of the Policies and be entitled to (a) all payments and other benefits arising therefrom after deducting for the amounts paid under the respective loans (Note 24), as well as (b) the surrender value of the insurance policies.

During the financial year ended 31 December 2019, the Group and the director agreed to extend the transfer of the beneficiary of Policy I to the director for 3 years to 2022. During the previous financial year ended 31 December 2022, the Group and the director agreed to further extend the transfer of the beneficiary of Policy I to the director for another 3 years to 2025.

During the financial year ended 31 December 2020, the Group and the director also agreed to extend the transfer of the beneficiary of Policy II to the director for 3 years to 2023. During the current financial year, the Group and the director agreed to further extend the transfer of the beneficiary of Policy II to the director for another 1 year to 2024.

The initial cash value of the Policies was recognised as financial assets at FVTPL. The difference between the premium paid and the initial cash value was recognised as prepayments and amortised over 5 years.

The investments in life insurances are denominated in United States dollars.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12. Investments in subsidiaries

	Company	
	2023 \$'000	2022 \$'000
Unquoted equity shares, at cost	<b>41,735</b>	41,735

Country of incorporation and principal place of business for all the subsidiaries are in Singapore. The details of the subsidiaries are as follows:

Name of companies	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by the non-controlling interests	
		2023 %	2022 %	2023 %	2022 %
<u>Held by the Company</u>					
Huatong Contractor Pte. Ltd. <sup>(1)</sup>	Provision of civil engineering services and inland construction logistics support	<b>100</b>	100	–	–
Soil Engineering Pte. Ltd. <sup>(1)</sup>	Supply of construction materials	<b>100</b>	100	–	–
HT Equipment Pte. Ltd. <sup>(1)</sup>	Provision of industrial machinery and equipment rental services	<b>75</b>	75	<b>25</b>	25
Changi East Dorm Private Limited <sup>(1)</sup>	Provision of dormitory operating services	<b>100</b>	100	–	–
<u>Held by Huatong Contractor Pte Ltd</u>					
Banyan Capital Pte. Ltd. <sup>(2)</sup>	General contractors and other investment holding company	<b>100</b>	100	–	–
<u>Held by Changi East Dorm Private Limited</u>					
Changi East Dorm Dwall Private Limited <sup>(1)</sup>	Dormant	<b>51</b>	51	<b>49</b>	49

<sup>(1)</sup> Audited by Baker Tilly TFW LLP, Singapore

<sup>(2)</sup> Audited by RSM SG Assurance LLP (formerly known as RSM Chio Lim LLP, Singapore)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12. Investments in subsidiaries (cont'd)

### *Non-controlling interests*

Summarised financial information in relation to the subsidiary that has non-controlling interests ("NCI") that are considered by management to be material to the Group, before intra-group eliminations and together with amounts attributed to NCI, is presented below:

	<b>HT Equipment Pte. Ltd.</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Revenue	<b>2,854</b>	2,330
Loss before income tax	<b>(95)</b>	(351)
Income tax (expense)/credit	<b>(1)</b>	88
Loss for the financial year	<b>(96)</b>	(263)
Total comprehensive loss for the financial year	<b>(96)</b>	(263)
Loss allocated to NCI	<b>(24)</b>	(66)
Total comprehensive loss allocated to NCI	<b>(24)</b>	(66)
Cash flows from operating activities	<b>477</b>	1,214
Cash flows used in investing activities	-	(2)
Cash flows used in financing activities	-	(834)
Net cash inflows	<b>477</b>	378
Assets:		
Current assets	<b>2,389</b>	1,244
Non-current assets	<b>1,048</b>	1,327
Liabilities:		
Current liabilities	<b>7,569</b>	6,587
Non-current liabilities	<b>1</b>	21
Net liabilities	<b>(4,133)</b>	(4,037)
Accumulated non-controlling interests	<b>(1,033)</b>	(1,009)

### **Company level - Impairment review of investments in subsidiaries**

During the financial year, management performed an impairment test for the investment in HT Equipment Pte. Ltd. ("HTE") and Soil Engineering Pte. Ltd. ("SEPL"). HTE had been making net losses during the current financial year and HTE's total liabilities also exceeded its total assets as at 31 December 2023. The cost of investment in SEPL exceeded SEPL's net assets as at 31 December 2023. The cost of investment in HTE and SEPL amounted to \$1,016,000 and \$9,703,000 respectively as at 31 December 2023. Based on management's assessment, no allowance for impairment loss on investments in these subsidiaries is necessary at the end of the reporting period.

The recoverable amounts of these investments are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the budgeted revenue growth rate, budgeted gross margin, terminal year growth rate and discount rate. Management estimates discount rate using pre-tax rate that reflects current market assessment of the time value of money and the risks specific to their industry. The budgeted revenue growth rate is based on past performances and management's assessment of future trends and developments in the market. Budgeted gross margin is based on past performances.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12. Investments in subsidiaries (cont'd)

### Company level - Impairment review of investments in subsidiaries (cont'd)

*Key assumptions used in value-in-use calculations*

#### *HTE*

The value-in-use calculations as at 31 December 2023 used cash flow forecasts derived from the most recent financial budgets approved by management covering a five-year period using estimated average annual budgeted revenue growth rate of 11% (2022: 16%) and average budgeted gross margin of 7% (2022: 10%) over the next 5 years. Cash flows beyond the five-year period were extrapolated using an estimated terminal value growth rate of 3% (2022: 3%). This rate does not exceed the average long-term growth rate for the relevant markets. The pre-tax rate used to discount the forecast cash flows is 9.51% (2022: 10.28%).

#### *SEPL*

The value-in-use calculations as at 31 December 2023 used cash flow forecasts derived from the most recent financial budgets approved by management covering a five-year period using estimated average annual budgeted revenue growth rate of 13% (2022: 19%) and average budgeted gross margin of 24% (2022: 30%) over the next 5 years. Cash flows beyond the five-year period were extrapolated using an estimated terminal value growth rate of 3% (2022: 3%). This rate does not exceed the average long-term growth rate for the relevant markets. The pre-tax rate used to discount the forecast cash flows is 10.30% (2022: 9.50%).

*Sensitivity to changes in assumptions*

With regards to the assessment of value-in-use for the investments in HTE and SEPL, management believes that the change in the estimated recoverable amounts from any reasonably possible changes in any of the above key assumptions would not cause the recoverable amounts to be materially lower than the carrying values of the investments in HTE and SEPL.

## 13. Investment in a joint venture

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<i>Unquoted equity shares</i>		
Balance as at the beginning of the financial year	<b>271</b>	1,722
Share of post-acquisition results	<b>(1)</b>	(151)
Return of capital	<b>(170)</b>	–
Dividend paid	<b>(90)</b>	(1,300)
Loss on liquidation	<b>(10)</b>	–
Balance as at the end of the financial year	<b>–</b>	271

The details of the joint venture are as follows:

<b>Name of joint venture</b>	<b>Country of incorporation and principal place of business</b>	<b>Principal activities</b>	<b>Effective equity interest held by the Group</b>	
			<b>2023</b>	2022
			%	%
Golden Empire-Huatong Pte. Ltd. <sup>(1)(2)</sup>	Singapore	Civil engineering and mixed construction and land reclamation works	–	33.3

<sup>(1)</sup> Audited by RSM SG Assurance LLP (formerly known as RSM Chio Lim, LLP Singapore) in the previous financial year

<sup>(2)</sup> Liquidated on 29 December 2023

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 13. Investment in a joint venture (cont'd)

Summarised financial information of the joint venture is presented below:

	Group	
	2023	2022
	\$'000	\$'000
Assets:		
Current assets	-	837
Liabilities:		
Current liabilities	-	24
Net assets	<u>-</u>	<u>813</u>
Included in the above amounts are:		
Cash and cash equivalents	<u>-</u>	<u>823</u>
Reconciliation to carrying amounts:		
Opening net assets	<b>813</b>	5,166
Loss for the financial year	<b>(2)</b>	(453)
Repayment of current liabilities	<b>(31)</b>	-
Dividend appropriation	<b>(270)</b>	(3,900)
Return of capital	<b>(510)</b>	-
Closing net assets	<u>-</u>	<u>813</u>
Group's share in %	<b>Nil</b>	33.3%
Group's share in \$	<u>-</u>	<u>271</u>
Carrying amount	<u>-</u>	<u>271</u>

	Group	
	2023	2022
	\$'000	\$'000
The Group's share of loss for the financial year	<u><b>(1)</b></u>	<u>(151)</u>

### Summarised statement of comprehensive income

	Group	
	2023	2022
	\$'000	\$'000
Revenue	-	2,047
Loss for the financial year representing total comprehensive loss	<b>(2)</b>	(453)
Included in the above amounts are:		
Depreciation and amortisation	-	9
Income tax credit	<b>(17)</b>	(2)

On 10 February 2022, the joint venture declared a first interim exempt (one-tier) dividend of \$5.88 per ordinary share paid out to the Group which amounted to \$1,000,000.

On 21 December 2022, the joint venture declared a second interim exempt (one-tier) dividend of \$1.76 per ordinary share paid out to the Group which amounted to \$300,000.

On 13 October 2023, the joint venture declared a final exempt (one-tier) dividend of \$0.53 per ordinary share paid out to the Group which amounted to \$90,000.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 14. Intangible assets

	Trademarks \$'000	Club membership \$'000	Total \$'000
<b>Group</b>			
<b>Cost</b>			
Balance as at 1.1.2023 and 31.12.2023	141	54	195
<b>Accumulated amortisation</b>			
Balance as at 1.1.2023	(89)	–	(89)
Amortisation for the financial year (Note 7)	(16)	–	(16)
Balance as at 31.12.2023	<b>(105)</b>	<b>–</b>	<b>(105)</b>
<b>Accumulated impairment losses</b>			
Balance as at 1.1.2023 and 31.12.2023	–	<b>(43)</b>	<b>(43)</b>
<b>Net carrying amount</b>			
Balance as at 31.12.2023	<b>36</b>	<b>11</b>	<b>47</b>
<b>Cost</b>			
Balance as at 1.1.2022 and 31.12.2022	141	54	195
<b>Accumulated amortisation</b>			
Balance as at 1.1.2022	(73)	–	(73)
Amortisation for the financial year (Note 7)	(16)	–	(16)
Balance as at 31.12.2022	(89)	–	(89)
<b>Accumulated impairment losses</b>			
Balance as at 1.1.2022 and 31.12.2022	–	(43)	(43)
<b>Net carrying amount</b>			
Balance as at 31.12.2022	52	11	63
<b>Trademarks</b>			
	<b>2023</b>	2022	
	<b>\$'000</b>	\$'000	
<b>Company</b>			
<b>Cost</b>			
Balance as at the beginning and end of the financial year		26	26
<b>Accumulated amortisation</b>			
Balance as at the beginning of the financial year		(18)	(15)
Amortisation for the financial year		(2)	(3)
Balance as at the end of the financial year		<b>(20)</b>	(18)
<b>Net carrying amount</b>			
Balance as at the end of the financial year		<b>6</b>	8

Trademarks are amortised over 10 years using the straight-line method.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 15. Contract assets/Contract liabilities

	<b>31.12.2023</b>	<b>Group</b>	
	<b>\$'000</b>	31.12.2022	1.1.2022
		\$'000	\$'000
Contract assets	<b>82,188</b>	79,037	83,679
Less: Loss allowance	<b>(17,316)</b>	(13,431)	(7,635)
	<b>64,872</b>	65,606	76,044
Contract liabilities	<b>41,812</b>	2,699	4,399

The contract assets and contract liabilities arose from contracts with customers for civil engineering contract works and dormitory operations.

The contract assets/contract liabilities are denominated in Singapore dollar.

Movements in loss allowance on contract assets were as follows:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Balance as at the beginning of the financial year	<b>13,431</b>	7,635
Loss allowance made - simplified approach (Note 7)	<b>3,885</b>	5,796
Balance as at the end of the financial year	<b>17,316</b>	13,431

Significant changes in the contract assets and the contract liabilities during the financial year are as follows:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Revenue recognised that was included in the contract liabilities balance at beginning of financial year	<b>2,515</b>	4,382
Transfers from the contract assets recognised at the beginning of financial year to trade receivables	<b>28,289</b>	29,816
Increase in contract liabilities due to advances received, excluding amounts recognised as revenue during the financial year	<b>41,628</b>	2,682

## 16. Financial assets at FVOCI

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<i>Financial assets measured at FVOCI</i>		
Quoted debt securities, at fair value		
- Instrument I	<b>779</b>	788
- Instrument II	<b>23</b>	18
	<b>802</b>	806

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 16. Financial assets at FVOCI (cont'd)

Movements of investments in quoted debt securities are as follows:

	Group	
	2023 \$'000	2022 \$'000
Balance as at the beginning of the financial year	806	829
Redemption during the financial year	(9)	(9)
Interest earned	53	54
Interest received	(53)	(54)
Fair value gain/(loss) recognised in other comprehensive income, net (Note 21)	5	(14)
Balance as at the end of the financial year	<u>802</u>	<u>806</u>

During the financial year, there was a redemption of 20,000 (2022: 20,000) units of the quoted debt security Instrument I at \$20,000 (2022: \$20,000) with a carrying amount of \$9,000 (2022: \$9,000). The Group has recognised a reversal of \$11,000 (2022: \$11,000) (Note 5), being part of allowance for impairment for financial assets at FVOCI made in the previous year.

### Quoted debt securities

	Group			
	2023		2022	
	Coupon rate	Maturity	Coupon rate	Maturity
Instrument I*	<u>3.00%</u>	<u>1 October 2026</u>	3.00%	1 October 2026

\* Pursuant to the passing of consent solicitation exercise on 30 January 2019 by the issuer of Instrument I, amongst other changes made relevant to Instrument I included:

- (1) extension of the tenor of its existing note by another five years from the last maturity dates to 1 October 2026; and
- (2) revision of coupon rate to a base rate of 3% per annum and mandatory redemption rate to 1% per annum, payable semi-annually.

Management has the intention to dispose the remaining quoted debt securities within 12 months after the end of the reporting period.

The fair value of the above-mentioned debt securities is presented in Note 34.

The interest earned on the quoted debt securities amounting to \$53,000 (2022: \$54,000) is recognised in profit or loss under the "Other income" line item (Note 5).

The investments in quoted debt securities are denominated in Singapore dollar.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 17. Inventories

	Group	
	2023 \$'000	2022 \$'000
Raw materials	177	206
Hardware parts and consumables	2,063	1,365
	<b>2,240</b>	<b>1,571</b>

The cost of inventories is determined on a first-in, first-out basis. The cost of inventories recognised as expenses and recorded in "cost of sales and services" in profit or loss amounted to \$23,977,000 (2022: \$27,709,000).

## 18. Trade and other receivables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Current</b>				
Trade receivables				
- Third parties	42,993	27,757	-	-
Retention sums on construction contracts	8,213	11,431	-	-
	<b>51,206</b>	39,188	-	-
Less:				
Loss allowance <sup>1</sup>	(9,038)	(9,820)	-	-
	<b>42,168</b>	29,368	-	-
Other receivables				
- Third parties	1,051	1,631	-	-
- Employees	190	144	-	-
- A related party	433	32	-	-
- Subsidiaries	-	-	1,000	1,000
- Dividend receivable	-	-	3,000	-
	<b>1,674</b>	1,807	<b>4,000</b>	1,000
Deposits				
- Refundable	1,116	776	-	-
- Non-refundable	1,040	473	-	-
	<b>2,156</b>	1,249	-	-
	<b>45,998</b>	32,424	<b>4,000</b>	1,000
<b>Non-current</b>				
Other receivable				
- A subsidiary	-	-	12,710	12,710
Trade and other receivables	45,998	32,424	16,710	13,710
Add/(less):				
Cash and cash equivalents (Note 19)	70,791	23,065	78	217
Goods and services tax receivables	(358)	(1,347)	-	-
Non-refundable deposits	(1,040)	(473)	-	-
Financial assets at amortised cost	<b>115,391</b>	53,669	<b>16,788</b>	13,927

<sup>1</sup> Includes loss allowance for retention sums on construction contracts of \$1,498,000 (2022: \$1,478,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 18. Trade and other receivables (cont'd)

Trade receivables from third parties are unsecured, non-interest bearing and generally on 30 to 60 days' (2022: 30 to 60 days') credit terms.

Current amounts due from subsidiaries and a related party are unsecured, non-trade, non-interest bearing and repayable on demand.

On 15 December 2023, Changi East Dorm Private Limited, a subsidiary of the Company, declared an interim tax-exempt dividend of \$1,500,000 per ordinary share payable to the Company which amounted to \$3,000,000.

Non-current amount due from a subsidiary is quasi-equity in nature and non-interest bearing. This amount will be used for subsequent subscription in the share capital of subsidiary in the foreseeable future.

These receivables are not secured by any collateral or credit enhancements.

Movements in loss allowance on trade receivables and retention sums were as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance as at the beginning of the financial year	9,820	10,106	-	-
Loss allowance/(reversal of loss allowance) made - simplified approach (Note 7)	379	(37)	-	-
Bad debts written off	(1,161)	(249)	-	-
Balance as at the end of the financial year	<b>9,038</b>	9,820	-	-

As at 31 December 2023, trade receivables of \$1,161,000 (2022: \$249,000) were past due and fully impaired and written off. The receivables written off at the end of the financial year relate to customers which the recoverability is remote.

Trade and other receivables are denominated in Singapore dollar.

## 19. Cash and cash equivalents

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash and bank balances	10,766	16,065	78	217
Fixed deposits	59,925	7,000	-	-
	<b>70,691</b>	23,065	<b>78</b>	217

Fixed deposits of the Group bore interest rates ranging from 3.85% to 4.69% (2022: 4.40%) per annum and have maturity period of 90 days (2022: 90 days).

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore dollar	69,622	22,233	78	217
United States dollar	1,034	775	-	-
Euro	35	57	-	-
	<b>70,691</b>	23,065	<b>78</b>	217



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 20. Share capital

	Group and Company			
	Number of ordinary shares		2023	2022
	2023	2022	\$'000	\$'000
<b>Issued and fully-paid</b>				
Balance as at the beginning of the financial year	<b>177,239,600</b>	176,384,600	<b>41,157</b>	41,081
Issued during the financial year	-	855,000	-	76
Balance as at the end of the financial year	<b>177,239,600</b>	177,239,600	<b>41,157</b>	41,157

On 15 August 2022, the Company granted a total of 855,000 shares awarded to eligible participants under the Share Plan which were vested on the same day. The market price of the shares was determined based on the closing price of the shares of the Company as at 15 August 2022. These allotted and issued shares shall be rank pari passu in all respects with all other existing ordinary shares in the share capital of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

## 21. Other reserves

	Group	
	2023	2022
	\$'000	\$'000
Asset revaluation reserve	<b>11,014</b>	-
Merger reserve	<b>(26,160)</b>	(26,160)
Fair value reserve	<b>46</b>	41
	<b>(15,100)</b>	(26,119)
Reserve of disposal group classified as held-for-sale (Note 26)	-	10,651
	<b>(15,100)</b>	(15,468)

### Asset revaluation reserve

The asset revaluation reserve arises from the revaluation of leasehold properties under property, plant and equipment and is not available for distribution.

	Group	
	2023	2022
	\$'000	\$'000
Balance as at the beginning of the financial year	-	9,876
Gain on revaluation (Note 9)	<b>363</b>	775
Reclassified from disposal group classified as held-for-sale (Note 26)	<b>10,651</b>	-
Reserve attributable to disposal group classified as held-for-sale (Note 26)	-	(10,651)
Balance as at the end of the financial year	<b>11,014</b>	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 21. Other reserves (cont'd)

### *Merger reserve*

Merger reserve represents the difference between the consideration paid and the share capital of subsidiaries acquired.

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Balance as at the beginning and end of the financial year	<b>(26,160)</b>	(26,160)

### *Fair value reserve*

Fair value reserve represents the cumulative fair value changes of financial assets until they are derecognised or impaired.

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Balance as at the beginning of the financial year	<b>41</b>	55
Fair value gain/(loss) on financial assets at FVOCI (Note 16)	<b>5</b>	(14)
Balance as at the end of the financial year	<b>46</b>	41

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 22. Trade and other payables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Current</b>				
Trade payables				
- Third parties	39,403	22,946	-	-
- Related parties	2,312	1,602	-	-
Retention sums payable to subcontractors	2,894	3,450	-	-
	<b>44,609</b>	27,998	-	-
Other payables				
- Third parties	1,494	135	113	67
- Related parties*	3,142	2	-	-
- A subsidiary	-	-	2,181	638
- Staff retention monies	128	112	-	-
- Directors	3,959	241	63	41
	<b>8,723</b>	490	<b>2,357</b>	746
Refundable deposits	9,879	7,439	-	-
Accrued operating expenses	6,590	6,160	44	52
	<b>69,801</b>	42,087	<b>2,401</b>	798
<b>Non-current</b>				
Trade payables				
- A related party	-	2,343	-	-
Other payables				
- Related parties*	1,000	4,140	-	-
- Subsidiaries	-	-	10,432	10,432
- Directors	-	2,025	-	-
	<b>1,000</b>	8,508	<b>10,432</b>	10,432
Trade and other payables	<b>70,801</b>	50,595	<b>12,833</b>	11,230
Add/(less):				
Goods and services tax payable	(2,804)	(3,011)	-	-
Provision for unutilised leave	(342)	(377)	-	-
Lease liabilities (Note 23)	28,040	24,616	-	-
Bank borrowings (Note 24)	39,309	47,658	-	-
Financial liabilities at amortised cost	<b>135,004</b>	119,481	<b>12,833</b>	11,230

\* Included balances of \$3,140,000 (2022: \$3,140,000) relating to amounts owing to former shareholders of subsidiaries (who are currently certain directors of the Company and their immediate family members) for dividends declared by these subsidiaries before the shares of the Company were listed. As the related parties had undertaken not to demand repayment within the next 12 months from 31 December 2022, hence, these balances were classified as non-current as at 31 December 2022.

During the current financial year, the related parties have not undertaken not to demand repayment within the next 12 months from 31 December 2023, hence, these balances are repayable on demand and are reclassified to current as at 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 22. Trade and other payables (cont'd)

Trade payables due to third parties are unsecured, non-interest bearing and generally on 30 to 60 days' (2022: 30 to 60 days') credit terms. Current trade payables due to related parties are unsecured, non-interest bearing and repayable on demand.

Current amounts due to related parties, a subsidiary and directors are unsecured, non-interest bearing and repayable on demand. During the current financial year, the directors have not undertaken not to demand repayment within the next 12 months from 31 December 2023, hence, these balances are repayable on demand and the non-current amounts due to directors of \$2,025,000 are reclassified to current as at 31 December 2023.

Non-current trade payables due to a related party and non-current amounts due to directors were unsecured, non-interest bearing and these parties had undertaken not to demand repayment within the next 12 months from 31 December 2022.

Non-current amounts due to related parties and subsidiaries are unsecured, non-interest bearing and these parties have undertaken not to demand repayment within the next 12 months from 31 December 2023.

Based on the discounted cash flow analysis using a discount rate based upon market lending rate for similar types of lending arrangement which the management expects would be available to the Group and the Company at the end of the reporting period, the fair values of the Group's and the Company's non-current trade and other payables at the end of the reporting period approximate their carrying amounts at the end of the reporting period. This fair value measurement for disclosure purposes is categorised in the Level 3 of the fair value hierarchy.

Trade and other payables are denominated in Singapore dollar.

## 23. Lease liabilities

Represented by:

	Group	
	2023	2022
	\$'000	\$'000
Non-current	18,438	13,266
Current	9,602	11,350
	<b>28,040</b>	<b>24,616</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 23. Lease liabilities (cont'd)

Amounts recognised in profit or loss:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Depreciation of right-of-use assets (Notes 7 and 10)	<b>6,354</b>	7,717
Remeasurement of disposal group assets classified as held-for-sale recognised in profit or loss (Note 26)	<b>203</b>	–
Interest expense on lease liabilities (Note 6)	<b>1,017</b>	1,084
Short-term lease expense not recognised in lease liabilities:		
- Trucks and equipment (Note 7)	<b>2,353</b>	2,712
- Rental of premises (Note 7)	–	37
- Construction site and other operating facilities (Note 7)	<b>300</b>	467
Gain on lease modification (Note 5)	–	(601)
Total amount recognised in profit or loss	<b>10,227</b>	11,416

Total Group's cash flows for leases amounted to \$12,666,000 (2022: \$18,815,000).

The Group leases land-use-rights, machineries, worksite equipment, trucks and vehicles. The annual rental are subject to annual revision based on prevailing market rate. Certain lease of machineries contains a purchase option. The Group will only include this option in determining the lease liability when it is reasonably certain that the option will be exercised.

During the previous financial year ended 31 December 2022, the lease term for certain machineries, trucks and vehicles were revised which resulted in a gain on lease modification of \$601,000. The lease terms were 1 to 19 years.

The Group's lease liabilities of \$23,882,000 (2022: \$24,047,000) are secured by certain machineries, trucks and vehicles and worksite equipment (Note 10) and a corporate guarantee by the Company (Note 32).

The maturity analysis of the lease liabilities is disclosed in Note 32.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24. Bank borrowings

	Group	
	2023	2022
	\$'000	\$'000
<b>Current</b>		
<u>Secured</u>		
Revolving loan I	6,000	6,000
Revolving loan II	2,699	2,752
Revolving loan VII	1,448	–
Term loan I	660	660
Term loan IV	2,219	1,934
Trust receipts/letter of credits I	3,492	8,531
	<b>16,518</b>	19,877
<u>Unsecured</u>		
Trust receipts/letter of credits II	10,256	6,054
Revolving loan III	–	500
Revolving loan IV	–	4,000
Revolving loan V	1,200	1,400
Revolving loan VI	1,500	1,500
Term loan II	–	571
Temporary bridging loan	1,195	1,186
	<b>14,151</b>	15,211
Total current bank borrowings	<b>30,669</b>	35,088
<b>Non-current</b>		
<u>Secured</u>		
Term loan I	4,730	5,390
Term loan III	2,545	2,595
Term loan IV	710	2,768
<u>Unsecured</u>		
Temporary bridging loan	655	1,817
Total non-current bank borrowings	<b>8,640</b>	12,570
Total bank borrowings	<b>39,309</b>	47,658

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24. Bank borrowings (cont'd)

The weighted average effective interest rates per annum of the borrowings were as follows:

	Group	
	2023	2022
	%	%
Revolving loans	5.41	2.98
Term loans	5.36	2.47
Temporary bridging loans	2.10	2.09
Trust receipts/letter of credits	5.01	5.14

Revolving loan I is secured through the legal mortgage over a leasehold property of the Group (Note 9) and first legal assignment of all the rights, title, interests and benefits arising from Policy I (Note 11).

Revolving loan II is secured through the first legal assignment of all the rights, title, interests and benefits arising from Policy II (Note 11).

Revolving loan VII is secured through a fixed charge over the plant and machineries of the Group (Note 9).

Term loan I is repayable over a period of 20 years by monthly instalments till February 2032. Term loan I is secured through the legal mortgage over a leasehold property of the Group (Note 9).

Term loan II was repayable over a period of 3.5 years by monthly instalments commencing from July 2020. The term loan was fully settled during the financial year.

During the previous financial year ended 31 December 2022, the settlement period for term loan III was extended by another 3 years and as a result, term loan III is repayable in full in year 2025. Term loan III is secured through the legal mortgage over a leasehold property of the Company (Note 9) and first legal assignment of all the rights, title, interests and benefits arising from Policy I (Note 11).

Term loan IV is repayable over a period of 4 years by monthly instalments till April 2025. Term loan IV is secured through fixed charge over machineries (Note 10).

Temporary bridging loans are facilities under the Enterprise Financing Scheme Temporary Bridging Loan Programme administered by the Enterprise Singapore which the Government provides 90% risk-share on these loans. Temporary bridging loans are repayable over a period of 5 years by monthly instalments.

The trust receipts/letter of credits I are secured through the legal mortgage over a leasehold property of the Group (Note 9), first legal assignment of all the rights, title, interests and benefits arising from Policies I and II (Note 11).

All the bank borrowings are supported by a corporate guarantee from the Company (Note 32).

Bank borrowings are denominated in the following currencies:

	Group	
	2023	2022
	\$'000	\$'000
Singapore dollar	34,065	42,311
United States dollar	5,244	5,347
	<b>39,309</b>	<b>47,658</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24. Bank borrowings (cont'd)

*Reconciliation of movements of liabilities to cash flows arising from financing activities*

	Lease liabilities (Note 23) \$'000	Bank loans \$'000	Trust receipts/letter of credits \$'000	Total \$'000
<b>Group</b>				
<b>2023</b>				
At beginning of financial year	24,616	33,073	14,585	72,274
Changes from financing cash flows:				
- Proceeds	–	1,448	52,492	53,940
- Repayments	(8,996)	(8,906)	(53,329)	(71,231)
- Interest paid	(1,017)	(1,534)	(712)	(3,263)
Non-cash changes:				
- Interest expense (Note 6)	1,017	1,534	712	3,263
- Settlement of acquisition of property, plant and equipment under trade and other payables via leases	4,367	–	–	4,367
- New leases	4,242	–	–	4,242
- Modifications to lease terms	119	–	–	119
- Reclassified from disposal group held-for-sale (Note 26)	3,692	–	–	3,692
Effect of changes in foreign exchange rates	–	(54)	–	(54)
At end of financial year	<b>28,040</b>	<b>25,561</b>	<b>13,748</b>	<b>67,349</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24. Bank borrowings (cont'd)

*Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)*

	Lease liabilities (Note 23) \$'000	Bank loans \$'000	Trust receipts/letter of credits \$'000	Total \$'000
<b>Group</b>				
2022				
At beginning of financial year	40,995	36,873	20,776	98,644
Changes from financing cash flows:				
- Proceeds	–	2,500	66,829	69,329
- Repayments	(14,515)	(6,273)	(73,020)	(93,808)
- Interest paid	(1,084)	(989)	(602)	(2,675)
Non-cash changes:				
- Interest expense (Note 6)	1,084	989	602	2,675
- Settlement of acquisition of property, plant and equipment under trade and other payables via leases	3,536	–	–	3,536
- New leases	2,466	–	–	2,466
- Modifications to lease terms	(3,573)	–	–	(3,573)
- Reclassified to disposal group held-for-sale (Note 26)	(3,692)	–	–	(3,692)
- Gain on lease modification (Note 5)	(601)	–	–	(601)
Effect of changes in foreign exchange rates	–	(27)	–	(27)
At end of financial year	24,616	33,073	14,585	72,274

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 25. Deferred tax liabilities

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the financial year:

	Accelerated tax depreciation \$'000	Lease liabilities \$'000	Revaluation of leasehold properties \$'000	Total \$'000
<b>Group</b>				
Balance as at 1.1.2023	2,582	(724)	–	1,858
Credited to profit or loss (Note 8)	(203)	17	45	(141)
Charged to other comprehensive income (Note 8)	–	–	73	73
Reclassified from disposal group held-for-sale (Note 26)	–	–	1,028	1,028
Balance as at 31.12.2023	<b>2,379</b>	<b>(707)</b>	<b>1,146</b>	<b>2,818</b>
<b>Group</b>				
Balance as at 1.1.2022	3,893	(1,364)	1,028	3,557
Credited to profit or loss (Note 8)	(1,311)	640	(159)	(830)
Charged to other comprehensive income (Note 8)	–	–	159	159
Reclassified to disposal group held-for-sale (Note 26)	–	–	(1,028)	(1,028)
Balance as at 31.12.2022	<b>2,582</b>	<b>(724)</b>	<b>–</b>	<b>1,858</b>

## 26. Disposal group classified as held-for-sale

On 31 December 2022, the Board of Directors of Huatong Contractor Pte Ltd, a wholly owned subsidiary of the Company, resolved that the leasehold property at 9 Benoi Crescent Singapore 629972 (the "Property") be made available for sale and engaged property agent to source for potential buyers.

The Group was of the view that the sale of the Property was highly probable. The sale was expected to qualify for recognition as a completed sale within one year from the date of classification. The assets and liabilities related to the Property were presented as disposal group classified as held-for-sale as at 31 December 2022.

At the end of the reporting period, the sale has not been completed as there is no potential buyer. The Group has decided to put the sale on hold and will be assessing the market conditions accordingly. The Group has assessed that the criteria for held-for-sale are no longer met and therefore, the Group has ceased to classify the disposal group classified as held-for-sale.

As a result, the assets and liabilities related to the Property are reclassified from held-for-sale to the respective line items in the financial statements of the Group in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* as at 31 December 2023, as disclosed in Notes 9, 10, 21, 24 and 25 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 26. Disposal group classified as held-for-sale (cont'd)

Details of disposal group assets classified as held-for-sale are as follows:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Leasehold property (Note 9)	–	17,750
Renovation in relation to leasehold property (Note 9)	–	82
Land-use-rights in relation to leasehold property (Note 10)	–	3,538
	<b>–</b>	<b>21,370</b>

Liabilities directly associated with disposal group classified as held-for-sale are as follows:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Lease liabilities in relation to leasehold property (Note 24)	–	3,692
Deferred tax liabilities on revaluation of leasehold property (Note 25)	–	1,028
	<b>–</b>	<b>4,720</b>

Reserve attributable to disposal group classified as held-for-sale is as follows:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Asset revaluation reserve (Note 21)	–	10,651

Remeasurement of disposal group assets classified as held-for-sale recognised in profit or loss are as follows:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Depreciation of property, plant and equipment (Notes 7 and 9)	<b>994</b>	–
Depreciation of right-of-use assets (Notes 7 and 10)	<b>203</b>	–
	<b>1,197</b>	–

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 27. Dividend

	<b>Group and Company</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Ordinary dividend paid</b>		
Interim tax-exempt dividend of \$0.003 per share paid in respect of the current financial year	<b>532</b>	532
Final tax-exempt dividend of \$0.005 per share paid in respect of the previous financial year ended 31 December 2022	<b>886</b>	–
	<b>1,418</b>	532

The directors have proposed a final tax-exempt dividend for the financial year ended 31 December 2023 of \$0.005 per share amounting to \$886,000. These financial statements do not reflect this dividend payable, which will be accounted for in the shareholders' equity as an appropriation of accumulated profits in the financial year ending 31 December 2024.

## 28. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the owners of the parent is based on the following data:

	<b>Group</b>	
	<b>2023</b>	2022
Profit attributable to owners of the parent (\$'000)	<b>14,274</b>	10,219
Weighted average number of ordinary shares outstanding	<b>177,239,600</b>	176,707,860
Basic and diluted earnings per share (in cents)	<b>8.05</b>	5.78

The calculations for basic earnings per share for the relevant periods are based on the profit attributable to owners of the parent for the financial years ended 31 December 2023 and 31 December 2022 divided by the weighted average number of ordinary shares in the relevant periods.

### *Diluted earnings per share*

The dilutive earnings per share for the relevant periods are the same as the basic earnings per share as the Group does not have any dilutive potential ordinary shares for the relevant periods.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 29. Significant related party transactions

During the financial year, in addition to the information disclosed elsewhere in these financial statements, the Group entered into the following transactions with related parties at rates and terms agreed between the parties:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<i>With a joint venture</i>		
Omission of subcontract services to a joint venture	-	3,787
<i>With related parties*</i>		
Rental of equipment and trucks from related parties	<b>1,315</b>	1,416

The outstanding balances as at 31 December 2023 and 31 December 2022 with related parties are disclosed in Note 18 and Note 22.

\* The related parties refer to entities controlled by or associated with the Executive Directors of the Company which are not within the Group.

### *Compensation of key management personnel*

Key management personnel are Directors of the Group and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly, or indirectly.

The remuneration of key management personnel of the Group during the financial years ended 31 December 2023 and 31 December 2022 are as follows:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Directors of the Company		
- Directors' fees	<b>125</b>	121
- Short-term employee benefits	<b>4,321</b>	2,507
- Post-employment benefits	<b>70</b>	64
	<b>4,516</b>	2,692
Directors of subsidiaries		
- Short-term employee benefits	<b>119</b>	107
- Post-employment benefits	<b>9</b>	8
	<b>128</b>	115
Other key management personnel		
- Short-term employee benefits	<b>276</b>	312
- Post-employment benefits	<b>33</b>	36
	<b>309</b>	348
	<b>4,953</b>	3,155

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 30. Capital commitments

As at 31 December 2023, commitments in respect of capital expenditure, are as follows:

	Group	
	2023	2022
	\$'000	\$'000
Capital expenditure approved and contracted for but not provided for in the financial statements		
- Commitments for the acquisition of property, plant and equipment	<b>5,891</b>	1,040

## 31. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. For management purposes, the Group is organised into business units based on its services, and has four reportable operating segments as follows:

- (a) Civil engineering contract works;
- (b) Inland logistics support;
- (c) Sales of construction materials; and
- (d) Dormitory operation.

Civil engineering contract works includes construction projects on earthworks, infrastructure works, external works, demolition and excavation works, drainage works and road diversion. The Group also operates and manages entire stockpile sites.

Inland logistics support includes rental of construction equipment including tipper trucks, compactors and excavators.

Sales of construction materials includes the supplies of liquefied soil stabiliser, as well as other construction related equipment and consumables.

Dormitory operation involves the maintenance and operation of dormitory.

The Group's reportable segments are strategic business units that are organised based on their function.

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise other corporate expenses which are not directly attributable to a particular reporting segment.

Due to the nature of the Group's operations, no segment assets and liabilities are presented to the chief operating decision maker. Chief operating decision maker manages the assets, liabilities, interest income, finance costs and income taxes on a Group basis.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 31. Segment information (cont'd)

Operating segments	Civil engineering contract works \$'000	Inland logistics support \$'000	Sales of construction materials \$'000	Dormitory operation \$'000	Unallocated \$'000	Elimination \$'000	Consolidated \$'000
<b>2023</b>							
<i>Revenue</i>							
External revenue	104,170	17,973	6,458	45,990	-	-	174,591
Inter-segment revenue	7,353	8,530	1,251	-	-	(17,134)	-
	<b>111,523</b>	<b>26,503</b>	<b>7,709</b>	<b>45,990</b>	<b>-</b>	<b>(17,134)</b>	<b>174,591</b>
<i>Results</i>							
Segment results	9,135	1,979	570	8,016	(103)	-	19,597
Share of results of a joint venture	(1)	-	-	-	-	-	(1)
Interest income							1,238
Interest expenses							(3,265)
Profit before income tax							17,569
Income tax expense							(3,337)
Profit for the financial year							14,232
<i>Non-cash items</i>							
Gain on disposal of property, plant and equipment and right-of-use assets	45	11	1	19	-	-	76
Depreciation of property, plant and equipment	(8,104)	(651)	(487)	(93)	-	8	(9,327)
Depreciation of right-of-use assets	(6,330)	(70)	(107)	(50)	-	-	(6,557)
Amortisation of intangible assets	(8)	(2)	-	(3)	(3)	-	(16)
Property, plant and equipment written off	(21)	(5)	(1)	(9)	-	-	(36)
Fair value gain of financial assets at FVTPL	-	-	-	-	205	-	205
Reversal of allowance for impairment of financial assets at FVOCI upon redemption	-	-	-	-	11	-	11
(Loss allowance)/reversal of loss allowance on trade receivables and contract assets	(4,226)	96	11	(145)	-	-	(4,264)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 31. Segment information (cont'd)

Operating segments	Civil engineering contract works \$'000	Inland logistics support \$'000	Sales of construction materials \$'000	Dormitory operation \$'000	Unallocated \$'000	Elimination \$'000	Consolidated \$'000
<i>2022</i>							
<i>Revenue</i>							
External revenue	100,642	23,379	2,982	24,700	–	–	151,703
Inter-segment revenue	18,965	5,239	929	–	–	(25,133)	–
	<u>119,607</u>	<u>28,618</u>	<u>3,911</u>	<u>24,700</u>	<u>–</u>	<u>(25,133)</u>	<u>151,703</u>
<i>Results</i>							
Segment results	6,291	3,180	154	5,292	(138)	–	14,779
Share of results of a joint venture	(151)	–	–	–	–	–	(151)
Interest income							83
Interest expenses							(2,681)
Profit before income tax							<u>12,030</u>
Income tax expense							<u>(1,879)</u>
Profit for the financial year							<u>10,151</u>
<i>Non-cash items</i>							
Amortisation of gain on sale and leaseback transactions	272	–	–	–	–	–	272
Gain on disposal of property, plant and equipment	51	12	–	11	–	–	74
Depreciation of property, plant and equipment	(7,887)	(1,131)	(265)	(68)	–	74	(9,277)
Depreciation of right-of-use assets	(7,409)	(216)	(64)	(28)	–	–	(7,717)
Amortisation of intangible assets	(9)	(2)	–	(2)	(3)	–	(16)
Property, plant and equipment written off	(23)	(35)	–	–	–	–	(58)
Fair value gain of financial assets at FVTPL	–	–	–	–	205	–	205
Reversal of allowance for impairment of financial assets at FVOCI upon redemption	–	–	–	–	11	–	11
Loss allowance on trade receivables and contract assets	(5,583)	(130)	(15)	(31)	–	–	(5,759)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 31. Segment information (cont'd)

### Major customers

For the financial year ended 31 December 2023, the revenue from 2 (2022: 2) major customers of the Group amounted to approximately \$32,097,000 (2022: \$36,746,000) of the total revenue from civil engineering contract works are tabled below:

	Group	
	2023 \$'000	2022 \$'000
Customer 1	17,928	20,078
Customer 2	14,169	16,668
	<b>32,097</b>	<b>36,746</b>

### Geographical information

The Group's sales and assets are mainly derived and located in Singapore. Accordingly, no geographical segment information is presented during the financial years ended 31 December 2023 and 31 December 2022.

## 32. Financial instruments

### (a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Financial assets</i>				
Financial assets at amortised cost	115,391	53,669	16,788	13,927
Financial assets at FVTPL	5,950	5,862	–	–
Financial assets at FVOCI	802	806	–	–
<i>Financial liabilities</i>				
Financial liabilities at amortised cost	135,004	119,481	12,833	11,230

### (b) Financial risk management

The Group's activities expose it to credit risks, market risks (including foreign currency risks, interest rate risks and equity price risks) and liquidity risks. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 32. Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis as indicated below.

#### **Credit risks**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group's major classes of financial assets are financial assets at FVTPL and FVOCI, trade and other receivables (excluding non-refundable deposits) and cash and cash equivalents.

#### *Maximum exposure and concentration of credit risk*

As at 31 December 2023, approximately 51% (2022: 50%) of the Group's trade receivable from third parties (including retention sums on construction contracts) were due from 2 customers (2022: 2 customers).

As at 31 December 2023, approximately 58% (2022: 50%) of the Group's contract assets were due from 4 customers (2022: 2 customers).

As at 31 December 2023 and 31 December 2022, the Company has no concentration of credit risk other than the amounts due from subsidiaries.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of ECL:

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 32. Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

#### *Credit risks (cont'd)*

##### *Significant increase in credit risk*

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- Actual or expected significant change in the operating results of the customer; and
- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group and changes in operating results of the customer.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

##### *Definition of default*

The Group considers information developed internally or obtained from external sources that indicates that the customer is unlikely to pay its creditor, including the Group as constituting an event of default for internal credit risk management purpose. Based on historical experience, it indicates that receivables that meet the criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 32. Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

#### ***Credit risks (cont'd)***

##### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

##### *Estimation techniques and significant assumptions*

There has been no significant change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

##### *Trade receivables (including retention sums) and contract assets*

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables (including retention sums) and contract assets.

Under the simplified approach, for trade receivables (including retention sums) and contract assets that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL.

The Group determined the ECL of trade receivables (including retention sums) and contract assets by segregating amounts due from government agencies and debtors who are also the Group's suppliers with amounts due from that are lower than amounts due to the same counterparties where the associated credit risk is not significant and credit-impaired debtors, and using a provision matrix for the remaining trade receivables (including retention sums) and contract assets. Amounts due from debtors where the associated credit risk is not significant amounted to \$23,133,000 (2022: \$8,661,000), \$445,000 (2022: \$4,405,000) and \$15,524,000 (2022: \$11,632,000) as included in the gross carrying amount of the Group's trade receivables, retention sums and contract assets respectively. The Group does not expect material credit losses to arise on these amounts due from these debtors in view of good payment records with the Group.

The Group categorises the remaining trade receivables based on days past due. The Group estimates the expected credit loss rates for each category of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions affecting the ability of the customers to settle the receivables.

The Group has recognised a loss allowance of 100% against all credit-impaired trade receivables (including retention sums) and contract assets. A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 32. Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

#### Credit risks (cont'd)

*Trade receivables (including retention sums) and contract assets (cont'd)*

The Group's credit risk exposure in relation to trade receivables, retention sums and contract assets excluding amounts due to debtors where the associated credit risk is not significant under SFRS(I) 9 *Financial Instruments* at the reporting date are set out in the provision matrix below:

*Trade receivables*

	Not past due \$'000	1 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	More than 90 days \$'000	Credit-impaired \$'000	Total \$'000
<b>2023</b>							
Gross receivables	9,602	1,636	491	433	2,325	5,373	19,860
Loss allowance	27	17	18	17	2,088	5,373	7,540

2022

Gross receivables	6,150	2,276	1,841	416	2,075	6,338	19,096
Loss allowance	12	16	27	21	1,928	6,338	8,342

*Retention sums*

	Non-credit-impaired \$'000	Credit-impaired \$'000	Total \$'000
<b>2023</b>			
Gross retention sums	6,462	1,306	7,768
Loss allowance	192	1,306	1,498

2022

Gross retention sums	5,720	1,306	7,026
Loss allowance	172	1,306	1,478

*Contract assets*

	Non-credit-impaired \$'000	Credit-impaired \$'000	Total \$'000
<b>2023</b>			
Gross contract assets	63,498	3,166	66,664
Loss allowance	14,150	3,166	17,316
2022			
Gross contract assets	66,794	611	67,405
Loss allowance	12,820	611	13,431



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 32. Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

#### Credit risks (cont'd)

*Credit quality of the financial assets at amortised cost and contract assets*

The table below details the credit quality of the Group's and the Company's financial assets at amortised cost and contract assets at the reporting date:

Group 2023	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
Trade receivables and contract assets - credit risk not significant	Lifetime ECL	39,102	–	39,102
Other receivables and refundable deposits	12-month ECL	2,432	–	2,432
Cash and cash equivalents	N.A. Exposure limited	70,691	–	70,691
Group 2022				
Trade receivables and contract assets - credit risk not significant	Lifetime ECL	24,698	–	24,698
Other receivables and refundable deposits	12-month ECL	1,236	–	1,236
Cash and cash equivalents	N.A. Exposure limited	23,065	–	23,065
<b>Company 2023</b>				
Amounts due from subsidiaries	12-month ECL	16,710	–	16,710
Cash and cash equivalents	N.A. Exposure limited	78	–	78
2022				
Amounts due from subsidiaries	12-month ECL	13,710	–	13,710
Cash and cash equivalents	N.A. Exposure limited	217	–	217

Credit risk exposure in relation to financial assets at amortised cost (other than trade receivables and contract assets) are insignificant, and accordingly no credit loss allowance is recognised as at 31 December 2023 and 31 December 2022.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 32. Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

#### **Credit risks (cont'd)**

##### *Other receivables*

For the Company's non-trade receivables due from subsidiaries amounting \$16,710,000 (2022: \$13,710,000) (Note 18), management has taken into account the available internal information on the subsidiaries' past, current and expected operating performance and cash flow position. The management monitors and assesses at each reporting date on any indicator of change in credit risk on the amounts due from the subsidiaries, by considering its financial performance and any default in external debts. The risks of default is considered to be minimal and subject to immaterial credit loss.

##### *Financial guarantee*

The Company has issued corporate guarantee to several banks for banking facilities granted to subsidiaries. As the Company does 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 statement of financial position, except for the corporate guarantees provided to banks on subsidiaries' loans. Based on management's assessment at the end of the reporting period, the Group considers the 12-month expected credit loss for corporate guarantee to be immaterial as its subsidiaries have the financial capacity to meet the contractual cash flow obligations.

#### **Market risks**

##### *Foreign currency risks*

The Group incurs foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group. The currencies giving rise to this risk are primarily from United States dollar. Exposure to foreign currency risk is monitored on an on-going basis to ensure that the net exposure is at an acceptable level.

At the end of the reporting period, monetary items denominated in a currency other than the respective entities' functional currency comprise cash and cash equivalents (Note 19), financial assets at FVTPL (Note 11) and bank borrowings (Note 24).

The Group is not exposed to significant financial risks on changes in foreign currency exchange rates as the Group's transactions are mainly denominated in its functional currency.

The carrying amounts of the Group's significant monetary assets and monetary liabilities in foreign currency at the end of the reporting period are as follows:

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<i>Monetary assets</i>		
Euro	<b>35</b>	57
United States dollar	<b>6,984</b>	6,636
	<hr/>	<hr/>
<i>Monetary liabilities</i>		
United States dollar	<b>5,244</b>	5,347
	<hr/>	<hr/>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 32. Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

#### Market risks (cont'd)

##### Foreign currency risks (cont'd)

##### Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% (2022: 10%) change in Singapore dollar against the Euro and United States dollar. The sensitivity analysis assumes an instantaneous 10% (2022: 10%) change in the foreign currency exchange rates from the end of the reporting period, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in Euro and United States dollar are included in the analysis.

	<b>Increase/(decrease) profit after tax</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Group</b>		
<u>Euro</u>		
Strengthened against Singapore dollar	<b>3</b>	5
Weakened against Singapore dollar	<b>(3)</b>	(5)
<u>United States dollar</u>		
Strengthened against Singapore dollar	<b>144</b>	107
Weakened against Singapore dollar	<b>(144)</b>	(107)

##### Interest rate risks

The Group's exposure to market risk for changes in interest rates relates primarily to lease liabilities and bank borrowings as shown in Notes 23 and 24 respectively.

The Group's results are affected by changes in interest rates due to the impact of such changes on interest expenses from lease liabilities and bank borrowings which are at floating interest rates. It is the Group's policy to obtain quotes from banks to ensure that the most favourable rates are made available to the Group.

If the interest rate increases or decreases by 0.5% (2022: 0.5%), the Group's profit after tax and equity will decrease or increase by approximately \$133,000 (2022: \$185,000) as at 31 December 2023, arising mainly as a result of higher or lower interest on floating rates for lease liabilities and bank borrowings. The interest expense from lease liabilities and bank borrowings are recognised as an expense under "Finance costs" line item in the consolidated statement of comprehensive income.

##### Price risks

The Group is exposed to price risks arising from debt securities. The Group does not actively trade the debt securities.

##### Debt securities price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to debt securities price risks at the end of the financial year. The sensitivity analysis assumes an instantaneous 10% (2022: 10%) change in the debt securities prices from the end of the financial year, with all variables held constant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 32. Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

#### Market risks (cont'd)

Price risks (cont'd)

Debt securities price sensitivity analysis (cont'd)

	Increase/(decrease) equity	
	2023 \$'000	2022 \$'000
<b>Group</b>		
<b>Quoted debt securities</b>		
Increase by 10% (2022: 10%)	67	67
Decrease by 10% (2022: 10%)	(67)	(67)

#### Liquidity risks

Liquidity risks refer to the risks in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following table details the Group's and the Company's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to pay. The table includes both expected interest and principal cash flows.

	Effective interest rate %	Within one financial year \$'000	After one financial year but within five financial years \$'000	More than five financial years \$'000	Total \$'000
<b>Group</b>					
<b>2023</b>					
<b>Financial liabilities</b>					
Trade and other payables	–	66,655	1,000	–	67,655
Lease liabilities	2.58 - 6.00	10,181	17,149	3,175	30,505
Bank loans, floating interest rates:					
- Revolving loans	5.41	13,563	–	–	13,563
- Term loans	5.36	3,232	6,691	2,245	12,168
Bank loans, fixed interest rates:					
- Temporary bridging loans	2.10	1,224	659	–	1,883
Trust receipts/letter of credits	5.01	13,934	–	–	13,934
		<b>108,789</b>	<b>25,499</b>	<b>5,420</b>	<b>139,708</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 32. Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

#### Liquidity risks (cont'd)

	Effective interest rate %	Within one financial year \$'000	After one financial year but within five financial years \$'000	More than five financial years \$'000	Total \$'000
<b>Group</b>					
<b>2022</b>					
<b>Financial liabilities</b>					
Trade and other payables	–	38,699	8,508	–	47,207
Lease liabilities	3.67 - 3.90	11,804	13,928	–	25,732
Bank loans, floating interest rates:					
- Revolving loans	2.98	16,118	–	–	16,118
- Term loans	2.47	4,135	8,884	3,016	16,035
Bank loans, fixed interest rates:					
- Temporary bridging loans	2.09	1,204	1,894	–	3,098
Trust receipts/letter of credits	5.14	14,806	–	–	14,806
		86,766	33,214	3,016	122,996
<b>Company</b>					
<b>2023</b>					
Other payables	–	2,401	10,432	–	12,833
Financial guarantee contracts*	–	63,193	–	–	63,193
		65,594	10,432	–	76,026
<b>2022</b>					
Other payables	–	798	10,432	–	11,230
Financial guarantee contracts*	–	71,705	–	–	71,705
		72,503	10,432	–	82,935

The Group's operations are financed mainly through accumulated profits and bank borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

The repayment terms of the lease liabilities and bank borrowings are disclosed in Notes 23 and 24 respectively.

\* The Company has issued corporate guarantees of \$205,953,000 (2022 \$175,682,000) to several banks for banking facilities granted to its subsidiaries. The amounts of banking facilities utilised by its subsidiaries as at 31 December 2023 are \$63,193,000 (2022: \$71,705,000). These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiary fails to make principal or interest payments when due in accordance with the terms of the facilities drawn. The earliest period that the guarantees could be called is within 1 year (2022: 1 year) from the end of the reporting period. The Company considers that it is more likely than not that no amount will be payable in respect of the financial guarantees as its subsidiaries have the financial capacity to meet the contractual cash flow obligations, hence the Company has not recognised any liability in respect of the corporate guarantees.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 33. Capital management policies and objectives

The Group and the Company manage capital to ensure that the Group and the Company are able to continue as going concerns and maintain an optimal capital structure so as to maximise shareholders' value.

The capital structure of the Group consists of equity attributable to owners of the parent, comprising issued capital and reserves as disclosed in Notes 20 and 21 respectively.

The management reviews the capital structure to ensure that the Group and the Company are able to service any debt obligations (including principal repayment and interest) based on their operating cash flows. Upon review, the Group and the Company will balance their overall capital structure through new share issues and the issue of new debt or the redemption of existing debt, if necessary. The Group's overall strategy remains unchanged from the previous financial year.

The Group and the Company monitor capital based on a gearing ratio, which is net debt divided by total equity plus net debt. The Group and the Company include within net debt, trade and other payables, lease liabilities and borrowings less cash and cash equivalents. Total equity comprises of share capital and reserves after netting off non-controlling interests.

	<b>Group</b>	
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Trade and other payables	<b>70,801</b>	50,595
Lease liabilities	<b>28,040</b>	24,616
Bank borrowings	<b>39,309</b>	47,658
Less: Cash and cash equivalents	<b>(70,691)</b>	(23,065)
Net debt	<b>67,459</b>	99,804
Total equity	<b>95,763</b>	82,581
Total capital	<b>163,222</b>	182,385
Gearing ratio	<b>41%</b>	55%

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. Fair value measurement

### *Fair value of financial assets and financial liabilities*

Except as disclosed below, the carrying amounts of the Group's and the Company's current financial assets and current financial liabilities approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

The carrying amounts of the Group's non-current financial liabilities in relation to bank borrowings approximate their respective fair values as these are at floating interest rates and repriced regularly, or the fixed interest rates approximate market interest rates for similar borrowings as at the end of the reporting period.

The carrying amounts of the Group's and the Company's non-current trade and other payables approximate their fair values at the end of the reporting period. The basis of determining fair values for disclosure purposes at the end of the reporting period are disclosed in Note 22.

Financial instruments carried at fair value classified by level of fair value hierarchy are as follows:

	Recurring fair value measurement using:		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Group</b>			
<b>2023</b>			
<i>Assets</i>			
Financial assets at FVOCI			
- Quoted debt securities	802	-	-
Financial assets at FVTPL			
- Investments in life insurances	-	-	5,950
<b>Total</b>	<b>802</b>	<b>-</b>	<b>5,950</b>
2022			
<i>Assets</i>			
Financial assets at FVOCI			
- Quoted debt securities	806	-	-
Financial assets at FVTPL			
- Investments in life insurances	-	-	5,862
<b>Total</b>	<b>806</b>	<b>-</b>	<b>5,862</b>

There were no transfers between levels during the financial year. The financial instruments included in Level 1 are traded in active markets and their fair values are based on quoted market prices at the end of the reporting period.

The fair value measurements categorised within Level 3 includes unobservable inputs that are not developed by the Group.

The fair value of the investment in life insurance is based on the cash value provided by the insurer without adjustment. There have been no changes in the valuation techniques of the various classes of financial instruments during the financial year.

### *Fair value of leasehold properties*

The fair value of leasehold properties have been determined based on the market comparison approach that reflects most recent transaction prices for similar properties, after adjusting for relevant factors such as land tenure, physical attributes, location and the date of transaction.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. Fair value measurement (cont'd)

### *Fair value of leasehold properties (cont'd)*

#### *Level 3 recurring fair value measurements*

#### (i) *Information about significant unobservable inputs used in Level 3 recurring fair value measurements*

The valuation conforms to International Valuation Standards and is based on the assets' highest and best use, which is in line with their actual use. The resulting fair values of leasehold properties are considered Level 3 recurring fair value measurements.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

	<b>Fair value</b>	<b>Valuation techniques</b>	<b>Unobservable inputs</b>	<b>Relationship of unobservable inputs to fair value</b>
<b>2023</b>				
Leasehold properties				
Held for own use	<b>\$17,200,000</b>	Market comparable approach	Yield adjustments <sup>^</sup>	The higher the yield adjustments, the higher the fair value
<b>2022</b>				
Leasehold properties				
Held for-sale <sup>*</sup>	\$17,750,000	Market comparable approach	Yield adjustments <sup>^</sup>	The higher the yield adjustments, the higher the fair value

\* The leasehold property was reclassified to disposal group held-for-sale as at 31 December 2022 (Note 26).

<sup>^</sup> The yield adjustments are made for differences in the nature, location, age, condition, tenure, design and layout, dates of transaction and the prevailing economic conditions affecting the property market of the specific property.

#### (ii) *Valuation policies and procedures*

Management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement* guidance.

For valuations performed by external valuation experts, the management reviews the appropriateness of the valuation methodologies and assumptions adopted. The management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by the management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. Fair value measurement (cont'd)

### *Reconciliation of opening and closing fair value balance*

The reconciliation of the opening and closing fair value balance of Levels 1 and 3 financial and non-financial assets are provided below:

- Revalued leasehold property - Property, plant and equipment and Disposed group classified as held-for-sale (Note 9 and Note 26)
- Financial assets at fair value (Note 11 and Note 16)

## 35. Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023 were authorised for issue in accordance with a Directors' resolution dated 5 April 2024.

# STATISTICS OF SHAREHOLDINGS

AS AT 11 MARCH 2024

Issued and fully paid-up capital	:	S\$41,156,638
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share
Number of Issued and Paid-up Shares	:	177,239,600
Number of Treasury Shares	:	NIL
Number of Subsidiary Holdings	:	NIL

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS		NO. OF SHARES	
		%		%
1 - 99	0	0.00	0	0.00
100 - 1,000	15	7.39	6,600	0.00
1,001 - 10,000	47	23.15	281,000	0.16
10,001 - 1,000,000	131	64.53	21,623,000	12.20
1,000,001 AND ABOVE	10	4.93	155,329,000	87.64
<b>TOTAL</b>	<b>203</b>	<b>100.00</b>	<b>177,239,600</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DANDELION CAPITAL PTE. LTD.	121,759,600	68.70
2	MAYBANK SECURITIES PTE. LTD.	13,393,300	7.56
3	BON WEEN FOONG	7,000,000	3.95
4	DBS NOMINEES (PRIVATE) LIMITED	2,484,400	1.40
5	PHILLIP SECURITIES PTE LTD	2,273,100	1.28
6	OCBC SECURITIES PRIVATE LIMITED	2,184,000	1.23
7	ABN AMRO CLEARING BANK N.V.	1,853,500	1.05
8	CHUA KUAN LIM CHARLES	1,703,300	0.96
9	TAN WEIREN VINCENT (CHEN WEIREN VINCENT)	1,450,000	0.82
10	NG KIAN ANN PATRICK	1,227,800	0.69
11	CHOO YEW LOY	1,000,000	0.56
12	NG KAH HOCK (HUANG JIAFU)	979,000	0.55
13	LIM SIAU CHUA	900,900	0.51
14	WU CHUNG SHOU	900,000	0.51
15	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	749,600	0.42
16	LIM POH SENG	736,200	0.42
17	HSBC (SINGAPORE) NOMINEES PTE LTD	660,600	0.37
18	MEHTA VIMESH PIYUSH	648,800	0.37
19	LEE TONG HONG	596,000	0.34
20	OH ENG CHYE	533,000	0.30
	<b>TOTAL</b>	<b>163,033,100</b>	<b>91.99</b>

# STATISTICS OF SHAREHOLDINGS

AS AT 11 MARCH 2024

## SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders

NAME	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Dandelion Capital Pte. Ltd.	121,759,600	68.70	–	–
Ng Hai Liong <sup>1</sup>	–	–	121,759,600	68.70
Ng Kian Ann Patrick <sup>2</sup>	1,227,800	0.69	121,759,600	68.70
Ng Kian Yeow, Vincent <sup>3</sup>	–	–	121,759,600	68.70

### Notes:-

1. Mr Ng Hai Liong holds 17.0% of the shares in Dandelion Capital Pte. Ltd. ("**Dandelion**"). Mr Ng Hai Liong and his family members (who are not Directors or key executive officers of the Company) hold an aggregate of 52.0% of the shares in Dandelion. Accordingly, Mr Ng Hai Liong is deemed interested in the shares of the Company held by Dandelion by virtue of Section 7 of the Companies Act, Chapter 50 of Singapore. ("**Act**").
2. Mr Ng Kian Ann Patrick holds 25.0% of the shares in Dandelion and accordingly is deemed interested in the shares of the Company held by Dandelion by virtue of Section 7 of the Act.
3. Mr Ng Kian Yeow, Vincent holds 23.0% of the shares in Dandelion and accordingly is deemed interested in the shares of the Company held by Dandelion by virtue of Section 7 of the Act.

## RULE 723 OF THE CATALIST RULES – FREE FLOAT

As at 11 March 2024, approximately 30.55% of the issued shares of the Company was held by the public. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM”) of Huatong Global Limited (the “Company”) will be convened and held at Raffles Marina, 10 Tuas West Dr, Singapore 638404 on Friday, 26 April 2024 at 2.30 p.m., for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2023 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a final one-tier tax exempt dividend of S\$0.005 per ordinary share for the financial year ended 31 December 2023. **(Resolution 2)**
3. To re-elect Mr Cheang You Kong who is retiring pursuant to Regulation 117 of the Company’s Constitution: **(Resolution 3)**

*Mr Cheang You Kong will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee, and a member of the Audit Committee and Nominating Committee. Mr Cheang You Kong is considered independent for the purpose of Rule 704(7) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (“Catalist Rules”). Further information on Mr Cheang You Kong can be found under the sections entitled “Board of Directors”, “Corporate Governance Report” and “Directors’ Statement” in the Annual Report 2023.*

4. To note the retirement of Mr Wee Heng Yi, Adrian as a Director of the Company pursuant to Regulation 119(b) of the Constitution of the Company.  
*[See Explanatory Note (i)]*
5. To re-elect Ms Gn Jong Yuh Gwendolyn who is retiring pursuant to Regulation 122 of the Company’s Constitution: **(Resolution 4)**

*Ms Gn Jong Yuh Gwendolyn will, upon re-election as a Director of the Company, remain as a member of the Audit Committee, Nominating Committee and Remuneration Committee. Ms Gn Jong Yuh Gwendolyn is considered independent for the purpose of Rule 704(7) of the Catalist Rules. Further information on Ms Gn Jong Yuh Gwendolyn can be found under the sections entitled “Board of Directors”, “Corporate Governance Report” and “Directors’ Statement” in the Annual Report 2023.*

6. To re-elect Mr Wong King Kheng who is retiring pursuant to Regulation 122 of the Company’s Constitution: **(Resolution 5)**

*Mr Wong King Kheng will, upon re-election as a Director of the Company, remain as a member of the Audit Committee, Nominating Committee and Remuneration Committee. Mr Wong King Kheng is considered independent for the purpose of Rule 704(7) of the Catalist Rules. Further information on Mr Wong King Kheng can be found under the sections entitled “Board of Directors”, “Corporate Governance Report” and “Directors’ Statement” in the Annual Report 2023.*

7. To approve the payment of Directors’ fees of S\$165,000 for the financial year ending 31 December 2024, payable half yearly in arrears (2023: S\$125,000). **(Resolution 6)**
8. To re-appoint Baker Tilly TFW LLP as the Company’s Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**
9. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

### 10. Authority to allot and issue shares in the capital of the Company (“Shares”) - Share Issue Mandate

“That, pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:-

- (a) (i) allot and issue shares in the capital of the Company (“Shares”) (whether by way of rights, bonus or otherwise); and/or

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force, provided that:-

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution), to be issued pursuant to this Resolution does not exceed one hundred per cent (100%) of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such manner of calculations 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 (1) above, the percentage of 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 of the Company at the time this Resolution is passed after adjusting for:-

- (i) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;
- (ii) new Shares arising from exercising of share options or vesting of share awards, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (iii) any subsequent bonus issue, consolidation or sub-division of Shares.

Any adjustments made in accordance with sub-paragraphs (2)(i) or (2)(ii) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Regulation for the time being of the Company; and

- (4) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.”

*[See Explanatory Note (ii)]*

**(Resolution 8)**

## 11. **Authority to allot and issue shares under the Huatong Employee Share Option Scheme adopted on 18 November 2014 (the “Huatong Employee Share Option Scheme”)**

“That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be authorised to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Huatong Employee Share Option Scheme provided always that the aggregate number of new shares to be allotted and issued pursuant to the Huatong Employee Share Option Scheme, Huatong Performance Share Plan adopted on 18 November 2014 (“**Huatong Performance Share Plan**”), and all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company shall not exceed fifteen per centum (15%) of the total number of issued shares (including treasury shares) in the capital of the Company from time to time, as determined in accordance with the provisions of the Huatong Employee Share Option Scheme.”

*[See Explanatory Note (iii)]*

**(Resolution 9)**

# NOTICE OF ANNUAL GENERAL MEETING

## 12. Authority to allot and issue shares under the Huatong Performance Share Plan

“That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be authorised and empowered to grant awards in accordance with the provisions of the Huatong Performance Share Plan and to allot and issue from time to time, such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Huatong Performance Share Plan, provided always that the aggregate number of shares issued and issuable pursuant to vesting of awards granted under the Huatong Performance Share Plan, when added to (i) the number of shares issued and issuable in respect of all awards granted or awarded thereunder; and (ii) all shares issued and issuable in respect of all options granted or awards granted under the Huatong Employee Share Option Scheme, all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company for the time being in force, shall not exceed fifteen per centum (15%) of the total number of issued shares (including treasury shares) in the capital of the Company on the day preceding the relevant date of the award.”

*[See Explanatory Note (iv)]*

**(Resolution 10)**

By Order of the Board

Ng Kian Ann Patrick  
Executive Director and Chief Executive Officer

Singapore, 9 April 2024

### Explanatory Notes:

- (i) Mr Wee Heng Yi, Adrian was appointed as an Independent Director on 11 November 2014 and has served as an Independent Director for more than 9 years. Pursuant to Catalyst Rule 406(3)(d)(iv), a director will not be independent if he has been a director of an issuer for an aggregate period of more than nine years (whether before or after listing). Accordingly, following the conclusion of the Annual General Meeting, Mr Wee Heng Yi, Adrian will no longer be considered independent. As part of the Board renewal process, Mr Wee Heng Yi, Adrian has indicated, in accordance with Regulation 119(b) of the Constitution of the Company, that he will be retiring and will not be seeking re-election at the AGM. Accordingly, at the conclusion of the Annual General Meeting, he will cease to be the Chairman of the Nominating Committee, as well as a member of the Remuneration Committee, Nominating Committee and Risk Committee.
- (ii) The Ordinary Resolution 8 proposed in item 10 above, if passed, will empower the Directors from the date of the above AGM until the date of the next AGM, to allot and issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments. The aggregate number of Shares and convertible instruments which the Directors may allot and issue under this Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing this Resolution. For allotment and issuance of Shares and convertible instruments other than on a pro-rata basis to all shareholders of the Company, the aggregate number of Shares and convertible securities to be allotted and issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next AGM.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution 8 is passed and any subsequent bonus issue, consolidation or subdivision of Shares.



# NOTICE OF ANNUAL GENERAL MEETING

- (iii) The Ordinary Resolution 9 in item 11 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant options under the Huatong Employee Share Option Scheme in accordance with the provisions of the Huatong Employee Share Option Scheme and to allot and issue from time to time such number of fully-paid shares as may be required to be issued arising from the exercise of the share options under the Huatong Employee Share Option Scheme subject to the maximum number of shares prescribed under the terms and conditions of the Huatong Employee Share Option Scheme.

The aggregate number of ordinary shares which may be allotted and issued pursuant to the Huatong Employee Share Option Scheme and under any other share incentive scheme or share plan adopted by the Company for the time being in force, is limited to fifteen per centum (15%) of the issued shares (including treasury shares) in the capital of the Company on the day preceding the date of the relevant grant. This authority is in addition to the general authority to issue shares sought under Ordinary Resolution 8.

- (iv) The Ordinary Resolution 10 in item 12 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant awards under the Huatong Performance Share Plan in accordance with the provisions of the Huatong Performance Share Plan and to allot and issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the awards under the Huatong Performance Share Plan subject to the maximum number of shares prescribed under the terms and conditions of the Huatong Performance Share Plan.

The aggregate number of ordinary shares which may be allotted and issued pursuant to the Huatong Performance Share Plan and under any other share incentive scheme or share plan adopted by the Company for the time being in force, is limited to fifteen per centum (15%) of the issued shares (including treasury shares) in the capital of the Company on the day preceding the relevant date of the award. This authority is in addition to the general authority to issue shares sought under Ordinary Resolution 8.

## Important Notes to Shareholders on arrangements for the AGM:

1. The Annual General Meeting (“AGM”) of the Company will be held physically at Raffles Marina, 10 Tuas West Dr, Singapore 638404 on Friday, 26 April 2024 at 2.30 p.m. (Singapore Time). There will be no option for Shareholders to participate virtually.
2. Printed copies of this Notice of AGM, the Proxy Form and the Request Form will be sent to members. Printed copies of the Annual Report for the financial year ended 31 December 2023 (the “FY2023 Annual Report”) will not be sent to members; however, members may request printed copies of the FY2023 Annual Report by completing and returning the Request Form no later than 17 April 2024. This Notice of AGM, the Proxy Form, the Request Form and the FY2023 Annual Report may be accessed at the Company’s website at the URL <https://huatong.listedcompany.com/> by clicking on the tab titled “Investor Relations”, and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. Arrangements relating to submission of comments, queries and/or questions in advance of and at the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting physically at the AGM or by appointing proxy(ies) (other than the Chairman of the Meeting) or appointing the Chairman of the Meeting as proxy to vote at the AGM, are set out in this Notice of AGM. Please refer to the details set out below for the relevant steps and details for members to participate at the AGM.
4. **Members will not be able to attend the AGM virtually. A member (whether individual or corporate) must vote at the AGM physically or must appoint proxy(ies) (other than the Chairman of the Meeting) or appoint the Chairman of the Meeting as his/her/its proxy to attend, submit questions and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** The Proxy Form may be accessed at the Company’s website at the URL <https://huatong.listedcompany.com/> by clicking on the tab titled “Investor Relations”, and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting in respect of a resolution in the proxy form, failing which the appointment of proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

# NOTICE OF ANNUAL GENERAL MEETING

5. A member:
- (a) who is not a Relevant Intermediary may appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and
  - (b) a member who is a Relevant Intermediary may appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant Intermediary**" shall have the same meaning ascribed to it in Section 181 of the Companies Act 1967.

6. CPF/SRS investors:
- (a) may vote at the AGM if they are appointed as proxies by their respective CPF agent banks or SRS operators, and should contact their respective CPF agent banks or SRS operators if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the AGM as proxy, in which case they should approach their respective CPF agent banks or SRS operators to submit their votes by 5.00 p.m., Tuesday, 16 April 2024 (that is, at least seven (7) working days before the date of the AGM).
7. Duly appointed proxy(ies), including the Chairman of the Meeting as proxy, need not be a member of the Company.
8. The Proxy Form must be submitted to the Company in the following manner:
- (i) if submitted by post, be deposited at registered office of the Company at No. 9 Benoi Crescent, Singapore 629972; or
  - (ii) if submitted electronically, be submitted via email in Portable Document Format (PDF) format to the Company at [IR-enquiry2024@huatong.com.sg](mailto:IR-enquiry2024@huatong.com.sg).

in either case, by 2.30 p.m. on Tuesday, 23 April 2024 which is at least 72 hours before the time fixed for holding the AGM and/or any adjournment thereof. A member who wishes to submit the Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Members are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**

9. Members may submit comments, queries and/or questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM of the Company by submitting their questions:
- (i) by post to the Company's registered office at 9 Benoi Crescent, Singapore 629972; or
  - (ii) via email in Portable Document Format (PDF) format to the Company at [IR-enquiry2024@huatong.com.sg](mailto:IR-enquiry2024@huatong.com.sg).

in either case, by **9.00 a.m. on Wednesday, 17 April 2024.**

10. Members or (where applicable) their duly appointed proxy(ies) and representatives will also be able to raise questions at the AGM itself.
11. The Company will endeavour to address all substantial and relevant questions received from members relating to the agenda of the AGM prior to the AGM which will be published on the Company's website at the URL <https://huatong.listedcompany.com/> and SGXNET at the URL <https://www.sgx.com/securities/company-announcements> by 2.30 p.m. (Singapore Time) on Sunday, 21 April 2024 (that is, at least 48 hours prior to the closing date and time for the lodgment of Proxy Forms). The Company may address any subsequent clarifications sought, or follow-up questions, prior to, or at the AGM itself.
12. The Proxy Form appointing proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form appointing proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.
13. Where the Proxy Form appointing proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or 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.

# NOTICE OF ANNUAL GENERAL MEETING

14. 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 AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
15. The resolutions put to vote at the AGM shall be decided by way of poll.
16. The Company will publish the minutes of the AGM on the Company's website at the URL <https://huatong.listedcompany.com/> and on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> within one (1) month after the AGM.

## **PERSONAL DATA PRIVACY:**

By submitting the Proxy Form appointing a proxy(ies) (including the Chairman of the AGM) 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, 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 or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. In addition, by attending the AGM and/or any adjournment thereof, a member consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for any of the Purposes.

# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The information required under Catalyst Rule 720(5) and Appendix 7F of the SGX-ST Listing Manual in respect of Directors seeking re-election at the Annual General Meeting is set out below.

Key Information	Name of Director		
	Cheang You Kong	Gn Yong Jun, Gwendolyn	Wong King Kheng
Date of appointment	9 November 2020	16 February 2024	6 April 2024
Date of last re-appointment	29 April 2021	Not Applicable	Not Applicable
Age	64	52	71
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	<p>The Board of Directors has approved the re-election of Mr Cheang You Kong as an Independent Director ("<b>ID</b>") of the Company.</p> <p>The Board has considered the recommendation of the Nominating Committee ("<b>NC</b>") and is of the view that Mr Cheang has the requisite experience, qualifications and capabilities as required by the Board as an ID.</p>	<p>The Board of Directors has approved the re-election of Ms Gn Yong Jun, Gwendolyn as an ID of the Company.</p> <p>The Board has considered the recommendation of the NC and is of the view that Ms Gn Yong Jun, Gwendolyn has the requisite experience, qualifications and capabilities as required by the Board as an ID.</p>	<p>The Board of Directors has approved the re-appointment of Mr Wong King Kheng as an ID of the Company.</p> <p>The Board having considered the recommendation of the NC is of the view that Mr Wong King Kheng has the requisite experience, qualifications and capabilities as required by the Board as an ID.</p>
Whether the appointment is executive and if so, please state the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC member, etc)	ID, Remuneration Committee (" <b>RC</b> ") Chairman and a member of the Audit Committee (" <b>AC</b> ") and NC.	ID, and a member of the AC, RC and NC.	ID, and a member of the AC, RC and NC.
Professional memberships / qualifications	<p>Bachelor of Engineering (Civil Engineering), National University of Singapore</p> <p>Graduate Diploma in Business Administration, Singapore Institute of Management</p>	<p>LLB (Hons), National University of Singapore (1994)</p> <p>Advocate &amp; Solicitor of Singapore (1995)</p> <p>Member - Singapore Academy of Law and the Law Society of Singapore</p>	<p>Fellow - Institute of Singapore Chartered Accountants</p> <p>Fellow - Institute of Certified Public Accountants Australia</p> <p>Member - Malaysian Institute of Accountants</p>

# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Key Information	Name of Director		
	Cheang You Kong	Gn Yong Jun, Gwendolyn	Wong King Kheng
Working experience and occupation(s) during the past 10 years	<p>Xinsha Holding Pte Ltd – July 2016 to present, Project Director</p> <p>Lyxin Enterprise Pte Ltd – January 2015 to present, Director, Business &amp; Strategic Development</p> <p>Consulting Advising &amp; Managing Pte Ltd – October 2011 to present, Director</p> <p>Hock Lian Seng Holdings Ltd – September 2009 to October 2011, Executive Director</p>	<p>Shook Lin &amp; Bok LLP – 2006 to present Equity Partner</p>	<p>K K Wong and Associates – 2000 to present, Managing Director</p> <p>Ossia International Limited – 1996 – present, Lead Independent Director</p> <p>Tiong Woon Corporation Holding Ltd – 1999 – present, Lead Independent Director</p> <p>JCY International Berhad – 2023 – present, Executive Chairman 2006-2023, Executive Director</p> <p>International Renewal Energy Holding Pte Ltd – 2018 – present, Director</p> <p>Soh &amp; Wong Management Consultants Pte Ltd – 1989-Present, Managing Director</p> <p>In-tec Global Pte Ltd., Director – 1992 – Present, Director</p> <p>Internet Technology Group Limited – 2014 – 2021, Lead Independent Director</p> <p>Hatten Land Limited – 2017 – 2023, Lead Independent Director 1996-2017, Independent Director</p>
Shareholding interest in the Company and its subsidiaries	Nil	Nil	Nil
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Nil	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil	Nil

# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Key Information	Name of Director		
	Cheang You Kong	Gn Yong Jun, Gwendolyn	Wong King Kheng
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) submitted to the Company?	Yes	Yes	Yes
<b>Other Principal Commitments Including Directorships</b>			
<b>Present</b>	<p><b>Directorships</b></p> <ol style="list-style-type: none"> <li>Xinsha Holding Pte Ltd</li> <li>Lyxin Enterprise Pte Ltd</li> <li>Consulting Advising &amp; Managing Pte Ltd</li> <li>Char Yong (Dabu) Foundation Ltd</li> </ol> <p><b>Principal Commitments:</b></p> <ol style="list-style-type: none"> <li>Xinsha Holding Pte Ltd</li> <li>Lyxin Enterprise Pte Ltd</li> <li>Consulting Advising &amp; Managing Pte Ltd</li> <li>Char Yong (Dabu) Foundation Ltd</li> </ol>	<p><b>Directorships</b></p> <ol style="list-style-type: none"> <li>UMS Holdings Limited</li> <li>YHI International Limited</li> <li>Darco Water Technologies Limited</li> </ol> <p><b>Principal Commitments:</b></p> <ol style="list-style-type: none"> <li>Equity Partner, Shook Lin &amp; Bok LLP</li> </ol>	<p><b>Directorships</b></p> <ol style="list-style-type: none"> <li>Tiong Woon Corporation Holding Limited</li> <li>Ossia International Limited</li> <li>JCY International Berhad (Bursa Malaysia)</li> <li>JCY Auto Sdn. Bhd.</li> <li>JCY HDD Industries Sdn. Bhd.</li> <li>The Business Exchange Pte Ltd</li> <li>International Renewal Energy Holding Pte Ltd</li> <li>Soh &amp; Wong Management Consultants Pte Ltd</li> <li>In-tec Global Pte Ltd.</li> </ol> <p><b>Principal Commitments:</b></p> <ol style="list-style-type: none"> <li>K K Wong and Associates</li> <li>JCY International Berhad (Bursa Malaysia)</li> <li>Ossia International Limited</li> <li>Tiong Woon Corporation Holding Ltd</li> <li>International Renewal Energy Holding Pte Ltd</li> </ol>
<b>Past (for the last 5 years)</b>	Nil	<p><b>Directorships</b></p> <ol style="list-style-type: none"> <li>Libra Group Limited</li> <li>Mary Chia Holdings Limited</li> <li>Tata Precision Industries Pte Ltd</li> </ol>	<p><b>Directorships</b></p> <ol style="list-style-type: none"> <li>Hatten Land Limited</li> <li>Internet Technology Group Limited</li> <li>YQ Technology (Jiangsu) Co., Ltd.</li> <li>JCY HDD Technology Group Pte Ltd</li> </ol> <p><b>Principal Commitments:</b></p> <ol style="list-style-type: none"> <li>Internet Technology Group Pte Ltd</li> <li>Hatten Land Limited</li> </ol>

# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Name of Director to be re-elected		
	Cheang You Kong	Gn Yong Jun, Gwendolyn	Wong King Kheng
<b><i>The general statutory disclosures of the Directors are as follows:</i></b>			
(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	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	No
(c) Whether there is any unsatisfied judgment against him?	No	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	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	No



# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Name of Director to be re-elected		
	Cheang You Kong	Gn Yong Jun, Gwendolyn	Wong King Kheng
(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	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	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	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	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	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	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	No

# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Name of Director to be re-elected		
	Cheang You Kong	Gn Yong Jun, Gwendolyn	Wong King Kheng
(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	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
(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	No
<b>Prior Experience as a Director of a Listed Company on the Exchange</b>			
Any prior experience as a director of an issuer listed on the Exchange?  If yes, please provide details of prior experience.  If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable. This is a re-election of a director.		
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).	Not applicable. This is a re-election of a director.		

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# HUATIONG GLOBAL LIMITED

(Company Registration Number: 201422395Z)  
(Incorporated in Singapore with limited liability)

## PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

### IMPORTANT:

- The Annual General Meeting ("AGM") is being convened, and will be held, physically at Raffles Marina, 10 Tuas West Dr, Singapore 638404 on Friday, 26 April 2024 at 2.30 p.m. (Singapore Time). There will be no option for members to participate virtually.
- Pursuant to Section 181(1C) of the Companies Act 1967, Relevant Intermediaries (as defined in the Companies Act) may appoint more than 2 proxies to attend, speak and vote at the AGM.
- CPF/SRS investors:
  - may vote at the AGM if they are appointed as proxies by their respective CPF agent banks or SRS operators, and should contact their respective CPF agent banks or SRS operators if they have any queries regarding their appointment as proxies; or
  - may appoint the Chairman of the AGM as proxy, in which case they should approach their respective CPF agent banks or SRS operators to submit their votes by 5.00 p.m., Tuesday, 16 April 2024 (that is, at least seven (7) working days before the date of the AGM).
- This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by CPF Investors and SRS Investors.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the AGM.

\*I/We, \_\_\_\_\_ (name) \_\_\_\_\_ (NRIC/Passport/Company Registration Number\*)

of \_\_\_\_\_ (address)

being member/members\* of **HUATIONG GLOBAL LIMITED** (the "Company"), hereby appoint:

Name	NRIC/ Passport No.	Proportion of Shareholding	
		No. of Shares	(%)
Address			
Email Address			

and/or\*

Name	NRIC/ Passport No.	Proportion of Shareholding	
		No. of Shares	(%)
Address			
Email Address			

or failing him/her\*, the Chairman of the Annual General Meeting, as my/our\* proxy/proxies\* to attend and vote for me/us\* on my/our\* behalf at the Annual General Meeting ("AGM") to be held physically at Raffles Marina, 10 Tuas West Dr, Singapore 638404 on Friday, 26 April 2024 at 2.30 p.m. and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for or against, or abstain from voting on, the resolutions proposed at the AGM as indicated hereunder. In the absence of specific directions in respect of a resolution, the appointment of proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

(Please indicate your vote "For" or "Against" or "Abstain" with a tick [✓] within the box provided.)

No.	Ordinary Resolutions relating to:	For <sup>#</sup>	Against <sup>#</sup>	Abstain <sup>#</sup>
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023			
2.	To declare a final one-tier tax exempt dividend of S\$0.005 per ordinary share for the financial year ended 31 December 2023			
3.	Re-election of Mr Cheang You Kong as Director of the Company			
4.	Re-election of Ms Gn Jong Yuh Gwendolyn as Director of the Company			
5.	Re-election of Mr Wong King Kheng as Director of the Company			
6.	Approval of Directors' fees amounting to S\$165,000 for the financial year ending 31 December 2024, payable half yearly in arrears (2023: S\$125,000)			
7.	Re-appointment of Baker Tilly TFW LLP as the Company's Auditors and to authorise the Directors to fix their remuneration			
8.	Authority to allot and issue shares in the capital of the Company - Share Issue Mandate			
9.	Authority to allot and issue shares under the Huatong Employee Share Option Scheme			
10.	Authority to allot and issue shares under the Huatong Performance Share Plan			

\* Delete as appropriate

<sup>#</sup> If you wish your proxy/proxies to cast all your votes "For" or "Against" or "Abstain", please indicate so with a tick (✓) within the box provided. Otherwise, please indicate the number of votes as appropriate. In the absence of specific directions in respect of a resolution, the appointment of proxy(ies) for that resolution will be treated as invalid.

The resolutions put to vote at the AGM shall be decided by way of poll.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total Number of Shares Held
(a) CDP Register:
(b) Register of members:

\_\_\_\_\_  
Signature of Shareholder(s)  
or, Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**



## NOTES:

1. The AGM of the Company will be held physically at Raffles Marina, 10 Tuas West Dr, Singapore 638404 on Friday, 26 April 2024 at 2.30 p.m. (Singapore Time). **There will be no option for Shareholders to participate virtually.**
2. Printed copies of the Notice of AGM, this Proxy Form and the Request Form will be sent to members. Printed copies of the Annual Report for the financial year ended 31 December 2023 (the **"FY2023 Annual Report"**) will not be sent to members; however, members may request printed copies of the FY2023 Annual Report by completing and returning the Request Form no later than 17 April 2024. The Notice of AGM, this Proxy Form, the Request Form and the FY2023 Annual Report may be accessed at the Company's website at the URL <https://huatong.listedcompany.com/> by clicking on the tab titled "Investor Relations", and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. Arrangements relating to submission of comments, queries and/or questions in advance of and at the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting physically at the AGM or by appointing proxy(ies) (other than the Chairman of the Meeting) or appointing the Chairman of the Meeting as proxy to vote at the AGM, are set out in the Notice of AGM.
4. **Members will not be able to attend the AGM virtually. A member (whether individual or corporate) must vote at the AGM physically or must appoint proxy(ies) (other than the Chairman of the Meeting) or appoint the Chairman of the Meeting as his/her/its proxy to attend, submit questions and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** The Proxy Form may be accessed at the Company's website at the URL <https://huatong.listedcompany.com/> by clicking on the tab titled "Investor Relations", and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting in respect of a resolution in the proxy form, failing which the appointment of proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
5. A member:
  - (a) who is not a Relevant Intermediary may appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and
  - (b) a member who is a Relevant Intermediary may appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

**"Relevant Intermediary"** shall have the same meaning ascribed to it in Section 181 of the Companies Act 1967.

6. 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 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.
7. CPF/SRS investors:
  - (a) may vote at the AGM if they are appointed as proxies by their respective CPF agent banks or SRS operators, and should contact their respective CPF agent banks or SRS operators if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the AGM as proxy, in which case they should approach their respective CPF agent banks or SRS operators to submit their votes by 5.00 p.m., Tuesday, 16 April 2024 (that is, at least seven (7) working days before the date of the AGM).
8. Duly appointed proxy(ies), including the Chairman of the Meeting as proxy, need not be a member of the Company.
9. The Proxy Form must be submitted to the Company in the following manner:
  - (i) if submitted by post, be deposited at registered office of the Company at No. 9 Benoi Crescent, Singapore 629972; or
  - (ii) if submitted electronically, be submitted via email in Portable Document Format (PDF) format to the Company at [IR-enquiry2024@huatong.com.sg](mailto:IR-enquiry2024@huatong.com.sg).

in either case, by 2.30 p.m. on Tuesday, 23 April 2024 which is at least 72 hours before the time fixed for holding the AGM and/or any adjournment thereof. A member who wishes to submit the Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Members are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**

10. The Proxy Form appointing proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form appointing proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.
11. Where the Proxy Form appointing proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or 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.
12. 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 AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

## GENERAL:

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.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and speak and vote thereat unless his name appears on the Depository Register **72 hours before the time set for the AGM.**

## PERSONAL DATA PRIVACY:

By submitting the Proxy Form appointing a proxy(ies) (including the Chairman of the AGM) 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, 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 or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. In addition, by attending the AGM and/or any adjournment thereof, a member consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for any of the Purposes.



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