

HONG FOK CORPORATION LIMITED

ANCHORED IN RESILIENCE

ANNUAL REPORT 2024



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VISION & MISSION

TO BUILD AND MAINTAIN A
LONG-TERM SUSTAINABLE
REAL-ESTATE RELATED BUSINESS



CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

On behalf of the Board of Directors (the "Board") of **HONG FOK CORPORATION LIMITED** (the "Company") and its subsidiaries (the "Group"), I am pleased to present our Annual Report for the financial year ended 31 December 2024 ("FY2024").

REVIEW OF FY2024

In FY2024, the Group continued to recognise revenue mainly from rental income and sales of its properties. Revenue for the year was lower by approximately \$6 million compared to FY2023.

The Group recorded a gain of approximately \$12 million from the revaluation of its investment properties as at 31 December 2024 which is lower than the gain of approximately \$87 million as at 31 December 2023.

For FY2024, the Group posted a net profit attributable to Owners of the Company of approximately \$24 million as against \$88 million in FY2023.

The Group was supported by a strong balance sheet as at 31 December 2024, with net current assets of approximately \$103 million, of which cash and cash equivalents was approximately \$34 million.

The Group maintained a sound financial position in FY2024 with its net interest bearing debt to equity ratio at only 0.22. Net asset value per share was \$3.61.

PROSPECTS FOR FY2025

In 2025, the hotel industry is likely to continue to face certain economic and operational challenges. YOTEL Singapore Orchard Road ("YOTEL") will focus on improving operational efficiency, implementing cost saving measures and increasing guest satisfaction to drive loyal and repeat guests on top of new visitors to YOTEL.

Geopolitical uncertainties make it difficult to predict the direction that interest rates may be headed for the short or medium term. If mortgage financing costs in Singapore do decline in the course of 2025, this may enhance affordability and encourage both first-time homeowners and upgraders to enter the private residential market. However, demand for residential units from foreigners will stay muted as long as the current level of Additional Buyer's Stamp Duty is in place. The Group is nevertheless expected to continue to recognise revenue from the sales of its residential units in Concourse Skyline.

The Singapore office market is expected to face modest growth amidst economic uncertainty in 2025. Leasing activity of office units has been weighed down by high fit-out costs and hybrid/flexible work arrangement. With tenants increasingly seeking buildings with green mark certification and eco-friendly features, the Group will continue to adopt and explore sustainability practices. The Group will also boost its targeted marketing efforts to retain tenants and to attract new tenants to its commercial properties. The rental income for the Group's investment properties is likely to remain stable.

APPRECIATION

On behalf of the Board and Management, I would like to thank our shareholders, tenants, customers, business associates and bankers for their continued support to the Group.

The Board would also like to thank our Management and staff for their commitment, dedication and hard work.

CHAN PENGEE, ADRIAN

Non-executive Non-independent Chairman

BOARD OF DIRECTORS

MR CHAN PENGEE, ADRIAN

Mr Chan Pengee, Adrian is the Non-executive Non-independent Chairman of the Board and a member of the Nominating Committee and the Remuneration Committee. He is the head of corporate and a senior partner at Lee & Lee. He is the vice-chairman of the Singapore Institute of Directors. He is a member of the Legal Service Commission and Singapore Management University's Enterprise Board and serves on the Executive Council of the Association of Small and Medium Enterprises as its honorary secretary. He is an independent director of First REIT Management Limited (the manager of First REIT), Food Empire Holdings Limited, Keppel Infrastructure Fund Management Pte. Ltd. (manager of Keppel Infrastructure Trust) and TeleChoice International Limited.

Mr Chan holds a Bachelor of Laws degree from the National University of Singapore and is a member of the Singapore Academy of Law. He has more than 35 years of experience in the legal profession.

MR CHEONG PIN CHUAN

Mr Cheong Pin Chuan is an Executive Director and Joint Chief Executive Officer and is principally involved in the Group's overall operations and management with greater emphasis in Hong Kong.

Mr Cheong is a graduate of the Footscray Institute of Technology in Australia and is a member of the Australian Society of Certified Practising Accountants and the Hong Kong Institute of Certified Public Accountants. He has over 53 years of experience in property development at both management and board levels in Singapore and Hong Kong.

MR CHEONG SIM ENG

Mr Cheong Sim Eng is an Executive Director and Joint Chief Executive Officer and is principally involved in the Group's overall operations and management with greater emphasis in Singapore.

Mr Cheong is a graduate of the Chaminade University of Honolulu with a Bachelor of Arts degree. He has over 40 years of experience in the property development business.

MS CHEONG HOOI KHENG

Ms Cheong Hooi Kheng is an Executive Director and Chief Operating Officer and is principally involved in the Group's development of properties. She also oversees the project management in relation to the development and construction of properties, the leasing and marketing of the Group's real estate properties and major financial affairs of the Group in Singapore.

Ms Cheong holds a Bachelor of Science degree in Business Administration from the California State University, Hayward and a Master of Business Administration degree from the Chaminade University of Honolulu. She has over 45 years of experience in the property development and construction business.

MR CHONG WENG HOE

Mr Chong Weng Hoe is a Non-executive Independent Director, Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and the Nominating Committee.

Mr Chong joined TUV SUD PSB Pte Ltd in April 1991 as an engineer and was appointed as its chief executive officer in January 2008. He was responsible for its business activities in the ASEAN region, with operations in Singapore, Malaysia, Thailand, Vietnam, Indonesia and the Philippines. In July 2013, he stepped down as the chief executive officer of TUV SUD PSB Pte Ltd but remained as its director to provide support in the development of the business in the region until September 2017. Thereafter, he was relocated to TUV SUD Asia Pacific Pte Ltd, assuming the position of executive vice president.

Mr Chong is a non-executive chairman and an independent director of HC Surgical Specialists Limited and ISEC Healthcare Ltd, and is an independent director of Baker Technology Limited and Bund Center Investment Ltd. He has also served as president of the Nanyang Business School Alumni of the Nanyang Technological University of Singapore ("NTU") from 2014 to 2021.

Mr Chong graduated with a Bachelor of Engineering (Electrical and Electronics) from the National University of Singapore and obtained a Master of Business Administration (Accountancy) from NTU. He has over 23 years of experience in financial management, marketing, customer support and project management.

BOARD OF DIRECTORS

MR KWIK SAM AIK

Mr Kwik Sam Aik is the Lead Independent Director, a Non-executive Independent Director, Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee.

Mr Kwik has over 27 years of experience in banking, covering different areas including commercial and international banking, corporate and investment banking and capital markets. He has held various senior positions with different banks in Hong Kong, Singapore and China. Mr Kwik was the chief executive officer and general manager of the Hong Kong Branch of Overseas Union Bank Limited ("OUB") up to June 2000, where he oversaw the business activities of the branch in Hong Kong as well as the business activities of the Beijing Representative Office which carried out the operations of the bank in the People's Republic of China. Mr Kwik also served as the chief executive officer and general manager of the Shanghai Branch of OUB and was head of its operations in the Republic of China, from January 2000 to December 2001. Mr Kwik served as the managing director of the Hong Kong Branch of DBS Bank Limited ("DBS") from February 2002 to June 2006, and as the chief executive officer of the Hong Kong Branch of DBS.

From May 2011 to November 2015, Mr Kwik was a non-executive independent director, chairman of the nomination committee and a member of the audit committee of Winfoong International Limited (renamed as China Graphene Group Limited in 2016 and subsequently renamed to China Asia Valley Group Limited in 2020) ("WIL"). WIL was engaged in various businesses over that period of time, including property development and construction, property management, money lending, provision of horticultural services and securities trading. The shares of WIL were listed on the main board of The Stock Exchange of Hong Kong Limited. WIL was an associated company of Hong Fok Corporation Limited, until Hong Fok Corporation Limited disposed of its shares of WIL in September 2015.

Mr Kwik is also a director, executive committee member and treasurer of The Singapore Chamber of Commerce (Hong Kong).

Mr Kwik graduated with a Bachelor of Accountancy from the University of Singapore (now known as the National University of Singapore).

MR TAN KOK KWEE

Mr Tan Kok Kwee is a Non-executive Independent Director, Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee.

Mr Tan has had a long career in the banking industry, with 38 years of experience in corporate banking, which spanned 18 years at OUB and 20 years at United Overseas Bank Limited ("UOB").

Mr Tan commenced his banking career with OUB in 1983, where he was promoted to the position of senior vice president. Following the merger of OUB with UOB in 2001, Mr Tan continued his banking career with UOB, where he was promoted to the position of executive director. Mr Tan retired in 2021.

Mr Tan was a member of the senior team for corporate banking at UOB, and the responsibilities of the senior team included monitoring and seeking to improve the "profit and loss" of the corporate banking business of the bank and managing the credit risk of the corporate banking's portfolio. Mr Tan has experience in managing various stakeholders, including corporate clients, developers, family offices, contractors, professional agencies, law firms, valuers and accountants. He is an independent director of KSH Holdings Limited.

Mr Tan graduated with a Bachelor of Business Administration from the National University of Singapore in 1983 and complemented his academic foundation with various banking courses in the course of his career.

MR CHEONG TZE HONG, MARC

Mr Cheong Tze Hong, Marc was appointed Alternate Director to Mr Cheong Pin Chuan on 22 January 2021. He is also the Director – Finance Division of Hong Fok Land International Limited.

For more information on Mr Cheong, please refer to the section on "Key Executive Officers".

KEY EXECUTIVE OFFICERS

MS CHEONG PUAY KHENG

Senior Vice President (Corporate Services)

Ms Cheong's job responsibilities essentially cover the planning, organisation and control of office administration and personnel management of the Group as well as initiatives matters on environmental, social and governance, employer branding and post-pandemic requirements. She graduated from the Armstrong College of Berkeley in the United States of America with a Bachelor of Science degree. She has 46 years of experience at management level.

Ms Cheong is also the Senior Manager of Hong Fok Land International Limited.

MS KOH CHAY TIANG

Vice President (Accounts and Finance)/Company Secretary

Ms Koh is responsible for the accounts and finance functions of the Group in Singapore. She holds a Bachelor of Accountancy degree from the University of Singapore and is a Chartered Accountant of Singapore. She has 42 years of experience at management level in Singapore.

MR NG SAI KIAN

Vice President (Property Management)

Mr Ng is responsible for property management and maintenance for all properties under the Group in Singapore as well as properties of Warranty Management Pte Ltd's clients. He holds an Honours degree in Bachelor of Science from the University of Bradford in the United Kingdom. He has over 5 years of experience in project management in China, 2 years of experience in consultancy service in Singapore as well as more than 30 years of experience in property management in Singapore.

MS CHARMAINE LOW

Vice President (Marketing)

Ms Low is responsible for the marketing, sales and leasing of the Group's real estate properties in Singapore. She graduated from Heriot-Watt University in the United Kingdom with an Honours degree in Estate Management. She has more than 21 years of experience in real estate marketing in residential and commercial properties.

MR CHEONG TZE HONG, MARC

Alternate Director to Mr Cheong Pin Chuan/
Director (Finance Division of Hong Fok Land International Limited)

Mr Cheong oversees all financial aspects of the business in Hong Kong. He holds a Bachelor of Science degree in Accounting from the University of Southern California in the United States of America and a Master of Business Administration degree from the University of Chicago Graduate School of Business. He has over 3 years of experience in the merchant banking field and 24 years of experience in business development and financial management in Hong Kong.

MR CHEONG TZE HIAN, HOWARD

Director (Project Development of
Hong Fok Land International Limited)

Mr Cheong oversees all aspects of project development for the properties in Hong Kong. He holds a Bachelor of Science degree in Accounting from the University of Southern California in the United States of America. He has over 3 years of experience in the private equity field and 20 years of experience in project management in Hong Kong.

MR TSUI YEUNG KUN

Director (Business Development of
Hong Fok Land International Limited)

Mr Tsui's job responsibilities cover the identification and development of new business opportunities in Hong Kong, and project management in relation to the development and construction of properties in Hong Kong. He graduated from the Christian Brothers College in the United States of America with a Bachelor of Science degree in Accounting and Economics. He has over 6 years of experience in the management of investment funds and 11 years of experience in equity research and stock broking activities in Hong Kong.

CORPORATE INFORMATION

HONG FOK CORPORATION LIMITED is a public company listed on the Singapore Exchange Securities Trading Limited. The principal activity of the Company is that of investment holding whose subsidiaries are primarily engaged in property investment, property development and construction, property management, investment trading and investment holding and management.

BOARD OF DIRECTORS

**NON-EXECUTIVE
NON-INDEPENDENT CHAIRMAN**
MR CHAN PENGEE, ADRIAN

EXECUTIVE DIRECTORS
MR CHEONG PIN CHUAN
Joint Chief Executive Officer

MR CHEONG SIM ENG
Joint Chief Executive Officer

MS CHEONG HOOI KHENG
Chief Operating Officer

ALTERNATE DIRECTOR
MR CHEONG TZE HONG, MARC
Alternate Director
to Mr Cheong Pin Chuan

**NON-EXECUTIVE
INDEPENDENT DIRECTORS**
MR KWIK SAM AIK
Lead Independent Director

MR CHONG WENG HOE
MR TAN KOK KWEE

AUDIT AND RISK MANAGEMENT COMMITTEE

MR TAN KOK KWEE
Chairman

MR KWIK SAM AIK
MR CHONG WENG HOE

NOMINATING COMMITTEE

MR KWIK SAM AIK
Chairman

MR CHAN PENGEE, ADRIAN
MR CHONG WENG HOE

REMUNERATION COMMITTEE

MR CHONG WENG HOE
Chairman

MR CHAN PENGEE, ADRIAN
MR TAN KOK KWEE

SECRETARIES

MS LIM GUEK HONG
MS KOH CHAY TIANG

AUDITORS

KPMG LLP
Public Accountants and
Chartered Accountants
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961
Tel : 6213 3388
Fax: 6225 0984

MS VOO POH JEE
Partner-in-charge
Year of Appointment : 2022

SHARE REGISTRAR

B.A.C.S. PRIVATE LIMITED
77 Robinson Road #06-03
Robinson 77
Singapore 068896
Tel : 6593 4848

REGISTERED OFFICE

300 Beach Road #41-00
The Concourse
Singapore 199555
Tel : 6292 8181
Fax: 6293 8689
Website : www.hongfok.com.sg

PROPERTY SUMMARY

Property	Description	Lot Nos.	Stage of Completion/ Expected Date of Completion	Existing Use	Approximate		Percentage Owned (%)	Tenure of Land
					Site Area (m²)	Gross Floor Area (m²)		
INVESTMENT PROPERTIES								
International Building at Orchard Road, Singapore	A 12-storey commercial building	956X of Town Subdivision 25	Completed	Offices/ Shops/ Restaurants	2,066	14,997 ⁽¹⁾	100	Freehold
YOTEL Singapore Orchard Road at Orchard Road, Singapore	A 30-storey 610-room hotel and car park lots	956X of Town Subdivision 25	Completed	Hotel/Car park	2,158	15,744	100	Freehold
362 & 364 Orchard Road at Orchard Road, Singapore	A single storey commercial block	1719L of Town Subdivision 25	Completed	Retail	832	279	100	Freehold
The Concourse at Beach Road, Singapore	A 41-storey commercial/office tower	43 strata units of Parent Lot No. 1110V of Town Subdivision 13	Completed	Offices/Retail	11,715	60,164 ⁽²⁾	100	99 years lease from 13/03/2008
Concourse Skyline at Beach Road, Singapore	Retail units at 1st storey	9 strata units of Parent Lot No. 1110V of Town Subdivision 13	Completed	Retail	115	608 ⁽²⁾	100	99 years lease from 13/03/2008
Concourse Skyline at Beach Road, Singapore	A part 4/part 7-storey podium car park/apartment block, 2 part 20/part 28-storey and part 34/part 40-storey residential blocks with communal facilities	8 strata units of Parent Lot No. 1110V of Town Subdivision 13	Completed	Residential	8,662	710 ⁽²⁾	49	99 years lease from 13/03/2008
Magazine Gap Towers at 15 Magazine Gap Road, Hong Kong	A 14-storey (including a basement) private residential building	Inland Lot No. 2570 and The Extension thereto	Completed	Residential	1,765	5,128	49	75 years lease from 04/06/1925 and renewed for a further term of 75 years
Magazine Heights at 17 Magazine Gap Road, Hong Kong	A 14-storey (including a lower ground floor) private residential building	Inland Lot No. 8021 and The Extension thereto	Completed	Residential	2,139	5,574	49	75 years lease from 28/08/1920 and renewed for a further term of 75 years
Upper Roof and Parking Spaces of THE ICON at 38 Conduit Road, Hong Kong	Upper roof and parking spaces of a 23-storey (including a 2-storey basement) residential building	Inland Lot No. 1253	Completed	Vacant ⁽³⁾	–	47 ⁽³⁾	49	999 years lease from 25/06/1861
DEVELOPMENT PROPERTIES								
Concourse Skyline at Beach Road, Singapore	A part 4/part 7-storey podium car park/apartment block, 2 part 20/part 28-storey and part 34/part 40-storey residential blocks with communal facilities	42 strata units of Parent Lot No. 1110V of Town Subdivision 13	Completed	Residential	8,662	7,691 ⁽²⁾	100	99 years lease from 13/03/2008

⁽¹⁾ Excludes 162m² of floor space which are held by third parties on 999 years lease. The Group has accepted and exercised options to purchase these units in December 2024 and completion took place in February 2025.

⁽²⁾ This relates to the strata area for the said units.

⁽³⁾ This relates to the upper roof of THE ICON.

SUMMARY OF THE GROUP

SUMMARY OF THE RESULTS OF THE GROUP

For the last 5 financial years are as follows:

	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
Revenue	104,319	110,601	153,919	90,501	80,399
Profit/(Loss) before tax	15,629	99,073	239,291	49,181	(22,116)
Tax expense	(1,439)	(4,055)	(5,365)	(4,516)	(4,180)
Profit/(Loss) for the year	14,190	95,018	233,926	44,665	(26,296)
Profit/(Loss) attributable to:					
Owners of the Company	23,744	88,068	220,099	38,908	(8,696)
Non-controlling interests	(9,554)	6,950	13,827	5,757	(17,600)
Profit/(Loss) for the year	14,190	95,018	233,926	44,665	(26,296)
Dividend	6,417	6,417	6,560	6,671	6,703

SUMMARY OF THE ASSETS AND LIABILITIES OF THE GROUP

For the last 5 financial years are as follows:

	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
Property, plant and equipment	2,200	1,484	1,760	2,856	3,331
Associates and joint venture	–	–	#	#	#
Investment properties	3,497,522	3,466,696	3,391,541	3,200,358	3,156,538
Other non-current assets	3,516	4,284	5,445	5,536	4,463
Current assets	147,080	192,766	177,294	258,262	257,270
Total Assets	3,650,318	3,665,230	3,576,040	3,467,012	3,421,602
Share capital	186,688	186,688	186,688	186,688	186,688
Treasury shares	(143,670)	(143,670)	(143,573)	(120,377)	(120,377)
Reserves	2,273,077	2,246,578	2,169,105	1,933,908	1,899,638
	2,316,095	2,289,596	2,212,220	2,000,219	1,965,949
Non-controlling interests	614,504	604,135	602,452	616,662	607,481
Total Equity	2,930,599	2,893,731	2,814,672	2,616,881	2,573,430
Non-current liabilities	675,578	724,063	711,968	677,892	779,371
Current liabilities	44,141	47,436	49,400	172,239	68,801
Total Liabilities	719,719	771,499	761,368	850,131	848,172
Total Equity and Liabilities	3,650,318	3,665,230	3,576,040	3,467,012	3,421,602

Amount less than \$1,000.

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CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2024

The board of directors of the Company (the “Board” or “Directors”) recognises the importance of good corporate governance practices. The Company confirms that it has complied with the principles of the Code of Corporate Governance 2018 (the “2018 Code”) and where the Company’s practices vary from any provisions of the 2018 Code, this is stated with an explanation of the reason for the variation and an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

BOARD MATTERS

The Board’s Conduct of Affairs (Principle 1 of the 2018 Code)

Key features of this section:

- The Board gives a positive confirmation that the Company has complied with the principles of the 2018 Code.
- The Board has an Audit and Risk Management Committee comprising independent Directors.
- Detailed information on trainings for Directors is disclosed.
- During the financial year ended 31 December 2024 (“FY2024”), all Directors attended and actively participated in Board and Board Committee meetings.

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

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company and hold Management accountable for performance.¹

The Company has a Code of Conduct to set out the general principles and standards of behaviour that the Company expects from its employees in their dealings with fellow employees, customers, suppliers and business partners, which sets an appropriate tone-from-the-top and desired organisational culture and ensures proper accountability within the Company. The details of the Code of Conduct are available on the Company’s website.²

The Company has a Conflict of Interests and Interested Person Transaction Policy which, *inter alia*, aims to provide guidance to Directors to help them recognise and deal with conflict of interests. Under this policy, Directors should recuse themselves and refrain from participating in discussions regarding a transaction or proposed transaction in which the Director has an interest or is conflicted.³ The details of the Conflict of Interests and Interested Person Transaction Policy are available on the Company’s website.

Board Orientation and Development

Directors understand the Company’s business as well as their directorship duties.⁴

The Company funds and arranges for the existing Directors to receive regular training, for Directors to develop and maintain their skills and knowledge. In this connection, during FY2024, various Directors attended seminars and courses organised by the Singapore Institute of Directors (“SID”) and other professional organisations, including but not limited to “Listed Entity Director Programme”, “ASEAN Corporate Governance Scorecard Briefing”, “Climate Governance Singapore Forum” and “SID Directors Conference 2024”, as well as the “Top Executive WSH Programme (TEWP – Asynchronous E-learning)” organised by the NTUC LearningHub. Updates on relevant legal, accounting and regulatory developments were provided to Directors in written hand-outs, or by way of briefings and presentations. The Company Secretary also circulates articles, reports and press releases issued by the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the Accounting and Corporate Regulatory Authority (“ACRA”) which are relevant to the Directors.⁵

Newly appointed Directors will receive appropriate training and orientation programmes to familiarise themselves with the operations of the Group and its major business processes.⁶ On the appointment of a new Director, the Company will provide a formal letter to the Director, setting out the Director’s duties and obligations.⁷

¹ Provision 1.1 of the 2018 Code

² Provision 1.1 of the 2018 Code

³ Provision 1.1 of the 2018 Code

⁴ Provision 1.2 of the 2018 Code

⁵ Provision 1.2 of the 2018 Code

⁶ Provision 1.2 of the 2018 Code

⁷ Provision 1.2 of the 2018 Code

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2024

Board Approval

The Board decides on matters that require its approval. Written guidelines are established to specify which material transactions require the Board's approval, and such guidelines are clearly communicated to Management. These transactions include, *inter alia*, significant transactions (being the acquisition or disposal of assets or the provision of financial assistance (excluding the provision of financial assistance to the Company, or its subsidiary or associated company) amounting to 5% or more of the relative figures set out in Rule 1006 of the Listing Manual of the SGX-ST) that are not in the ordinary course of business, share issuances (including stock options or other equity awards), dividends and other corporate actions relating to capital and/or returns to shareholders.⁸

Board Committees

The Board has established board committees, which are the Audit and Risk Management Committee, the Nominating Committee and the Remuneration Committee (collectively referred to as the "Board Committees"). Each Board Committee has its own written terms of references setting out its compositions, authorities and duties, including reporting back to the Board. The names of the Board Committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities are disclosed respectively in the sections headed "Board Membership", "Procedures for Developing Remuneration Policies" and "Audit Committee" below.⁹

Directors' Attendance at Board and Board Committee Meetings in FY2024

Directors attend and actively participate in Board and Board Committee meetings. The Board held meetings on a regular basis during FY2024 to review, *inter alia*, the Company's and the Group's operations and financial results. The number of such Board and Board Committee meetings and each individual Director's attendances at such meetings are disclosed on pages 29 and 30.¹⁰ All Directors recorded a 100% attendance rate for all Board and Board Committee meetings during the year.

Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.¹¹ As disclosed on page 17, the Nominating Committee is satisfied that all Directors gave sufficient time and attention to the affairs of the Company and were able to and have adequately carried out their duties as a Director of the Company for FY2024.

Access to Information

To enable the Directors to make informed decisions and discharge their duties and responsibilities, Management provides the Board with complete, adequate and timely information prior to meetings and on an on-going basis, including reports of the performance, financial position and prospects of the Group and those subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements, and these are reviewed by the Board at each Board meeting.¹² Monthly management accounts and financial reports of the Company and its key subsidiaries are also provided to the Directors. The Board has separate and independent access to Management, the Company Secretary and external advisers (where necessary) at the Company's expense,¹³ and is free to request for additional information as needed to make informed decisions.

The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.¹⁴

The role of the Company Secretary includes, *inter alia*, ensuring that board procedures are followed and that applicable rules and regulations are complied with.

During FY2024, the Company Secretary attended all meetings of the Board.

Overall, the Board's role is to:

- (a) provide entrepreneurial leadership, and set strategic objectives, which should include appropriate focus on value creation, innovation and sustainability;
- (b) ensure that the necessary resources are in place for the Company to meet its strategic objectives;
- (c) establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and Company performance;

⁸ Provision 1.3 of the 2018 Code

⁹ Provision 1.4 of the 2018 Code

¹⁰ Provision 1.5 of the 2018 Code

¹¹ Provision 1.5 of the 2018 Code

¹² Provision 1.6 of the 2018 Code

¹³ Provision 1.7 of the 2018 Code

¹⁴ Provision 1.7 of the 2018 Code

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2024

- (d) constructively challenge Management and review its performance;
- (e) instil an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture; and
- (f) ensure transparency and accountability to key stakeholder groups.

Board Composition and Guidance (Principle 2 of the 2018 Code)

Key features of this section:

- During FY2024, the non-executive Directors met regularly without the presence of Management.
- None of the Directors or Vice President (Accounts and Finance) have had an employment relationship with the current external auditor in the past 2 years.
- The Company discloses measurable objectives for implementing its Board Diversity Policy.

Under Provision 2.1 of the 2018 Code, an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations,¹⁵ its substantial shareholders¹⁶ 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.¹⁷

Rule 210(5)(d) of the Listing Manual of the SGX-ST also sets out circumstances under which a director will not be independent. A director will not be considered independent if he/she is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, or if he/she has an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the Remuneration Committee. Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST further provides that a director will not be independent if he has been a director of the Company for an aggregate period of more than nine years (whether before or after listing), although such director may continue to be considered independent until the conclusion of the next annual general meeting of the Company.

The Chairman of the Board is Mr Chan Pengee, Adrian, and during FY2024, he was a non-executive independent Director until the conclusion of the Company's annual general meeting held on 29 April 2024, after which he was re-designated as the non-executive non-independent Chairman. During the majority of FY2024, the Board comprised seven members and an alternate Director. Out of the seven Directors, four were independent, based on the provisions relating to independence as set out in the 2018 Code¹⁸ and the Listing Manual of the SGX-ST, until the conclusion of the Company's annual general meeting held on 29 April 2024. Thereafter, following the re-designation of Mr Chan Pengee, Adrian as the non-executive non-independent Chairman, there were three independent Directors, based on the provisions relating to independence as set out in the 2018 Code¹⁹ and the Listing Manual of the SGX-ST.

Provision 2.2 of the 2018 Code provides that independent Directors should make up a majority of the Board where the Chairman is not independent. The Chairman is not independent when he: (i) is not an independent Director; (ii) is also the CEO; (iii) is an immediate family member to the CEO (i.e., being the CEO's spouse, child, adopted child, step-child, brother, sister or parent); (iv) and the CEO have close family ties with each other (i.e., a familial relationship between two parties which extends beyond immediate family members and could influence the impartiality of the Chairman) as determined by the Nominating Committee; or (v) is part of the management team. Principle 2 of the 2018 Code provides that 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.

During the majority of FY2024, Mr Chan Pengee, Adrian, the non-executive Chairman, was not an independent Director, and there were three non-executive independent Directors out of a total of seven Directors (excluding the alternate Director), making up less than a majority of the Board. This therefore constitutes a variation from Provision 2.2 of the 2018 Code as the independent Directors do not make up a majority of the Board when the Chairman is not independent. Nonetheless, the Company is of the view that the intent of Principle 2 was met, as the Company had implemented measures to provide for a strong independent element on the Board. These measures include:

¹⁵ The term "related corporation", in relation to the company, has the same meaning as currently defined in the Companies Act 1967, i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.

¹⁶ A "substantial shareholder" is a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in section 2 of the Securities and Futures Act 2001.

¹⁷ Provision 2.1 of the 2018 Code

¹⁸ Provision 2.2 of the 2018 Code

¹⁹ Provision 2.2 of the 2018 Code

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- (a) having a lead independent Director, who is able to provide leadership in situations where the Chairman is conflicted, and who is available to shareholders if they have concerns;
- (b) the Audit and Risk Management Committee being made up of only independent Directors as its members, including the Chairman of the Audit and Risk Management Committee;
- (c) all the Board Committees being chaired by independent Directors;
- (d) all the Board Committees being comprised entirely of non-executive Directors;
- (e) the Chairman, though not an independent Director, is a non-executive Director and is therefore not involved in the management of the Company;
- (f) the majority of the Directors are non-executive, as the Company has four non-executive Directors on the Board, out of a total of seven Directors; and
- (g) in relation to the terms of tenure of the independent Directors, during FY2024, all three independent Directors had served for a duration of three years or less on the Board.

During the majority of FY2024, following the appointment of Mr Tan Kok Kwee as a non-executive independent Director with effect from 1 February 2024, non-executive Directors made up a majority of the Board. The non-executive Directors constructively challenged and helped Management to develop proposals on business strategies for the Company and the Group. The non-executive Directors also reviewed the performance of Management in achieving agreed goals and objectives for the Company and the Group, and monitored the reporting of performance. During FY2024, with the exception of Mr Chan Pengee, Adrian, who was initially an independent Director but was re-designated as the non-executive non-independent Chairman after the conclusion of the Company's annual general meeting held on 29 April 2024, all of the Company's non-executive Directors are independent Directors. Their views and opinions also provide different perspectives to the Group's business. The Company is in compliance with Rule 210(5)(c) of the Listing Manual of the SGX-ST, which requires the Board to have at least two non-executive Directors who are independent and free of any material business or financial connection with the Company.²⁰

The Company has a Board Diversity Policy to set out its approach to achieve diversity on the Board. The Company discloses measurable objectives for implementing its Board Diversity Policy. In terms of the composition of the Board, the Company seeks to have a Board that comprises directors who as a group provide an appropriate balance and have diversity from a number of aspects, including gender, age, professional experience, skills and knowledge. Further details of the Board Diversity Policy are available on the Company's website.²¹

The Board is of the view that the size of the Board and the Board Committees is appropriate for the needs and demands of the Company's and the Group's operations. In terms of diversity, the Board comprises business leaders and professionals from different industries and financial backgrounds and the current Board comprises Directors who have diverse qualifications and backgrounds in areas such as law, banking, finance and business. The non-executive Directors have exposure to the business industry in which the Group operates. The Company aims to continue to strive towards achieving an appropriately diverse board, with the right mix of directors with a view to enhancing board effectiveness, including maintaining and increasing the levels of diversity across the different dimensions of gender, age, tenure, skills, knowledge, industry exposure, domain knowledge and international experience.²²

The Board's composition enables Management to benefit from a diverse and objective external perspective on issues raised before the Board, and the Directors as a group provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity.²³

The Nominating Committee and Board also review and determine the targets, plans and timelines set for achieving each of the Board diversity aspects as well as progress being made thereof on an annual basis or as and when circumstances require.

In relation to diversity in terms of gender, in the Board Diversity Policy, the target is to have at least: (i) one female Director on the Board; and (ii) one female key management personnel (as defined in the 2018 Code). During FY2024, these targets were met as the Company had one female Director on the Board and three female key management personnel out of a total of seven key management personnel. Female Directors therefore represented approximately 14% of the total Board membership for the majority of FY2024, and female key management personnel therefore represented approximately 43% of the total number of key management personnel during FY2024.

²⁰ Provision 2.3 of the 2018 Code

²¹ Provision 2.4 of the 2018 Code

²² Rule 710A(2) of the Listing Manual of the SGX-ST

²³ Provision 2.4 of the 2018 Code

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In relation to diversity in terms of age, in the Board Diversity Policy, the target is to have the members of the Board being in at least two different age bands, with each band comprising ten years. During FY2024, this target was met, as four Directors were between the ages of 60 and 69, representing approximately 57% of the total Board membership, and three Directors were between the ages of 70 and 79, representing approximately 43% of the total Board membership.

In relation to diversity in terms of tenure of the non-executive Directors, in the Board Diversity Policy, the target is to have the non-executive Directors on the Board being in at least two different tenure bands, with each band comprising three years. During FY2024, this target was met, as for the majority of FY2024, three non-executive Directors had served for a duration of three years or less on the Board, representing approximately 75% of the total number of non-executive Directors, while one non-executive Director had served for a duration of more than nine years but not more than twelve years on the Board, representing approximately 25% of the total number of non-executive Directors.

In relation to diversity in terms of involvement with the operations of the Group, in the Board Diversity Policy, the target is to have non-executive Directors make up a majority of the Board. During FY2024, this target was met with the appointment of Mr Tan Kok Kwee as a non-executive independent Director with effect from 1 February 2024, such that the Company has four non-executive Directors on the Board, out of a total of seven Directors, representing approximately 57% of the total number of Directors.

In terms of Board independence, during the majority of FY2024, there were three non-executive independent Directors out of a total of seven Directors (excluding the alternate Director), hence the independent Directors represented 43% of the total Board membership.

During FY2024, the non-executive Directors met regularly without the presence of Management. During FY2024, the non-executive Directors were led by the independent Chairman prior to the conclusion of the Company's annual general meeting held on 29 April 2024, and were led by the lead independent Director after the conclusion of the Company's annual general meeting held on 29 April 2024, and each of them provided feedback to the Board as appropriate during the relevant period.²⁴

None of the Directors or Vice President (Accounts and Finance) has had an employment relationship with the current external auditor in the past two years.

Chairman and Chief Executive Officer (Principle 3 of the 2018 Code)

Key feature of this section:

- The Joint Chief Executive Officers ("CEOs") are subject to retirement in accordance with the provisions of the Company's Constitution.

The Chairman and the Joint CEOs are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.²⁵ Mr Cheong Pin Chuan and Mr Cheong Sim Eng are the Joint CEOs of the Company. During FY2024, from 1 January 2024 until the conclusion of the Company's annual general meeting held on 29 April 2024, Mr Chan Pengee, Adrian was the independent Chairman of the Board. Thereafter, he was re-designated as the non-executive non-independent Chairman. The Joint CEOs and the Chairman are not immediate family members.²⁶

The Board establishes and sets out in writing the division of responsibilities between the Chairman and the Joint CEOs.²⁷

With effect from the conclusion of the Company's annual general meeting held on 29 April 2024, Mr Kwik Sam Aik was appointed as the lead independent Director to provide leadership in situations where the Chairman is conflicted, and in view of Mr Chan Pengee, Adrian being redesignated as the non-executive non-independent Chairman. Mr Kwik Sam Aik, as the lead independent Director, is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.²⁸

²⁴ Provision 2.5 of the 2018 Code

²⁵ Provision 3.1 of the 2018 Code

²⁶ Rule 1207(10A) of the Listing Manual of the SGX-ST

²⁷ Provision 3.2 of the 2018 Code

²⁸ Provision 3.3 of the 2018 Code

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Board Membership (Principle 4 of the 2018 Code)

Key features of this section:

- A comprehensive description of the assessment of independence of Directors is disclosed.
- An external search is done when appointing new Directors. Considerations, including searches conducted by external search consultants, for selection and identification of suitable candidates for Board membership are disclosed.
- None of the current independent Directors has served on the Board for more than nine years since the date of their appointment.
- All Directors (including the Joint CEOs and executive Directors) are subject to retirement in accordance with the provisions of the Company's Constitution.
- During FY2024, there were no instances of appointments or resignations of the executive Directors or Vice President (Accounts and Finance).
- During FY2024, there were no resignations of senior management or Directors.
- During FY2024, there was no appointment of alternate independent Directors.
- The Board has in place succession plans for itself, including the executive Directors (including the Joint CEOs), and key management personnel to ensure continuity of leadership, and periodically reviews these succession plans.

Nominating Committee

According to the written terms of reference of the nominating committee of the Company (the "Nominating Committee"), the Nominating Committee's duties and responsibilities include:²⁹

- (a) making recommendations to the Board on relevant matters relating to:
 - (i) the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;³⁰
 - (ii) the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
 - (iii) the review of training and professional development programmes for the Board and its Directors;
 - (iv) the appointment and re-appointment of Directors (including alternate directors, if any);
- (b) determining annually, and as and when circumstances require, if a Director is independent, having regard to the circumstances set forth in Provision 2.1 of the 2018 Code and the Listing Manual of the SGX-ST;
- (c) prior to 1 January 2022, conducting a rigorous review of the independence of any Director who has served on the Board for more than nine years from the date of his first appointment and the reasons for considering him as independent;
- (d) ensuring that new Directors are aware of their duties and obligations;
- (e) considering, and if appropriate, establishing guidelines on what a reasonable and maximum number of such directorships and principal commitments³¹ for each Director (or type of Director) should be;
- (f) without limiting the effect of sub-paragraph (a)(ii) above, recommending for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual Director to the Board, in order for the Board to undertake a formal annual assessment of the performance of the Board as a whole, each board committee and each individual Director;
- (g) deciding whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company, and where a Director holds a significant number of listed company directorships and principal commitments, assessing the ability of such a Director to diligently discharge his or her duties; and
- (h) undertaking such other duties or functions as may be delegated by the Board or required by regulatory authorities.

²⁹ Provision 4.1 of the 2018 Code

³⁰ The term "key management personnel" shall mean the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

³¹ The term "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

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The Nominating Committee comprises three Directors, all of whom are non-executive and two of whom (including the Chairman of the Nominating Committee, who is concurrently the lead independent Director) are independent.³² During FY2024, the members of the Nominating Committee were, from 1 January 2024 until the conclusion of the Company's annual general meeting held on 29 April 2024, Mr Chan Pengee, Adrian (Chairman of the Nominating Committee), Mr Kwik Sam Aik and Mr Chong Weng Hoe. Thereafter, the members of the Nominating Committee were Mr Kwik Sam Aik (Chairman of the Nominating Committee), Mr Chan Pengee, Adrian and Mr Chong Weng Hoe.

Succession Planning

The Board has in place succession plans for itself, including the executive Directors (including the Joint CEOs), and key management personnel to ensure continuity of leadership, and periodically reviews these succession plans. Taking into consideration the current size and composition of the Board, the Board believes that it will be able to function efficiently in the event that there arises a vacancy in the office of a Director. In terms of the key management personnel, the persons in the various roles are assisted by various executives, which will allow for succession in the event of any attrition.

Nomination and Selection of Directors

All new appointments and selection of Directors are reviewed and proposed by the Nominating Committee. The Nominating Committee firstly reviews the composition of the Board to ensure that the Board comprises Directors who as a group provide core competencies, in areas such as accounting, finance, legal, property management and development, business, management (including human capital development and management) experience, industry knowledge, technology, strategic planning experience, and international experience, required for the Board to be effective. Thereafter, the Nominating Committee will identify the knowledge, skills, experience and background of the candidate being considered for appointment to the Board, taking into consideration the desired knowledge, skills, experience and background required to supplement the Board's existing core competencies as determined by carrying out the above review. Suitable candidates for Board membership are then identified through, *inter alia*, recommendations from current Board members, searches conducted by external search consultants or the SID and other referrals. The Nominating Committee and the Board will interview short-listed candidates before discussing and approving the final appointment. For existing Directors who retire and stand for re-election, based on the evaluation of these Directors, the Nominating Committee will make recommendations for the re-nomination of such Directors.³³

All Directors (including the Joint CEOs and executive Directors) are subject to retirement in accordance with the provisions of the Company's Constitution whereby one-third of the Directors (or if their number is not three or a multiple of three, the number nearest to one-third) are required to retire from office by rotation and subject themselves to re-election by shareholders at every annual general meeting of the Company.³⁴

After assessing the contribution and performance of the retiring Directors, the Nominating Committee has recommended the re-election of Mr Cheong Sim Eng and Mr Chong Weng Hoe, who will be retiring by rotation at the forthcoming annual general meeting under Regulation 104 of the Company's Constitution. Mr Cheong Sim Eng and Mr Chong Weng Hoe have offered themselves for re-election and the Board has accepted the recommendations of the Nominating Committee. Information relating to these Directors is set out on pages 3, 30, 31 and 33, in accordance with Rule 720(6) of the Listing Manual of the SGX-ST.³⁵

Continuous Review of Directors' Independence

The Nominating Committee determines annually, and as and when circumstances require, the independence of each independent Director, having regard to the circumstances set forth in Provision 2.1 of the 2018 Code and the Listing Manual of the SGX-ST. The Nominating Committee requires each independent Director to complete and execute a form declaring and affirming his independence and confirming that there exist no conditions or relationships that would impair his independence. This declaration of independence is tabled before the Nominating Committee and, if accepted, the Director's independence is then recommended by the Nominating Committee to the Board.³⁶

Taking into account the views of the Nominating Committee, the Board is satisfied that for FY2024, Mr Chong Weng Hoe, Mr Kwik Sam Aik and Mr Tan Kok Kwee were independent in light of the provisions of the 2018 Code and Rule 210(5)(d) of the Listing Manual of the SGX-ST.³⁷

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). None of the current independent Directors has served on the Board for more than nine years since the date of their appointment.

³² Provision 4.2 of the 2018 Code

³³ Provision 4.3 of the 2018 Code

³⁴ Provision 4.3 of the 2018 Code

³⁵ Provision 4.3 of the 2018 Code

³⁶ Provision 4.4 of the 2018 Code

³⁷ Provision 4.4 of the 2018 Code

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Directors' Time Commitments

The Nominating Committee ensures that new directors are aware of their duties and obligations.³⁸ Newly appointed Directors will receive appropriate training and orientation programmes to familiarise themselves with the operations of the Group and its major business processes.³⁹ On the appointment of a new Director, the Company will provide a formal letter to the Director, setting out the Director's duties and obligations.⁴⁰

The Nominating Committee also decides if a Director is able to and has been adequately carrying out his or her duties as a director of the Company.⁴¹ As part of the assessment of the performance of each individual Director, there is consideration of whether sufficient time and attention has been given by the Director to the affairs of the Company. Taking into consideration the full attendance at all Board and Board Committee meetings, the Nominating Committee is satisfied that all Directors were able to and have adequately carried out their duties as a Director of the Company for FY2024.

The listed company directorships and principal commitments of each Director are disclosed on pages 3 and 4.⁴²

The Nominating Committee has recommended and the Board has adopted a policy that a Director should not have in aggregate more than six listed company Board representations so as to be able to devote sufficient time and attention to the affairs of the Company. During FY2024, none of the Directors exceeded the limit on listed company Board representations.

Provision 1.4 of the 2018 Code recommends, *inter alia*, that a summary of the Nominating Committee's activities be disclosed in the annual report. During FY2024, the Nominating Committee reviewed and recommended the re-nomination of Directors who were due for re-election by rotation under the Company's Constitution at the forthcoming annual general meeting, reviewed and determined the independence of the independent Directors, and decided whether the Directors were able to and have been adequately carrying out his or her duties as a director of the Company.⁴³

Key information on the Directors, such as whether they are executive, non-executive, or considered by the Nominating Committee to be independent, as well as details of their academic and professional qualifications and other particulars are set out on pages 3, 4, 30, 31, 32 and 33.

Mr Cheong Tze Hong, Marc has been appointed with effect from 22 January 2021 as alternate Director to Mr Cheong Pin Chuan, who is an Executive Director and the Joint CEO. During FY2024, there were no alternate directors to the independent Directors.

Board Performance (Principle 5 of the 2018 Code)

The Board makes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors. The Nominating Committee recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board.⁴⁴ Each Director submits an assessment of the Board and the Board Committees, and a peer assessment of each of the other Directors on the Board to assess the contributions by the Chairman and each individual Director to the effectiveness of the Board. These detailed forms assess Directors in various areas and competencies, including their attendance and contributions at meetings, preparedness for meetings and their interactive and interpersonal skills. The responses are collated by the external Company Secretary and a consolidated report is submitted to the Board. The responses are then discussed by the Board.⁴⁵

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies (Principle 6 of the 2018 Code)

Remuneration Committee

According to the written terms of reference of the remuneration committee of the Company (the "Remuneration Committee"), the Remuneration Committee's duties and responsibilities include:⁴⁶

- (a) reviewing and making recommendations to the Board on:
 - (i) a framework of remuneration for the Board and key management personnel; and
 - (ii) the specific remuneration packages for each Director as well as for the key management personnel,
- and in doing so the Remuneration Committee considers all aspects of remuneration, including termination terms (including retirement terms), to ensure they are fair;

³⁸ Provision 4.5 of the 2018 Code

³⁹ Provision 4.5 of the 2018 Code

⁴⁰ Provision 4.5 of the 2018 Code

⁴¹ Provision 4.5 of the 2018 Code

⁴² Provision 4.5 of the 2018 Code

⁴³ Provision 1.4 of the 2018 Code

⁴⁴ Provision 5.1 of the 2018 Code

⁴⁵ Provision 5.2 of the 2018 Code

⁴⁶ Provision 6.1 of the 2018 Code

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- (b) reviewing the Group's obligations in the event of termination (including retirement) of the employment of the Executive Directors of the Company and key management personnel of the Group;
- (c) where an external remuneration consultant is appointed, reviewing whether the remuneration consultant has any relationship with the Group that could affect his or her independence and objectivity; and
- (d) reviewing annually the remuneration of 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 \$100,000 during the year.

The Remuneration Committee comprises three Directors, all of whom are non-executive and two of whom (including the Chairman of the Remuneration Committee) are independent.⁴⁷ During FY2024, the members of the Remuneration Committee were, from 1 January 2024 until the conclusion of the Company's annual general meeting held on 29 April 2024, Mr Chong Weng Hoe (Chairman of the Remuneration Committee), Mr Chan Pengee, Adrian and Mr Kwik Sam Aik. Thereafter, the members of the Remuneration Committee were Mr Chong Weng Hoe (Chairman of the Remuneration Committee), Mr Chan Pengee, Adrian and Mr Tan Kok Kwee.

The Remuneration Committee considers all aspects of remuneration, including termination terms (including retirement terms), to ensure they are fair.⁴⁸ No Director or member of the Remuneration Committee is involved in deciding his or her own remuneration.

HR Guru Pte Ltd ("HR Guru") is the current remuneration consultant of the Company. The Group does not have any relationship with HR Guru that could affect HR Guru's independence and objectivity.⁴⁹

The Remuneration Committee, with the advice of HR Guru, reviews and recommends to the Board specific remuneration packages appropriate for each executive Director and the Directors' fees payable to the non-executive Directors, as well as the specific remuneration packages for the key management personnel. The Board will then review and, if it deems fit, approve these accordingly.

Provision 1.4 of the 2018 Code recommends, *inter alia*, that a summary of the Remuneration Committee's activities be disclosed in the annual report. During FY2024, the Remuneration Committee reviewed and recommended the remuneration of the executive Directors and key management personnel, recommended the non-executive Directors' fees for FY2024 and recommended the appointment of HR Guru as the Company's remuneration consultant.⁵⁰

Level and Mix of Remuneration (Principle 7 of the 2018 Code)

The remuneration of executive Directors (including the Joint CEOs) and key management personnel comprises a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Group and each individual's performance.⁵¹ A significant and appropriate proportion of executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. The corporate and individual performance-related elements of remuneration are designed to align the interests of executive Directors and key management personnel with those of shareholders and other stakeholders and to promote the long-term success of the Company.⁵² In the assessment of the individual performance of executive Directors, the factors assessed include the individual's contribution to the risk management of the Group, including the individual's contribution in identifying, assessing, managing, monitoring and reviewing the Group's risks.

In reviewing the remuneration of non-executive Directors, the Remuneration Committee and HR Guru have taken into consideration the knowledge and expertise of each individual non-executive Director, the responsibilities vested upon them and the effort and time commitment required from the non-executive Directors given the complexities of the business and the business structure.⁵³ This is to ensure that the remuneration of non-executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

⁴⁷ Provision 6.2 of the 2018 Code

⁴⁸ Provision 6.3 of the 2018 Code

⁴⁹ Provision 6.4 of the 2018 Code

⁵⁰ Provision 1.4 of the 2018 Code

⁵¹ Provision 7.1 of the 2018 Code

⁵² Provision 7.1 of the 2018 Code

⁵³ Provision 7.2 of the 2018 Code

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The remuneration packages are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.⁵⁴

Disclosure on Remuneration (Principle 8 of the 2018 Code)

Key feature of this section:

- The Company does not have any employee share option scheme and does not issue share options to independent Directors.
- The remuneration of executive Directors and the Joint CEOs are disclosed in exact terms.
- The Group's remuneration policy for executive Directors (including the Joint CEOs) and key management personnel comprises a fixed component and a variable component. The variable component comprises a short-term incentive in the form of a variable bonus that is linked to the performance of the Group and every individual's performance, which is based on the criteria of the respective key performance indicators allocated to the individual.

The Group's remuneration policy is to provide remuneration packages which are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.⁵⁵

The Group adopts a remuneration policy⁵⁶ for executive Directors (including the Joint CEOs) and key management personnel comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Group and every individual's performance, which is based on the criteria of the respective key performance indicators allocated to the individual. In the assessment of the individual performance of executive Directors, the factors assessed includes the individual's contribution to the risk management of the Group, including the individual's contribution in identifying, assessing, managing, monitoring and reviewing the Group's risks. The key performance indicators include the Group's profitability and other financial and operational indicators as determined by the Board. Staff appraisals are conducted once a year. The executive Directors do not receive Directors' fees. The executive Directors and key management personnel had met their respective key performance indicators in respect of FY2024.

The Group adopts a remuneration policy for non-executive Directors, which takes into consideration the knowledge and expertise of each individual non-executive Director, the responsibilities vested upon them and the effort and time commitment required from the non-executive Directors given the complexities of the business and the business structure.⁵⁷

The names, amounts and breakdown of remuneration of each non-executive Director during FY2024 are disclosed below.⁵⁸

Name of Non-executive Director	Salary \$	Fees \$	Bonus \$	Other Benefits ⁵⁹ \$
Mr Chan Pengee, Adrian ⁽¹⁾	–	157,161 (100%)	–	–
Mr Chong Weng Hoe ⁽¹⁾	–	119,000 (100%)	–	–
Mr Kwik Sam Aik ⁽¹⁾	–	115,640 (100%)	–	–
Mr Tan Kok Kwee ⁽¹⁾⁽²⁾	–	85,922 (100%)	–	–

⁽¹⁾ For the non-executive Directors, their remuneration is paid solely in the form of Directors' fees as approved by shareholders at each annual general meeting of the Company.

⁽²⁾ Mr Tan Kok Kwee was appointed as a non-executive independent Director with effect from 1 February 2024.

⁵⁴ Provision 7.3 of the 2018 Code

⁵⁵ Provision 8.1 of the 2018 Code

⁵⁶ Provision 8.1 of the 2018 Code

⁵⁷ Provision 8.1 of the 2018 Code

⁵⁸ Provision 8.1(a) of the 2018 Code

⁵⁹ There are no termination, retirement and post-employment benefits paid to non-executive Directors. There are also no stock options, share-based incentives and awards, and other long-term incentives granted to non-executive Directors.

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The structure of the fees paid or payable to non-executive Directors of the Company for FY2024 is as follows:

Type of Appointment	Fee Per Annum (\$)
Board Chairman	60,000
Board of Directors	
Basic retainer	60,000
Lead Independent Director	10,000
Audit and Risk Management Committee	
Chairman	32,000
Member	18,000
Nominating Committee	
Chairman	26,000
Member	13,000
Remuneration Committee	
Chairman	28,000
Member	14,000

Rule 1207(10D) of the Listing Manual of the SGX-ST provides that the names, amounts and breakdown of remuneration paid to each individual director and the CEO by the issuer and its subsidiaries should be disclosed in the annual report. Such breakdown must include (in percentage terms) base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. Accordingly, the names, amounts and breakdown of the remuneration of the executive Directors and the Joint CEOs are disclosed below,⁶⁰ and the remuneration of the non-executive Directors are disclosed above.

The names, amounts and breakdown of remuneration of each executive Director during FY2024 are disclosed below.

Name of Executive Director	Salary \$	Fees \$	Bonus \$	Other Benefits ⁶¹ \$	Total \$
Ms Cheong Hooi Kheng ⁽¹⁾	1,414,278 (40%)	–	1,987,589 (56%)	158,239 (4%)	3,560,106
Mr Cheong Pin Chuan ⁽¹⁾⁽²⁾⁽³⁾	1,482,391 (31%)	–	2,683,568 (57%)	581,208 (12%)	4,747,167
Mr Cheong Sim Eng ⁽¹⁾⁽²⁾	2,420,673 (47%)	–	2,492,513 (48%)	243,609 (5%)	5,156,795

⁽¹⁾ The remuneration reflected in this table includes the remuneration given by those subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements, aggregated together with the remuneration given by the Company.

⁽²⁾ Mr Cheong Pin Chuan and Mr Cheong Sim Eng are the Joint CEOs of the Company.

⁽³⁾ Mr Cheong Tze Hong, Marc, as the alternate director to Mr Cheong Pin Chuan, did not receive any fees in his capacity as alternate director. Please refer to the table on the remuneration of certain key management personnel for the remuneration that Mr Cheong Tze Hong, Marc received in his capacity as Director – Finance Division of Hong Fok Land International Limited ("HFLIL").

⁶⁰ Provision 8.1(a) of the 2018 Code

⁶¹ There are no termination, retirement and post-employment benefits paid to executive Directors or the CEOs. There are also no stock options, share-based incentives and awards, and other long-term incentives granted to executive Directors or the CEOs.

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The names, amounts (in bands no wider than \$250,000) and the breakdown of the remuneration of the top seven key management personnel who are not Directors or the CEO for FY2024 are set out below.⁶²

Remuneration Band Name and Designation of Executive	Salary %	Fees %	Bonus %	Other Benefits ⁶³ %	Total %
Below \$250,000					
Ms Charmaine Low: Vice President (Marketing)	78	–	19	3	100
\$250,000 to \$499,999					
Ms Koh Chay Tiang: Vice President (Accounts and Finance)/Company Secretary	80	–	20	–	100
Mr Ng Sai Kian: Vice President (Property Management)	77	–	19	4	100
Mr Tsui Yeung Kun: Director (Business Development of HFLIL) ⁶⁴	65	–	7	28	100
\$500,000 to \$749,999					
–	–	–	–	–	–
\$750,000 to \$999,999					
Mr Cheong Tze Hian, Howard: Director (Project Development of HFLIL) ⁶⁴	56	–	3	41	100
Mr Cheong Tze Hong, Marc: Director (Finance Division of HFLIL) ⁶⁴	62	–	3	35	100
\$1,000,000 to \$1,249,999					
Ms Cheong Puay Kheng: Senior Vice President (Corporate Services) ⁶⁴	81	–	15	4	100

The aggregate amount of the total remuneration paid to the above seven key management personnel was approximately \$4,004,000.⁶⁵

Certain employees, namely, (a) Ms Cheong Puay Kheng, (b) Mr Cheong Tze Hong, Marc, (c) Mr Cheong Tze Hian, Howard, and (d) Ms Cheong Yun Ling, Beatrice were employees of the Group and subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements, whose remuneration exceeded \$100,000 each during the financial year who are immediate family members of certain persons who are Directors, the Joint CEOs and certain substantial shareholders of the Company. These persons are Ms Cheong Hooi Kheng (a Director of the Company for FY2024), Mr Cheong Pin Chuan and Mr Cheong Sim Eng (Directors, Joint CEOs and substantial shareholders of the Company for FY2024) and Mr Cheong Kim Pong (a substantial shareholder of the Company for FY2024). Ms Cheong Puay Kheng is a sibling of Ms Cheong Hooi Kheng, Mr Cheong Pin Chuan, Mr Cheong Sim Eng and Mr Cheong Kim Pong. Mr Cheong Tze Hong, Marc and Mr Cheong Tze Hian, Howard, are the sons of Mr Cheong Pin Chuan and the nephews of Ms Cheong Hooi Kheng, Mr Cheong Sim Eng and Mr Cheong Kim Pong. Ms Cheong Yun Ling, Beatrice is the daughter of Mr Cheong Sim Eng and the niece of Mr Cheong Pin Chuan, Ms Cheong Hooi Kheng and Mr Cheong Kim Pong. In addition, for FY2024, Mr Cheong Pin Chuan, Ms Cheong Hooi Kheng and Mr Cheong Sim Eng, who are siblings, were employees of the Group.⁶⁶

For FY2024, the remuneration of Ms Cheong Yun Ling, Beatrice exceeded \$100,000, but was below \$250,000. The amounts (in bands no wider than \$250,000) and breakdown of remuneration of Ms Cheong Puay Kheng, Mr Cheong Tze Hong, Marc and Mr Cheong Tze Hian, Howard have been disclosed in the table above.

⁶² Provision 8.1(b) of the 2018 Code

⁶³ There are no termination, retirement and post-employment benefits paid to the key management personnel.

⁶⁴ The accounts of the HFLIL Group have been consolidated into the accounts of the Group for FY2024 for accounting purposes.

⁶⁵ Provision 8.1(b) of the 2018 Code

⁶⁶ Provision 8.2 of the 2018 Code

CORPORATE GOVERNANCE STATEMENT

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Provision 8.2 of the 2018 Code provides, *inter alia*, that the company discloses the names and remuneration of 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 \$100,000 during the year, in bands no wider than \$100,000, in its annual report. Principle 8 of the 2018 Code states that 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. For FY2024, the Company wishes to disclose the remuneration of the employees who were substantial shareholders of the Company, or were immediate family members of a Director, the Joint CEOs or a substantial shareholder of the Company, and whose remuneration exceeded \$100,000 during the year, in bands of \$250,000, as opposed to bands of \$100,000, which constitutes a variation from Provision 8.2 of the 2018 Code. The Company is of the view that the intent of Principle 8 of the 2018 Code was met, as the remuneration policies and the procedure for setting remuneration applicable to the key management personnel of the Company are described above, and the level and mix of remuneration is disclosed in the table above. Moreover, Ms Cheong Puay Kheng, Mr Cheong Tze Hong, Marc and Mr Cheong Tze Hian, Howard are in senior positions and considered as key management personnel, hence the disclosure made in bands of \$250,000 would be meaningful to investors as to the level of remuneration paid to these employees. In addition, the Company believes that the disclosure of the detailed remuneration packages of employees, including those who are substantial shareholders of the Company, or are immediate family members of a Director, the Joint CEOs or a substantial shareholder of the Company would be prejudicial to the Company's interests and hamper its ability to retain and nurture the Group's talent pool and hence have chosen to make disclosures in relation thereto in bands of \$250,000 (instead of in incremental bands of \$100,000).

Information of the key executive officers is set out on page 5.

All forms of remuneration and other payments and benefits (if any), paid by the Group and those subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements to Directors and key management personnel of the Company are disclosed in the tables above.⁶⁷ The Company does not have any employee share option scheme.⁶⁸

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls (Principle 9 of the 2018 Code)

Key feature of this section:

- The Company has an Enterprise Risk Management framework.

The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The duties and responsibilities of the audit and risk management committee of the Company (the "Audit and Risk Management Committee") include specifically addressing these issues.⁶⁹ The Group has an Enterprise Risk Management ("ERM") framework to enable the Group to apply a systematic approach to effectively identify, assess, manage, monitor and review the Group's risks, including strategic, financial, operational, compliance and information technology controls. To promote risk awareness among employees at all levels, the Group has put in place an ERM policy that elaborates on the ERM framework, process and governance.

The Board requires and has received assurance from:

- the Joint CEOs and the Vice President (Accounts and Finance) that the financial records have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Group and those subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements; and
- the Joint CEOs and the Vice President (Accounts and Finance) regarding the adequacy and effectiveness of the risk management and internal controls systems of the Group and those subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements.⁷⁰

⁶⁷ Provision 8.3 of the 2018 Code

⁶⁸ Provision 8.3 of the 2018 Code

⁶⁹ Provision 9.1 of the 2018 Code

⁷⁰ Provision 9.2 of the 2018 Code

CORPORATE GOVERNANCE STATEMENT

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Audit Committee (Principle 10 of the 2018 Code)

Key features of this section:

- In respect of the earnings of the Group as set out in the financial result announcement for FY2024, there was no earning restatement made by the Company in the audited consolidated financial statements set out in this annual report.
- The non-audit fees do not exceed the audit fees paid to the auditors.

According to the written terms of reference of the Audit and Risk Management Committee, the Audit and Risk Management Committee's duties and responsibilities include:⁷¹

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- reviewing the assurance from the Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements;
- making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- reviewing the adequacy, effectiveness, independence, scope and results of the Company's external audit;
- reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;
- reviewing 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 on;
- deciding on the appointment, termination and remuneration of the head of the internal audit function, as the primary reporting line of the internal audit function is to the Audit and Risk Management Committee;
- meeting with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually;
- reviewing and recommending the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation;
- reviewing any matters relating to suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority in Singapore, which has or is likely to have a material impact on the Company's or Group's operating results and/or financial position, and the findings of any internal investigations, and Management's response thereto, discussing such matters with the external auditor and, at an appropriate time, reporting the matter to the Board;
- carrying out the functions set out in Section 201B of the Companies Act 1967;
- with reference to the Practice Guidance, having explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management, full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions; and
- reporting to the Board the significant issues and judgements that the Audit and Risk Management Committee considered in relation to the financial statements, and how these issues were addressed.

⁷¹ Provision 10.1 of the 2018 Code

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The Company has in place a Whistle-blowing Policy which sets out the procedures for a whistle-blower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers.⁷² Under the Whistle-blowing Policy, it is provided, *inter alia*, that (a) the Company has designated the Audit and Risk Management Committee to act as an independent function to investigate whistle-blowing reports made in good faith;⁷³ (b) the Company will ensure that the identity of the whistle-blower will be kept confidential, unless it is required, *inter alia*, by law to do otherwise;⁷⁴ (c) the Company is committed to ensure that employees will be protected against detrimental or unfair treatment or reprisal for whistle-blowing in good faith;⁷⁵ and (d) the Audit and Risk Management Committee is responsible for the oversight and monitoring of the procedures for a whistle-blower to make complaints and for the investigation of complaints, including the execution and review of the Whistle-blowing Policy.⁷⁶

The Whistle-blowing Policy has a well-defined process which begins with a complaint being submitted via email to the Chairman of the Audit and Risk Management Committee, who will then perform a preliminary review of the complaint received. If he determines that the complaint is valid and within the scope of the Whistle-blowing Policy, he will report it to the Audit and Risk Management Committee accordingly, which will review the facts of the complaint and follow-up with the appropriate course of action. Anonymous complaints are not disregarded and will also be investigated. There have been no incidents reported or complaints submitted pertaining to whistle-blowing for FY2024. The details of the Whistle-blowing Policy are available on the Company's website.

The Audit and Risk Management Committee comprises three Directors, all of whom are non-executive and independent. During FY2024, the members of the Audit and Risk Management Committee were, from 1 January 2024 until the conclusion of the Company's annual general meeting held on 29 April 2024, Mr Kwik Sam Aik (Chairman of the Audit and Risk Management Committee), Mr Chan Pengee, Adrian and Mr Chong Weng Hoe. Thereafter, the members of the Audit and Risk Management Committee were Mr Tan Kok Kwee (Chairman of the Audit and Risk Management Committee), Mr Chong Weng Hoe and Mr Kwik Sam Aik.

At least two of the members of the Audit and Risk Management Committee (including the Chairman) have recent and relevant accounting or related financial management expertise or experience.⁷⁷

The Audit and Risk Management Committee does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation.⁷⁸

To enable the Audit and Risk Management Committee to discharge its functions more effectively, for FY2024, the Company had appointed RSM SG Risk Advisory Pte Ltd (formerly known as RSM Risk Advisory Pte Ltd), an independent professional firm and corporate member of The Institute of Internal Auditors ("IIA") Singapore, to carry out its internal audit function. The internal audit was carried out in accordance with the Standards for the International Professional Practices Framework issued by the IIA. The internal audit process includes, *inter alia*, the identification of key risk areas and a consideration of the controls managing such risks.

The primary reporting line of the internal audit function is to the Audit and Risk Management Committee, which also decides on the appointment, termination and remuneration of the internal audit function. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the Audit and Risk Management Committee, and has appropriate standing within the Company.⁷⁹

The Company's external auditors are KPMG LLP (an accounting firm registered with the ACRA). During FY2024, the Audit and Risk Management Committee met with the external auditors, and the internal auditors, in each case without the presence of Management.⁸⁰

The Audit and Risk Management Committee was satisfied that the Company's external auditors and the audit engagement partner assigned to the audit had adequate resources and experience to meet its audit obligations. In this connection, the Company has complied with Rule 712 of the Listing Manual of the SGX-ST.⁸¹

The audit and non-audit fees paid/payable to auditors are stated in Note 24 (Profit/(Loss) Before Tax) to the Financial Statements.⁸² The non-audit fees do not exceed 50% of the audit fees paid to the auditors.

⁷² Rule 1207(18A) of the Listing Manual of the SGX-ST

⁷³ Rule 1207(18B)(a) of the Listing Manual of the SGX-ST

⁷⁴ Rule 1207(18B)(b) of the Listing Manual of the SGX-ST

⁷⁵ Rule 1207(18B)(c) of the Listing Manual of the SGX-ST

⁷⁶ Rule 1207(18B)(d) of the Listing Manual of the SGX-ST

⁷⁷ Provision 10.2 of the 2018 Code

⁷⁸ Provision 10.3 of the 2018 Code

⁷⁹ Provision 10.4 of the 2018 Code

⁸⁰ Provision 10.5 of the 2018 Code

⁸¹ Rule 712 of the Listing Manual of the SGX-ST

⁸² Rule 1207(6)(a) of the Listing Manual of the SGX-ST

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The Audit and Risk Management Committee undertook a review of all the non-audit services provided by the Company's external auditors to the Company and the Group, and was satisfied that the nature and extent of such services would not impair the independence of the external auditors.⁸³ Hence, the Audit and Risk Management Committee has recommended to the Board that the auditors, KPMG LLP, be nominated for re-appointment as the Company's external auditors at the forthcoming annual general meeting of the Company.

The Board and the Audit and Risk Management Committee reviewed the appointment of different auditors for its subsidiaries and significant associates, and were satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Company has complied with Rule 716 of the Listing Manual of the SGX-ST.⁸⁴

The Board is responsible for the overall governance of risks within the Group, while Management oversees the design, implementation and monitoring of the risk management and internal controls systems. The Board recognises that no cost effective internal controls and risk management systems will preclude all errors and irregularities, as the systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Directors regularly review the effectiveness and adequacy of all internal controls, including financial, operational, compliance and information technology controls, and risk management systems.

Based on the work carried out by the internal auditors, the external auditors and the existing controls and procedures in place, the Board was satisfied that there were adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The Audit and Risk Management Committee concurs with the Board's comment. The Board, together with the Audit and Risk Management Committee and Management, will continue to enhance and improve the existing internal controls framework to identify and mitigate these risks.⁸⁵ There were no material weaknesses identified by the Board or the Audit and Risk Management Committee.

Having assessed the functions and organisational structure of the internal auditors, the Audit and Risk Management Committee was satisfied that the internal audit function meets the requisite IIA standards, is independent, effective and adequately resourced, and has appropriate standing within the Company.⁸⁶

Provision 1.4 of the 2018 Code recommends, *inter alia*, that a summary of the Audit and Risk Management Committee's activities be disclosed in the annual report. The Audit and Risk Management Committee performs the functions specified in Section 201B of the Companies Act 1967, the Listing Manual of the SGX-ST and the 2018 Code. The Audit and Risk Management Committee met four times during FY2024. The Audit and Risk Management Committee reviewed and approved the internal audit plan for execution. The Audit and Risk Management Committee also met with Management, the Vice President (Accounts and Finance) and external auditors to discuss and keep abreast of any changes to the accounting standards and issues which could have a direct impact on the Company's or the Group's financial statements.⁸⁷

In FY2024, the Group with the assistance of its internal auditors carried out an exercise to review the Group's risk register which identified the key risks facing the Group and the internal controls and risk management systems in place to manage or mitigate those risks. Internal and external auditors conducted audits that involve testing the effectiveness of the material internal controls systems in the Group. Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal and external auditors were reported to the Audit and Risk Management Committee. The Audit and Risk Management Committee also reviewed the effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors. The systems of internal controls and risk management are continually being refined by Management, the Audit and Risk Management Committee and the Board.

The Company has an Anti-corruption and Anti-money Laundering Policy to demonstrate its commitment to conducting its business with integrity, and in compliance with all applicable laws and regulations relating to the prevention of corruption, bribery, money laundering and terrorism financing. The details of the Anti-corruption and Anti-money Laundering Policy are available on the Company's website.

⁸³ Rule 1207(6)(b) of the Listing Manual of the SGX-ST

⁸⁴ Rule 1207(6)(c) of the Listing Manual of the SGX-ST

⁸⁵ Rule 1207(10) of the Listing Manual of the SGX-ST

⁸⁶ Rule 1207(10C) of the Listing Manual of the SGX-ST

⁸⁷ Provision 1.4 of the 2018 Code

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SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings (Principle 11 of the 2018 Code)

Key feature of this section:

- All Directors of the Company attended the latest annual general meeting.
- In the event that the Directors decide not to declare or recommend a dividend, the Company announces this decision together with the reason(s) for such decision.

The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.⁸⁸

At general meetings of the Company, shareholders have the opportunity to vote in person or by proxy, would be informed of the voting procedures, and would be given an opportunity to air their views and ask questions regarding the Company and the Group. The annual general meeting of the Company held in respect of the financial year ended 31 December 2023 ("FY2023") was held on 29 April 2024 in a wholly physical format and shareholders could attend the annual general meeting in person. Shareholders were able to participate effectively in the annual general meeting held in respect of FY2023, and vote in person by using their personal mobile devices or appoint proxy/proxies or the Chairman of the annual general meeting to vote on their behalf at the annual general meeting. Shareholders could submit questions related to the resolutions that were tabled at the annual general meeting in advance of the lodgement of the proxy forms for the annual general meeting. During the annual general meeting, Shareholders could also ask questions after each resolution was tabled at the annual general meeting. Such questions would be addressed by the Board, Management or other professionals invited by the Company to attend the annual general meeting, before the corresponding resolution was voted upon by shareholders at the annual general meeting. The Company had set out detailed information on the above arrangements in the Notice of Annual General Meeting ("AGM") dated 5 April 2024 on the SGXNet.

The forthcoming annual general meeting of the Company to be held in respect of FY2024 will be held, in a wholly physical format, in Singapore at Empress Ballroom 4 & 5, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558. Shareholders may continue to: (i) appoint proxy/proxies or the Chairman of the annual general meeting to vote on their behalf at the annual general meeting, if they are unable to vote in person; and (ii) submit questions related to the resolutions to be tabled at the forthcoming annual general meeting in advance of the lodgement of the proxy forms for the annual general meeting.

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.⁸⁹ All resolutions at the annual general meeting are put to the vote by way of poll and the detailed results of the voting for each of the resolutions are announced on the SGX-ST.

All Directors and Management attend the general meetings of shareholders to address any questions that the shareholders may have. The external auditors of the Company are also present at annual general meetings to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.⁹⁰ During FY2024, all Directors attended the annual general meeting of the Company, which was held in a wholly physical format, and was the only general meeting held during the financial year.

Provision 11.4 of the 2018 Code provides that the company's constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders. Principle 11 of the 2018 Code provides, *inter alia*, that 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. Voting in absentia by mail, facsimile or email, is currently not permitted by the Company's Constitution, which constitutes a variation from Provision 11.4 of the 2018 Code. The Company is of the view that the intent of Principle 11 was met, as the existing arrangement whereby shareholders have the opportunity to vote by proxy is adequate in enabling shareholders to exercise their rights and have the opportunity to vote. Moreover, to allow voting in absentia by mail, facsimile or email would require careful consideration of various factors, including the integrity of information and authentication of the identity of shareholders.⁹¹ The Company will take into account any measures and legislations that may be introduced by the relevant authorities as a result of the current environment in formulating the framework and procedures to effect additional methods of voting.

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.⁹²

⁸⁸ Provision 11.1 of the 2018 Code

⁸⁹ Provision 11.2 of the 2018 Code

⁹⁰ Provision 11.3 of the 2018 Code

⁹¹ Provision 11.4 of the 2018 Code

⁹² Provision 11.5 of the 2018 Code

CORPORATE GOVERNANCE STATEMENT

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The Company has a Dividend Policy, pursuant to which the dividend policy is to distribute dividends based on the Company's performance, taking into consideration the resources needed for the Company's continuing operations and possible future plans. The declaration and payment of any dividends will be recommended by the Directors and the final dividend (if any) will be subject to the approval of the shareholders. The Company seeks to maximise shareholder value and encourage shareholder loyalty by providing consistent and sustainable ordinary dividend payments to its shareholders on an annual basis. The details of the Dividend Policy are available on the Company's website.⁹³

Engagement with Shareholders (Principle 12 of the 2018 Code)

Key feature of this section:

- During FY2024, the Company did not have any investor relations issues.

The Company believes in regular, effective and fair communication with the shareholders. The Company's website is at www.hongfok.com.sg. The Company's latest annual reports, financial results, corporate announcements and share trading information are available on the Company's website. The Company also provides an email alert service so that shareholders and investors may be automatically alerted by email once the Company releases any announcements or filings on the SGX-ST. The Company ensures that timely and adequate disclosure of information on matters of material impact on the Company and the Group are made to the shareholders. Any such information, should they arise, are communicated to the shareholders through the Company's annual reports and announcements to the SGX-ST.

The Company also facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company. The Company provides avenues for communication between the Board and all shareholders.⁹⁴ To allow the Board to solicit and understand the views of shareholders, shareholders are encouraged to attend the annual general meetings and extraordinary general meetings of the Company to ensure a high level of accountability and to stay apprised of the Group's strategy and goals.

At general meetings of the Company, shareholders have the opportunity to vote in person or by proxy, would be informed of the voting procedures, and would be given an opportunity to air their views and ask questions regarding the Company and the Group. The annual general meeting of the Company held in respect of FY2023 was held on 29 April 2024 in a wholly physical format and shareholders could attend the annual general meeting in person. Shareholders were able to participate effectively in the annual general meeting held in respect of FY2023, and vote in person by using their personal mobile devices or appoint proxy/proxies or the Chairman of the annual general meeting to vote on their behalf at the annual general meeting. Shareholders could submit questions related to the resolutions that were tabled at the annual general meeting in advance of the lodgement of the proxy forms for the annual general meeting. During the annual general meeting, Shareholders could also ask questions after each resolution was tabled at the annual general meeting. Such questions would be addressed by the Board, Management or other professionals invited by the Company to attend the annual general meeting, before the corresponding resolution was voted upon by shareholders at the annual general meeting. The Company had set out detailed information on the above arrangements in the Notice of AGM dated 5 April 2024 on the SGXNet.

The forthcoming annual general meeting of the Company to be held in respect of FY2024 will be held in a wholly physical format in Singapore at Empress Ballroom 4 & 5, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558. Shareholders may continue to: (i) appoint proxy/proxies or the Chairman of the annual general meeting to vote on their behalf at the annual general meeting, if they are unable to vote in person; and (ii) submit questions related to the resolutions to be tabled at the forthcoming annual general meeting in advance of the lodgement of the proxy forms for the annual general meeting.

The Company has an Investor Relations Policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.⁹⁵ The Investor Relations Policy sets out a mechanism, being the email address of ir@hongfok.com.sg, through which shareholders may contact the Company with questions and through which the Company may respond to such questions.⁹⁶ The details of the Investor Relations Policy are available on the Company's website.

⁹³ Provision 11.6 of the 2018 Code

⁹⁴ Provision 12.1 of the 2018 Code

⁹⁵ Provision 12.2 of the 2018 Code

⁹⁶ Provision 12.3 of the 2018 Code

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2024

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders (Principle 13 of the 2018 Code)

Key features of this section:

- The Company adopts a Best Practices Guide which provides as a policy to prevent non-executive Directors from selling securities of the Company prior to leaving the Company.
- The Company publishes a Sustainability Report annually.
- Information of each Director, including their academic and professional qualifications, date of first appointment and last re-election, is disclosed.
- During FY2024, there were no profit warning announcements made by the Company.
- The rights of the Group's creditors, comprising, *inter alia*, lending banks, service providers and vendors, are generally safeguarded as the Group manages its cash and liquidity, such that the Group is able to pay its debts in a timely manner.

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.⁹⁷

Details of the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2024 are set out on pages 42 to 44, in the Company's Sustainability Report.⁹⁸

The Company maintains a current corporate website to communicate and engage with stakeholders. The Company's website is at www.hongfok.com.sg.⁹⁹

Creditors' Payment Policy

The rights of the Group's creditors, comprising, *inter alia*, lending banks, service providers and vendors, are generally safeguarded as the Group manages its cash and liquidity. The Group has in place processes to maintain an adequate level of cash and cash equivalents and available credit facilities, such that the Group is able to pay its debts in a timely manner and within the applicable credit term (if any).

INTERESTED PERSON TRANSACTIONS

During FY2024, the following interested person transactions ("IPTs") (excluding transactions less than \$100,000) were entered into by the Group:

Name of Interested Person	Nature of Relationship	Aggregate Value of all Interested Person Transactions During the Financial Year Under Review (Excluding Transactions Less Than \$100,000 and Transactions Conducted Under Shareholders' Mandate Pursuant to Rule 920 of the Listing Manual of the SGX-ST)	Aggregate Value of all Interested Person Transactions Conducted Under a Shareholders' Mandate Pursuant to Rule 920 of the Listing Manual of the SGX-ST (Excluding Transactions Less Than \$100,000)
Mr Cheong Pin Chuan	Director and controlling shareholder of the Company	S\$130,520 (excluding Singapore goods and services tax)	N.A. The Company does not have a shareholders' mandate for IPTs pursuant to Rule 920 of the Listing Manual of the SGX-ST
Hong Fok Land International Limited	Hong Fok Land International Limited is deemed to be a controlling shareholder of the Company	Approximately S\$36,052,500 (HK\$209,000,000)	

The Company has a Conflict of Interests and Interested Person Transaction Policy which, *inter alia*, aims to set out the Company's internal procedures and guidelines to identify, report and where necessary, seek appropriate approval of IPTs in order to comply with the Listing Manual of the SGX-ST. This policy requires the personnel involved in the proposed IPTs to endeavour to ensure that the IPTs are conducted fairly, on an arm's length basis, on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders. The details of the Conflict of Interests and Interested Person Transaction Policy are available on the Company's website.

⁹⁷ Provision 13.1 of the 2018 Code

⁹⁸ Provision 13.2 of the 2018 Code

⁹⁹ Provision 13.3 of the 2018 Code

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2024

MATERIAL CONTRACTS

Save for the IPTs disclosed in Note 31 (Related Parties) to the Financial Statements, there were no other material contracts of the Company or its subsidiaries involving the interests of the Joint CEOs, each Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

SECURITIES TRANSACTIONS

The Company has adopted the Hong Fok Corporation Limited Best Practices Guide (Dealings in Company's Securities) (the "Guide"). The Guide sets out, *inter alia*, the restrictions on insider trading under the Securities and Futures Act 2001, the implications of insider trading as well as guidelines on dealings in securities. In addition, the Guide further elaborates that an officer of the Company should not deal in the securities of the Company on short-term considerations and the Company and its officers should not deal in the securities of the Company during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise), or one month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements), and ending on the date of announcement of the relevant results.

The Guide also provides as a policy that non-executive Directors should not sell securities of the Company prior to leaving the Company if they hold any such securities of the Company.

The details of the Guide are available on the Company's website.

CORPORATE SOCIAL RESPONSIBILITY

In the introduction to the 2018 Code, it is stated that companies that embrace the tenets of good governance, including accountability, transparency and sustainability, are more likely to engender investor confidence and achieve long-term sustainable business performance.

Details of the Group's sustainability practices, including the corporate social responsibility initiatives during FY2024, are set out in the Company's Sustainability Report.

DIRECTORS' ATTENDANCE AT BOARD, AUDIT AND RISK MANAGEMENT COMMITTEE, NOMINATING COMMITTEE AND REMUNERATION COMMITTEE MEETINGS FOR FY2024

	Board		Audit and Risk Management Committee	
	No. of Meetings ⁽¹⁾	Attendance	No. of Meetings ⁽¹⁾	Attendance
Executive Directors				
Mr Cheong Pin Chuan ⁽²⁾	2	2	N.A.	N.A.
Mr Cheong Sim Eng	2	2	N.A.	N.A.
Ms Cheong Hooi Kheng	2	2	N.A.	N.A.
Non-executive Directors				
Mr Chan Pengee, Adrian ⁽³⁾	2	2	4	2
Mr Chong Weng Hoe	2	2	4	4
Mr Kwik Sam Aik ⁽⁴⁾	2	2	4	4
Mr Tan Kok Kwee ⁽⁵⁾	2	2	4	2

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2024

	Nominating Committee		Remuneration Committee	
	No. of Meetings ⁽¹⁾	Attendance	No. of Meetings ⁽¹⁾	Attendance
Non-executive Directors				
Mr Chan Pengee, Adrian ⁽³⁾	1	1	2	2
Mr Chong Weng Hoe	1	1	2	2
Mr Kwik Sam Aik ⁽⁴⁾	1	1	2	1
Mr Tan Kok Kwee ⁽⁵⁾	N.A.	N.A.	2	1

⁽¹⁾ This refers to the number of meetings held during FY2024. In addition to these meetings, operational matters that require the Board's or Audit and Risk Management Committee's, Nominating Committee's or Remuneration Committee's attention are also dealt with via circular resolutions.

⁽²⁾ Mr Cheong Pin Chuan, who is working in Hong Kong, generally participates in meetings via videoconference.

⁽³⁾ Mr Chan Pengee, Adrian stepped down as the Chairman of the Nominating Committee and as a member of the Audit and Risk Management Committee immediately after the conclusion of the Company's annual general meeting held on 29 April 2024, but continues to serve as a member of the Nominating Committee and Remuneration Committee.

⁽⁴⁾ Mr Kwik Sam Aik was appointed as the Chairman of the Nominating Committee, and stepped down as the Chairman of the Audit and Risk Management Committee and as a member of the Remuneration Committee, immediately after the conclusion of the Company's annual general meeting held on 29 April 2024, but continues to serve as a member of the Audit and Risk Management Committee.

⁽⁵⁾ Mr Tan Kok Kwee was appointed as an Independent Director with effect from 1 February 2024, and as Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee immediately after the conclusion of the Company's annual general meeting held on 29 April 2024.

N.A.: Not applicable

CURRENT INFORMATION OF THE DIRECTORS

Name of Director	Age	Academic and Professional Qualifications	Board Committees Served on as Chairman or Member	Directorship: Date First Appointed/ Date Last Re-elected	Present and Past Directorships and Chairmanships in Listed Companies (Over the Past 3 Years)
Mr Cheong Pin Chuan	75	Graduate of the Footscray Institute of Technology in Australia Member of the Australian Society of Certified Practising Accountants and the Hong Kong Institute of Certified Public Accountants	–	26 July 1971/ 29 April 2024	Present: • Hong Fok Corporation Limited Past: Not Applicable
Mr Cheong Sim Eng	64	Bachelor of Arts, Chaminade University of Honolulu	–	14 May 1990/ 28 April 2023	Present: • Hong Fok Corporation Limited Past: Not Applicable
Ms Cheong Hooi Kheng	72	Bachelor of Science (Business Administration), California State University, Hayward Master of Business Administration, Chaminade University of Honolulu	–	1 March 1989/ 29 April 2024	Present: • Hong Fok Corporation Limited Past: Not Applicable

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2024

Name of Director	Age	Academic and Professional Qualifications	Board Committees Served on as Chairman or Member	Directorship: Date First Appointed/ Date Last Re-elected	Present and Past Directorships and Chairmanships in Listed Companies (Over the Past 3 Years)
Mr Chan Pengee, Adrian	60	Bachelor of Laws, National University of Singapore Member of the Singapore Academy of Law	Member of Nominating Committee and Remuneration Committee	1 January 2015/ 28 April 2023	<p>Present:</p> <ul style="list-style-type: none"> Hong Fok Corporation Limited First REIT Management Limited Food Empire Holdings Limited Keppel Infrastructure Fund Management Pte. Ltd. TeleChoice International Limited <p>Past:</p> <ul style="list-style-type: none"> Ascendas Funds Management (S) Limited Best World International Limited
Mr Chong Weng Hoe	60	Bachelor of Engineering (Electrical and Electronics), National University of Singapore Master of Business Administration (Accountancy), Nanyang Technological University	Chairman of Remuneration Committee, and member of Audit and Risk Management Committee and Nominating Committee	15 February 2022/ 27 April 2022	<p>Present:</p> <ul style="list-style-type: none"> Hong Fok Corporation Limited HC Surgical Specialists Limited ISEC Healthcare Ltd. Baker Technology Limited Bund Center Investment Ltd <p>Past:</p> <ul style="list-style-type: none"> Regal International Group Ltd Singapore Paincare Holdings Limited Keong Hong Holdings Limited

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2024

Name of Director	Age	Academic and Professional Qualifications	Board Committees Served on as Chairman or Member	Directorship: Date First Appointed/ Date Last Re-elected	Present and Past Directorships and Chairmanships in Listed Companies (Over the Past 3 Years)
Mr Kwik Sam Aik	73	Bachelor of Accountancy, University of Singapore (now known as National University of Singapore)	Chairman of Nominating Committee and member of Audit and Risk Management Committee	1 August 2023/ 29 April 2024	Present: • Hong Fok Corporation Limited Past: Not Applicable
Mr Tan Kok Kwee	65	Bachelor of Business Administration, National University of Singapore	Chairman of Audit and Risk Management Committee and member of Remuneration Committee	1 February 2024/ 29 April 2024	Present: • Hong Fok Corporation Limited • KSH Holdings Limited Past: Not Applicable
Mr Cheong Tze Hong, Marc (Alternate Director to Mr Cheong Pin Chuan)	52	Bachelor of Science (Accounting), University of Southern California in the United States of America Master of Business Administration, University of Chicago Graduate School of Business	–	22 January 2021/ Not Applicable	Present: • Hong Fok Corporation Limited Past: Not Applicable

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2024

ADDITIONAL INFORMATION RELATING TO DIRECTORS WHO ARE PROPOSED TO BE RE-ELECTED TO THE BOARD

Name of Director	Country of Principal Residence	Any Relationship (including Immediate Family Relationships) with any Existing Director, Existing Executive Officer, the Issuer and/or Substantial Shareholder of the Listed Issuer or of any of its Principal Subsidiaries	Conflict of Interest (including any Competing Business)	Undertaking (in the Format set out in Appendix 7.7) under Rule 720(1)
Mr Cheong Sim Eng	Singapore	<p>Brother of Mr Cheong Pin Chuan, who is a Director and Substantial Shareholder of the Company</p> <p>Brother of Mr Cheong Kim Pong, who is a Substantial Shareholder of the Company</p> <p>Brother of Ms Cheong Hooi Kheng, who is a Director of the Company</p> <p>Brother of Ms Cheong Puay Kheng, who is a key executive officer of the Company and HFLIL, which is also a Substantial Shareholder of the Company</p> <p>Uncle of Mr Cheong Tze Hong, Marc, who is an Alternate Director to Mr Cheong Pin Chuan and a key executive officer of HFLIL, which is also a Substantial Shareholder of the Company</p> <p>Uncle of Mr Cheong Tze Hian, Howard, who is a key executive officer of HFLIL, which is also a Substantial Shareholder of the Company</p> <p>Director of HFLIL, which is also a Substantial Shareholder of the Company, immediate family member of shareholder of HFLIL holding approximately 0.9% of the shares in HFLIL and immediate family member of director of HFLIL</p>	No	Submitted to the Company
Mr Chong Weng Hoe	Singapore	Nil	No	Submitted to the Company

Information relating to the Directors who are proposed to be re-elected to the Board is also set out on pages 3, 30, 31 and 33.

The Board's comments on the re-appointment of Mr Cheong Sim Eng and Mr Chong Weng Hoe are set out on page 16. The shareholding interest of Mr Cheong Sim Eng in the Company and its subsidiaries is set out on page 74. Mr Chong Weng Hoe does not have any shareholding interest in the Company nor its subsidiaries.

Mr Cheong Sim Eng and Mr Chong Weng Hoe have individually confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST, the answer is "no".

RISK MANAGEMENT AND RISK APPETITE STATEMENT

YEAR ENDED 31 DECEMBER 2024

RISK MANAGEMENT

Hong Fok Corporation Limited (the "Company") and its subsidiaries (the "Group") ensure that risks are reasonably mitigated, and adverse impact to the Group is limited while achieving the Group's strategic goals and maximising stakeholder value.

The risk management framework is established in accordance with established risk management guidelines and frameworks, and approved by the Audit and Risk Management Committee ("ARMC"). The framework involves a continuous cycle of designing, implementing, managing, monitoring, reviewing and improving the framework.

ENTERPRISE RISK MANAGEMENT ("ERM") GOVERNANCE STRUCTURE

ERM Framework And Process

The Group has established an ERM framework in accordance with the ISO 31000 for the Group to apply a systematic approach to effectively identify, assess, manage, monitor and review the Group's risks. Such risks include financial, operational, compliance and information technology risks.

The ERM framework helps to institutionalise a standard and consistent approach to risk management in the culture and strategic planning processes, which supports the Group in setting priorities and making decisions. In addition, it ensures that information about risk derived from the risk management process is adequately reported and used as a basis for decision making and accountability at all relevant organisational levels.

To promote risk awareness among employees at all levels, the Group has put in place an ERM policy that elaborates on the ERM framework, process and governance. In addition, the Management has conducted the risk management exercises in August 2024 and January 2025 to update the Risk Registers, where individual risk owners are required to identify the relevant risks and assess the effectiveness of the Group's risk responses, including internal controls that have been put in place.

Roles and Responsibilities

Roles	Organisation	Responsibilities
Guidance	Board of Directors (the "Board"), including ARMC	Board and ARMC <ul style="list-style-type: none"> Accountable for the overall risk governance and internal control framework Oversee strategic decision-making process on a Group level Approve Risk Appetite, ERM Policy, Control Self-Assessment ("CSA") and Risk Register Review and monitor the Management's performance Specific to ARMC <ul style="list-style-type: none"> Determine and advise the Board on the nature and extent of significant risks in achieving the Board's strategic objectives Determine and recommend the Group's risk appetite and strategy
Direct and Manage	Executive Directors	<ul style="list-style-type: none"> Oversee the design, implementation and monitoring of the Group's risk management and internal control systems Provide direction for the implementation of ERM policy Provide reasonable assurance to the Board regarding the effectiveness of risk responses to key risks, such as through reviewing and endorsing the CSA and Risk Register
Execute	Key Executive Officers (supported by department managers and all other staff)	<ul style="list-style-type: none"> Implement risk management and internal control systems across all processes and activities Timely reporting to the Executive Directors of any inadequacies in the internal control systems

RISK MANAGEMENT AND RISK APPETITE STATEMENT

YEAR ENDED 31 DECEMBER 2024

Risk Appetite Statement

The Board considers the risk appetite of the Group in the context of its primary operating sectors, the regulatory environment within Singapore and Hong Kong, its risk culture and its key strategic objectives.

The Group's primary operating sectors within the residential, commercial and hospitality property market include:

- Property investment
- Property development and construction
- Property management

The strategic objectives include:

- Delivering stable earnings growth
- Maintaining stakeholder confidence
- Maintaining capital adequacy
- Maximising group synergies
- Strengthening sustainable practices

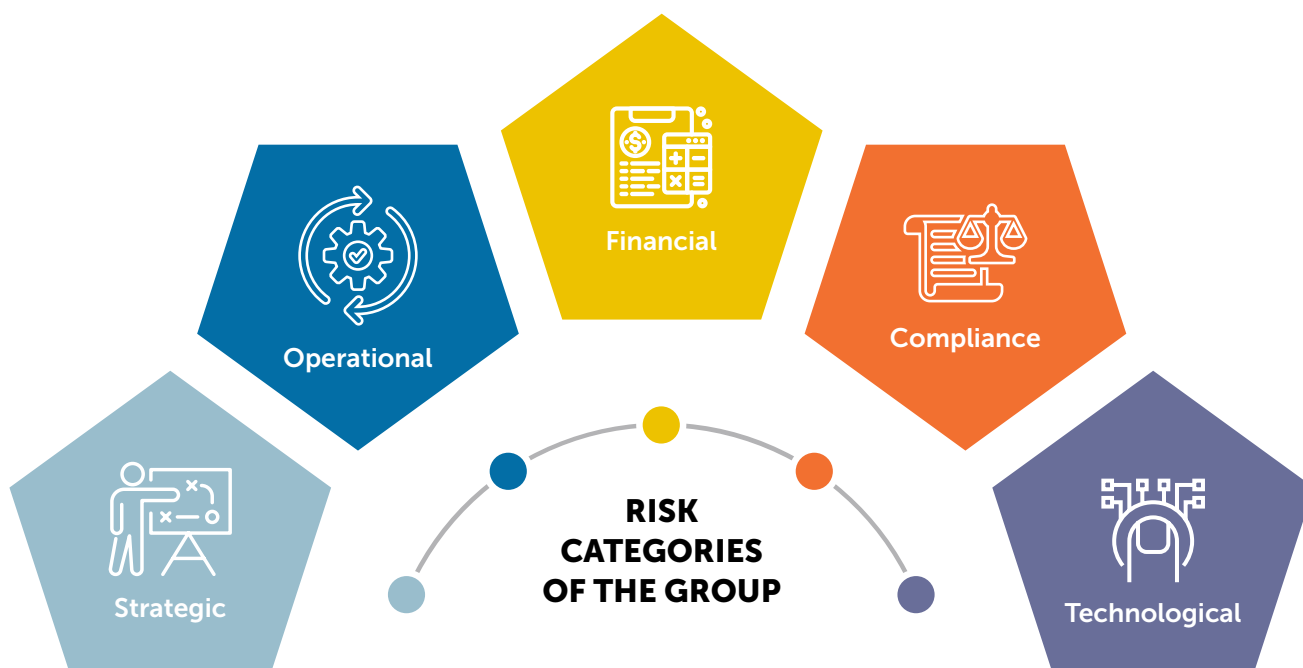
The Group's risk appetite is the level of risk it is willing to take in pursuit of its strategic objectives. The Board has recognised the nature and extent of the risks within its risk appetite, which is set to assess and balance opportunities for business development within areas of potentially higher risk, whilst being committed to delivering value to its stakeholders.

The Board has approved the following risk appetite statement:

- The Group will continue to focus on its business activities in the core market of property investment and property management.
- The Group has a low risk appetite for speculative land acquisitions and will only invest in development projects with clear demand and strong fundamentals. Rigorous feasibility studies and sensitivity analyses will be performed before committing capital to new projects.
- The Group prioritises stable and predictable cash flows while maintaining a conservative debt-to-equity ratio, adopting a low tolerance for excessive leverage in order to safeguard financial stability.
- The Group maintains a zero tolerance position for actions that may damage its reputation, including unethical business dealings, regulatory breaches, contract disputes or tenant disputes.

Risk Categories

The Group has identified the following key risk responses and controls to manage and monitor its main risks from each of the five risk categories illustrated below; these are reviewed regularly by the Executive Directors and yearly by the ARMC, to ensure that business activities remain within the limits of its risk appetite.



RISK MANAGEMENT AND RISK APPETITE STATEMENT

YEAR ENDED 31 DECEMBER 2024

Strategic Risk

In the course of pursuing the Group's strategic objectives in both Singapore and Hong Kong, it has identified strategic risks that are to be considered. These include geopolitical and macroeconomic conditions, competition, and the evolving regulatory environment.

Market and Competition

The Group's geographically diverse operations expose it to varying levels of event risks across major economies and property markets. Its core businesses of property investment, property development, property management, and hotel operations face intense competition in these highly competitive markets.

Current macroeconomic concerns include:

- Heightened global geopolitical tensions and their impacts on commodity prices which will increase development and construction costs, reducing development feasibility; and
- Global inflationary trends and increased uncertainty of the resilience in markets, impacting investment opportunities.

We manage this risk by:

- (a) Actively monitoring macroeconomic trends, market conditions, and developments;
- (b) Diversifying our portfolio of investment properties, both geographic and market (i.e. residential, commercial and hospitality);
- (c) Evaluating each investment proposal in congruence with the Group's strategies and investment objectives. The evaluation process involves rigorous due diligence and feasibility assessment that are approved by the Joint Chief Executive Officers; and
- (d) Reviewing and approving all major investment proposals (refer to significant transactions as defined in Rule 1006 of the Listing Manual of the SGX-ST), in adherence to the Board Approval guidelines within the Corporate Governance Statement on page 11.

Regulatory Changes

Operating across two jurisdictions, the Group is exposed to policy risks, including changes in public policies, statutory regulations, and compliance requirements.

We manage this risk by:

- (a) Actively engaging with regulatory authorities and professional firms to stay informed on legal and regulatory developments; and
- (b) Performing impact analysis of regulatory changes to refine and adapt our strategy accordingly.

Operational Risk

The Group's risk management and internal controls are integrated into its core operations, which encompass the execution, reporting, and monitoring of processes and procedures. Operational risks are identified, assessed, managed, and reported to the Management regularly. Key risk areas include property management, human capital, and health & safety risks.

The Group continuously explores and adopts new solutions to enhance operational efficiency where feasible. However, manual controls are maintained for certain processes that require stringent checks.

Property Management

Failure to effectively manage the property management risks (such as facilities management, portfolio oversight, procurement, tenant and contract defaults, and disputes) could negatively impact the Group's reputation and tenancies.

We manage this risk by:

- (a) Enforcing policies and procedures that cover key aspects such as facilities management, vendor selection and evaluation, tenancy management, as well as business continuity and disaster recovery plans; and
- (b) Implementing continuous measures to safeguard the resilience of our rental income as well as the level of support and maintenance to our tenants.

RISK MANAGEMENT AND RISK APPETITE STATEMENT

YEAR ENDED 31 DECEMBER 2024

Human Capital	
Attracting, retaining, and developing talents are essential for our growth. Employee attrition could lead to the loss of corporate knowledge, compromising our business continuity.	<p>We manage this risk by:</p> <ul style="list-style-type: none"> (a) Reviewing the competitiveness of our remuneration package on a periodic basis; (b) Establishing training and development programmes; and (c) Catering for flexible working arrangements. <p>For more information, please refer to our Sustainability Report found on pages 57 to 60.</p>
Health & Safety	
The Group believes that maintaining safe buildings and a healthy workplace can have a positive impact on tenants, residents, shoppers, employees and the public at large. As such, it is important to manage risks relating to health & safety.	<p>We manage this risk by:</p> <ul style="list-style-type: none"> (a) Continuously spreading awareness on health and safety in our buildings and workplace; (b) Ensuring individuals are accountable for keeping our buildings and workplace environment safe; and (c) Implementing relevant safety measures for different operations. <p>For more information, please refer to our Sustainability Report found on pages 54 to 57.</p>
Financial Risk	
<p>Given the nature of its business, the Group is exposed to interest rate and financial investment risks. The ARMC advises on the financial risks and assesses the financial risk management and governance framework implemented to ensure adherence to the Group's policies and risk appetite. The Group's financial risk management is discussed in detail within Note 28 (Financial Risk Management) to the Financial Statements.</p> <p>The Management's long-term objective has always been to deliver sustainable long-term value to our stakeholders. With these controls, any business decisions are taken to achieve this long-term objective.</p>	
Interest Rate	
<p>Given Singapore's open economy and subsequent sensitivity to global inflation and associated monetary policy implications, the Group is exposed to potential changes in interest rates.</p> <p>A high interest rate environment will impact the financing cost of potential new investments.</p>	<p>We manage this risk by:</p> <ul style="list-style-type: none"> (a) Adopting a prudent approach to how we manage business activities and opportunities; (b) Having available credit facilities to support the operations when required; (c) Conducting cash flow planning and forecasting; and (d) Monitoring of the Singapore Overnight Rate Average ("SORA") for selection of interest periods.
Property Investment	
<p>Poorly performing property investments, combined with external risks, market factors and adverse business environment, may affect the investment valuation.</p> <p>Thus, the Group may be exposed to valuation loss.</p>	<p>We manage this risk by:</p> <ul style="list-style-type: none"> (a) Performing ongoing monitoring of market factors and business environment that may affect investment valuation; (b) Adhering to the approval matrix prior to each property investment; and (c) Executing valuation for investment properties annually and recognising gain/loss on the investments accordingly.

RISK MANAGEMENT AND RISK APPETITE STATEMENT

YEAR ENDED 31 DECEMBER 2024

Compliance Risk

The Group's operations are subject to government regulations in Singapore and Hong Kong, which may impact its resilience to respond to changing market conditions, competitive landscape, and technology disruptions.

Regulatory Compliance

The Group is subject to laws and market regulations, such as anti-bribery, anti-corruption, anti-money laundering, terrorism financing, competition, and data privacy.

As a SGX-listed company, the Company is also subject to Environmental, Social and Governance ("ESG") disclosure requirements which are outlined in the Sustainability Report.

Non-compliance with the regulatory requirements will negatively impact the Group's reputation and financials.

We manage this risk by:

- (a) Creating a risk management framework whereby the Group monitors new developments within the regulatory environment of the industry. These new developments include mandatory safe working measures and financial support schemes that are granted to the Group;
- (b) Adopting a 'zero tolerance' approach to any acts of fraud, corruption or bribery by employees in the course of its business operations;
- (c) Being committed to maintaining the highest standards of integrity, which are integral to its corporate identity and business. The Group also recognises the rights of individuals to protect their personal data;
- (d) Having a Conflict of Interests and Interested Person Transaction Policy, Anti-corruption and Anti-money Laundering Policy and Whistle-blowing Policy. Further information can be found in the Corporate Governance Statement and Sustainability Report on pages 10 to 33 and 44 to 48 respectively; and
- (e) Establishing a Sustainability Task Force to oversee sustainability initiatives and align the sustainability strategies of the Group to the material ESG factors. More information can be found in the Sustainability Report on page 46.

Technological Risk

Service disruptions may arise from failures in critical Information Technology ("IT") systems or malicious software and cyberattacks. Such incidents could compromise the Group's IT infrastructure, adversely impacting the Group's business continuity and reputation.

Cyberattacks

In the event of cyberattacks, data accuracy and integrity may be compromised should there be insufficient preventive measures.

We manage this risk by:

- (a) Implementing the necessary safeguards such as enforcing our IT Policy, equipping our employees with knowledge through training videos and awareness emails, frequently updating the network security systems, conducting periodic backups, implementing disaster recovery and business continuity plans, and making sure all internet connections are secured;
- (b) Developing a holistic and risk-based approach towards aspects of IT governance including system authentication, user access management, database configuration, change management, business continuity and disaster recovery, and personal data protection. The Group has also engaged external professional services to independently assess and strengthen its IT systems; and
- (c) Ensuring data privacy and adherence to the Personal Data Protection Act through implementing personal data safeguards for its customers and employees.

LOOKING FORWARD

The Group will continue to monitor and assess risks amidst the evolving geopolitical, macroeconomic, competitive, and regulatory landscape. In striving towards sustainable economic viability, the Group will proactively refine and enhance its risk management framework, internal control systems and processes.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

BOARD STATEMENT

We are pleased to present the Sustainability Report ("Report") of Hong Fok Corporation Limited (or the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2024 ("FY2024"). This Report illustrates our ongoing commitments to sustainability and highlights the strategies and initiatives that we have implemented to achieve our goals.

Sustainability is an ongoing journey, and we are committed to strengthening our environmental, social and governance ("ESG") efforts. Over the years, we have steadily integrated sustainable practices across our operations while adapting to a rapidly evolving landscape. In FY2024, we reached a milestone in our sustainability journey by initiating the upgrade of The Concourse's Green Mark (Platinum) certification to Super Low Energy ("SLE") certification. This process is still ongoing and reflects our continued focus on energy efficiency, with targeted initiatives to optimise building performance, enhance energy management and reduce Greenhouse Gas ("GHG") emissions. These efforts are essential to our broader environmental stewardship, underscoring our commitment to sustainability.

Recognising the importance of addressing climate change, we disclose our climate-related risks and opportunities in line with the Taskforce on Climate-related Financial Disclosures ("TCFD")¹ framework. In FY2024, we expanded our climate reporting to include our Hong Kong assets and incorporated scenario analysis to better assess and manage climate risks and opportunities.

On behalf of the Board of Directors ("Board"), we would like to extend our sincere appreciation to all stakeholders for their continued contributions, support and shared commitment to sustainability. As we advance our ESG commitments, we remain dedicated to refining our sustainability practices and driving meaningful progress across all aspects of our business.

ABOUT THIS REPORT

Reporting Principles and Statement of Use

This Report provides comprehensive information on our responsible business practices across the ESG parameters with reference to the Global Reporting Initiative ("GRI") Standards 2021.

The GRI standards have been adopted as they represent the global best practices for reporting on economic, environmental and social impacts. We have applied the following principles to determine relevant topics that define the report content and ensure the quality of information: (a) GRI guiding principles for defining the content: Materiality, Stakeholder Engagement, Sustainability Context and Completeness; (b) GRI guiding principles for defining the quality: Accuracy, Balance, Clarity, Comparability, Timeliness and Verifiability. For more information on GRI disclosures, please refer to the GRI Content Index.

The Report has incorporated all the primary components as set out by the "Comply or Explain" requirements on sustainability reporting under the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B and has undergone review and approval by the Board.

This is the third year that the Group has reported climate-related disclosures based on TCFD recommendations. In FY2024, we continued monitoring GHG emissions closely while aligning the metrics and targets with the relevant Building and Construction Authority ("BCA") requirements. Additionally, we have enhanced our TCFD report by incorporating qualitative scenario analysis to evaluate potential impacts under both Current Policies and Net Zero 2050 scenarios. Please refer to the section on "Climate-related Disclosures" for details.

Reporting Scope

The sustainability disclosures cover the reporting period from 1 January 2024 to 31 December 2024 and should be read in conjunction with our Annual Report 2024. This Report maintains the same focus as the financial year ended 31 December 2023, which is on the sustainability performance of the Singapore properties over which we have a 100% effective interest and operational control. It encompasses all three business segments including (1) Property Investment, (2) Property Development and Construction and (3) Property Management.

The operational data pertains to our commercial and residential assets, namely International Building, 362 & 364 Orchard Road, The Concourse and Concourse Skyline. Our properties in Hong Kong and YOTEL Singapore Orchard Road ("YOTEL") are excluded from the reporting scope because we do not have management control over these assets. Similarly, the human resources and safety data included refer solely to our employees in Singapore (excluding employees of YOTEL operations).

The Report excludes the operations of project management as there were no construction projects awarded to and executed by the Group in FY2024.

Restatements

There are no restatements of information made from previous reporting periods.

¹ TCFD fulfilled its remit and was disbanded in October 2023. Following the publication of the inaugural ISSB Standards IFRS S1 and IFRS S2, the IFRS Foundation has taken over the responsibilities for monitoring the progress of companies' climate-related disclosures from the TCFD.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

Assurance

We have considered the recommendations of an external ESG consultant for the selection of material topics as well as compliance with reporting standards and SGX-ST Listing Rules. The Group has engaged an internal auditor to perform an internal review of the sustainability disclosures process in accordance with Rule 711B(3), stipulated under the SGX-ST Listing Rules. Consequently, the Board has assessed that independent external assurance is not required at this juncture.

Availability and Feedback

Feedback directed at improving our sustainability practices is always welcome. This Report is available on SGXNet and online at <http://www.hongfok.com.sg>. Please send your comments or feedback to fax no. 6293 8689 or email to ir@hongfok.com.sg.

Forward-looking Statements

This Report contains forward-looking statements that represent the Group's current expectations and thoughts for future events, incorporating our current and planned sustainability initiatives and the anticipated business environment. These statements involve known and unknown risks, inherent risks, uncertainties, assumptions and other factors that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements.

SUSTAINABILITY STRATEGY OVERVIEW

Singapore's commitment to the Singapore Green Plan 2030 has highlighted the importance of the climate change and sustainability agenda.

Considering the rapid developments in integrating sustainability factors into the business, the Group will continue to incorporate sustainability into our operations and keep abreast of regulations and industry best practices related to sustainability. Resources will also be devoted to promoting the Group's sustainability initiatives.

We shall continue to focus on our key business ethics of delivering service of the highest standards whilst strengthening our commitment to sustainability. The key areas of our sustainability strategy are presented in the diagram below:



SUSTAINABILITY STRATEGY

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

The table below outlines our material topics within the sustainability strategy:







Material Topics	Definition
Governance and Ethics	Strong corporate governance guides the Group in managing ESG-related risks and opportunities and ensuring full compliance with all applicable laws and regulations, including our procurement practices.
Environmental Responsibility	<p>Our environmental agenda contains a commitment to develop sustainable buildings. Two of our properties have demonstrated our commitment:</p> <ul style="list-style-type: none"> The Concourse, a commercial building, was re-certified by BCA as Green Mark (Platinum) in 2022. As part of our commitment to sustainability, we commenced the process of upgrading to SLE certification in FY2024. The application has been submitted to BCA on 21 February 2025 and is currently in progress. In line with this effort, we have replaced the existing fan in the Air Handling Unit ("AHU") on Level 17 with a more energy-efficient Electronically Commutated ("EC") fan in FY2024. International Building, a commercial building, similarly, was re-certified by BCA as Green Mark (GoldPlus) in September 2023 with a validity period until 12 September 2026.
Building and Facilities Management	Building and service quality is integral to our business proposition. As such, we are judicious with our sub-contractor selection. We prioritise the health and safety of our tenants and comply strictly with all safety-related regulatory guidelines.
Occupational Health and Safety	The Group's property management and maintenance operations prioritise onsite safety. Although our contractors and business partners are responsible for various on-site activities, we continue to work closely with them to ensure that our health and safety standards are strictly adhered to. We share our safe management plans and procedures with all our contractors, to ensure they comply with the rules and regulations set by us and the government authorities.
Talent Retention	We continue our efforts in talent retention and hiring innovative, dynamic and talented staff as they are considered to be our organisation's key assets. We believe it is vital to keep our staff engaged and motivated through creating a supportive work environment. The Group rewards and motivates staff with a comprehensive and competitive compensation package and benefits programme. We encourage our workforce to pursue lifelong learning by providing quality training opportunities if applicable.
Climate-related Disclosures	Climate change presents both risks and opportunities for our business. We are committed to enhancing the resilience of our properties by identifying and mitigating climate risks and opportunities.

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CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UN SDGs")

The Group contributes to the UN SDGs through our daily operations, strategy development and collaboration with our stakeholders. Achieving these goals is a continuing global effort and forms part of the Group's long-term focus on sustainability. The following table outlines our contributions to the attainment of the relevant UN SDGs.

Material Topics	UN SDGs	The Group's Contribution	Relevant Stakeholders
<ul style="list-style-type: none"> Governance and Ethics 		Goal 16: Peace, Justice and Strong Institutions Comply fully with all socioeconomic and environmental laws and regulations	All stakeholders
<ul style="list-style-type: none"> Environmental Responsibility Climate-related Disclosures 		Goal 13: Climate Action Assess climate-related risks and opportunities for the Group as part of the TCFD report	All stakeholders
		Goal 6: Clean Water and Sanitation Provide safe and clean water to users and implement water and sanitation management to the highest standards	Local communities and government
<ul style="list-style-type: none"> Governance and Ethics Building and Facilities Management 		Goal 9: Industry Innovation and Infrastructure Explore and integrate technological solutions to enhance building efficiency Incorporate environmentally friendly building materials and features	Local communities and tenants
<ul style="list-style-type: none"> Occupational Health and Safety Talent Retention 		Goal 8: Decent Work and Economic Growth Provide work opportunities and a conducive working environment to the community	Employees and contractors
<ul style="list-style-type: none"> Talent Retention 		Goal 5: Gender Equality Provide equal opportunities in employment, training and career development regardless of gender	Employees

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder Engagement

We value inputs from all our stakeholders and engage with them through various channels to receive their feedback.

We identify stakeholders as groups that have an impact on or have the potential to be impacted by our business, as well as external organisations that have expertise in aspects that we consider material. The inputs that we receive form the cornerstone of our sustainability goals. This section highlights the work done and the impact created based on our active stakeholder engagement process.

Stakeholders' feedback allows us to develop appropriate policies and practices that govern responsible business conduct and provides us with the opportunities to understand their views and expectations. Defined communication channels ensure focused engagement throughout the year.

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Key Stakeholders	Engagement Methods	Areas of Concern	Our Responses	Section Reference
Investors	<ul style="list-style-type: none"> • Updates of financial results and announcements, business developments, press releases and other relevant disclosures via SGXNet and our website • Annual General Meeting 	<ul style="list-style-type: none"> • Corporate governance • Climate resilience of investment properties • Business and financial performance • Compliance and anti-corruption 	<ul style="list-style-type: none"> • Provide timely, transparent and quality disclosures • Provide useful information and responses to investor queries • Establish robust governance practices 	<ul style="list-style-type: none"> • Annual Report • Governance and Ethics • Environmental Responsibility • Climate-related Disclosures
Tenants	<ul style="list-style-type: none"> • Feedback surveys on various issues • Established channels of communication for tenant and property-related issues 	<ul style="list-style-type: none"> • Quality of properties • Facilities available • Value for money • Health and safety concerns 	<ul style="list-style-type: none"> • Maintain building quality • Respond promptly to tenant feedback • Find ways to value-add to building for tenants 	<ul style="list-style-type: none"> • Building and Facilities Management
Employees	<ul style="list-style-type: none"> • Training and development programmes • Career development and performance appraisals 	<ul style="list-style-type: none"> • Continuous learning • Equal opportunities and non-discrimination • Work-life balance • Competitive compensation • Occupational health and safety 	<ul style="list-style-type: none"> • Provide fair employee remuneration and benefits • Encourage employees to pursue lifelong learning opportunities 	<ul style="list-style-type: none"> • Talent Retention • Occupational Health and Safety
Government and Regulators	<ul style="list-style-type: none"> • Meeting and dialogue sessions • Annual Report • Sustainability Report 	<ul style="list-style-type: none"> • Compliance • Business ethics • Industry participation 	<ul style="list-style-type: none"> • Ensure full compliance with all applicable local laws and regulations 	<ul style="list-style-type: none"> • Governance and Ethics • Environmental Responsibility • Climate-related Disclosures
Contractors and Other Service Providers	<ul style="list-style-type: none"> • Regular dialogue sessions with service providers, property managers and contractors 	<ul style="list-style-type: none"> • Site health and safety • Competitive fees 	<ul style="list-style-type: none"> • Engage and evaluate suppliers and contractors regularly and provide meaningful feedback 	<ul style="list-style-type: none"> • Governance and Ethics • Occupational Health and Safety

Materiality Assessment

We identify material topics that provide insight into our stakeholder concerns as well as the internal and external risk factors that impact our business. To ensure these topics are prioritised effectively, we have undertaken a structured process that aligns with the Group's and stakeholders' priorities across economic, environmental and social dimensions. The material ESG factors determined form the basis of our sustainability efforts and reporting. Our material factors have impacts along our entire value chain, and we determine our reporting boundaries based on the impacts which we have active control over.

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The Group conducts an annual review of the material ESG factors to assess their alignment and relevance to the Group's business objectives and strategy. This process includes consideration of changes in the internal business activities, the external local and global sustainability landscape, and the recommendations from the external ESG consultant. We have taken the following steps to identify and present the relevant material factors in this Report:

- 1 Identification: Select material topics based on the risks and opportunities of the sector.
- 2 Prioritisation: Prioritise material factors by aligning them with the concerns of internal and external stakeholders, including whether they are aligned with key organisational values, policies, operational management systems, goals and targets.
- 3 Benchmarking: Compare against competitors and peers to determine how the industry identifies and prioritises material factors.
- 4 Review: Review the relevance of previously identified material factors.
- 5 Validation: Validate the selected material factors and their prioritisation in the Report with the Board.

In FY2024, we transitioned from preparing our Report "in accordance with" the GRI Standards to adopting the "with reference to" approach. This shift allows us greater flexibility in our sustainability disclosures.

ESG PERFORMANCE HIGHLIGHTS

	Maintained zero incidence or substantiated complaints concerning breaches of customer privacy and loss of customer data
	Maintained zero incidents of non-compliance with health and safety regulations
	Started planning for retail cooling in The Concourse and aiming to commence operations in FY2025
	Incorporated scenario analysis into climate-related disclosures

GOVERNANCE AND ETHICS

Robust corporate governance practices are crucial to the Group as it strives to build a viable and resilient business that is capable of adapting to the trends and uncertainties in the industry. Such practices help the Group align its operations and business activities with the interests of all key stakeholders.

Business Ethics

Policies

The Company's policies provide guiding principles on business conduct and ethics that all management and employees should practise to support its commitment to good corporate governance. To promote transparency, most of these policies are publicly available on the Company's website.

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Board Policy	Company Policies
<ul style="list-style-type: none"> Board Diversity Policy 	<ul style="list-style-type: none"> Code of Conduct Investor Relations Policy Anti-corruption and Anti-money Laundering Policy Conflict of Interests and Interested Person Transaction Policy Dividend Policy Whistle-blowing Policy Best Practices Guide (Dealings in Company's Securities) Personal Data Protection Policy Employee Handbook*

* Only circulated to the employees, not available online.

For good corporate governance, all corporate-level policies² are reviewed and approved by our Board of Directors.

Code of Conduct

The Code of Conduct sets out the general principles and standards of behaviour that the Group expects from its employees in their dealings with fellow employees, customers, supplier and business partners. For example, employees should always deal with the Group's customers, suppliers and business partners fairly. They must not take any unfair advantage of anyone through manipulation, concealment, deception or engage in any other unfair practices. During the induction programme, new hires are informed of the policies and standard operating procedures in the Code of Conduct. The details of the Code of Conduct are available on the Company's website.

Anti-corruption and Anti-money Laundering Policy

The Company understands the importance of having strong corporate governance across our operations. In upholding our stance towards anti-corruption, all members of our Board and employees must ensure they read, understand and comply with our Anti-corruption and Anti-money Laundering Policy. This policy has been made readily available to all, including stakeholders and potential business partners, on the Company's website. A copy of our policy is given to all new employees upon successful confirmation of their employment with the Group. Acknowledgements via completed form are required from the newly confirmed employees when they receive the policy.

The Group recognises anti-corruption training as a key component of our efforts to tackle corruption risks. As of FY2024, all employees have attended training on our Anti-corruption and Anti-money Laundering Policy.

The Anti-corruption and Anti-money Laundering Policy prohibits employees from engaging in various activities, including offering or accepting bribes, kickbacks, or other corrupt payments, soliciting or extorting, aiding or abetting corruption or bribery, giving and accepting gifts and hospitality (unless normal and appropriate), making facilitation payments and assisting third parties in retaining the benefits of illegal activities related to drugs, criminal conduct, or terrorism.

There were no reported incidents of corruption in FY2024.

Conflict of Interests and Interested Person Transaction Policy

The Conflict of Interests and Interested Person Transaction Policy aims to guide Directors to recognise and deal with conflicts of interest. It outlines the Company's internal procedures and guidelines to identify, report and where necessary, seek appropriate approval of interested person transactions ("IPTs") to comply with the Listing Manual of the SGX-ST.

This policy also requires the personnel involved in the proposed IPTs to ensure that the IPTs are conducted fairly, on an arm's length basis, on normal commercial terms and are not prejudicial to the interests of the Group and/or its non-controlling shareholders.

For more details on conflicts of interest assessment on Directors, please refer to the Corporate Governance Statement in the Annual Report 2024 or the Company's website.

Corporate Compliance

There are several laws and regulations which apply to the Group. These include the Code of Corporate Governance 2018, regulations by the Monetary Authority of Singapore, Listing Rules of the SGX-ST, the Accounting and Corporate Regulatory Authority ("ACRA") and the Securities and Futures Act 2001, among others.

Review of new regulations and updates to existing regulations are regularly conducted by our employees, our secretarial firm and our financial auditors. Updates are disseminated to relevant staff and processes are in place to monitor the activities and associated performance on a regular basis.

² This does not include internal operational policies and procedures.

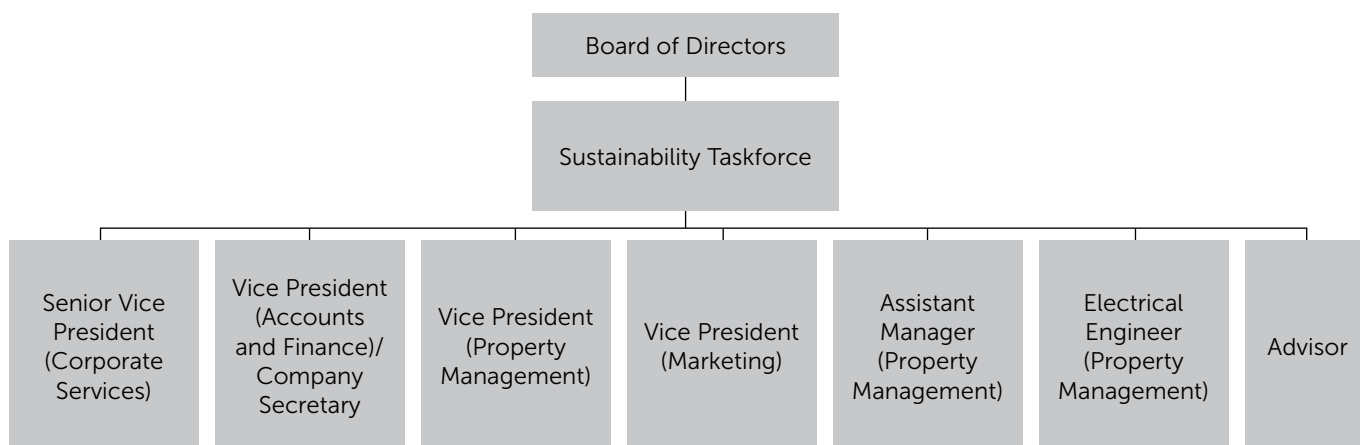
SUSTAINABILITY REPORT

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Additionally, updates on relevant legal, accounting and regulatory developments are typically provided to Directors in written hand-outs, or by way of briefings and presentations. The Company Secretary also circulates articles, reports and press releases issued by the SGX-ST and the ACRA which are relevant to the Directors.

Sustainability Governance Structure

While executive remuneration has not been directly linked to the sustainability performance of the Group, the relevancy of such linkage will be considered if such opportunities arise for future projects. Our sustainability governance structure, which consists of the Board of Directors and a Sustainability Taskforce ("STF"), is illustrated as follows:



The Board is responsible for identifying various business risks, implementing strategies and sustainability frameworks, tracking the performance of the material ESG factors, reviewing targets and approving the Report. The Board is supported by the STF.

The STF, comprising executives from the Group who work with personnel of the relevant business units, plays a crucial role in reviewing and making recommendations to the Board on sustainability strategies, performance metrics and targets. These insights are presented during Management meetings, which typically occur once every three weeks. To further support these efforts, we engage external ESG consultants to guide the scope and content of the Report presented at our meetings annually.

Since the announcement made by the Singapore Exchange Regulation in 2022 which mandates Directors to attend mandatory sustainability training, the Board members have enrolled and attended the sustainability training conducted by the Singapore Institute of Directors.

For more details on how the sustainability governance structure is formed and evaluated and the remuneration policies, please refer to the Corporate Governance Statement in the Annual Report 2024.

Risk Management

The Group adopts a precautionary approach in strategic decision-making by implementing a comprehensive risk management framework. We have integrated the process for identifying, assessing and managing material ESG-related risks into our organisation's overall risk management framework.

Please refer to the Risk Management and Risk Appetite Statement in the Annual Report 2024 for more information on the Group's risk management practices.

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Whistle-blowing Policy

The Company has a Whistle-blowing Policy which provides a mechanism for staff of the Group in Singapore to raise concerns in confidence about fraud and other possible improprieties in matters of financial reporting or other matters. Our stakeholders can raise their concerns through our whistle-blowing email – wb@hongfok.com.sg.

The Audit and Risk Management Committee ("ARMC") is responsible for overseeing, monitoring and investigating the complaints made. Upon receiving the complaint, the ARMC Chairman will perform a preliminary review of the complaint made and determine the validity of the complaint within the scope of the Whistle-blowing Policy. The ARMC Chairman will report the complaint to the members of the ARMC. The ARMC will then determine the subsequent course of action to be taken in resolving the complaint. All records of complaints made will be kept. The details of the Whistle-blowing Policy are available on the Company's website.

There were no reported incidents or complaints submitted about whistle-blowing in FY2024.

Environmental Compliance

Our properties are subject to environmental laws and regulations, including the Building Control (Environmental Sustainability) Regulations, the Energy Conservation Act, as well as the Environment Protection and Management Act administered by the National Environment Agency. Property managers conduct regular checks to ensure compliance with reporting requirements for the submission of environmental data. Properties are also subject to periodic environmental audits by the local authorities, including the BCA to maintain the Green Mark Certification.

There were no instances of non-compliance with environmental laws and regulations in FY2024. Hence, there were no significant fines incurred by or non-monetary sanctions imposed on the Group.

Tax

The Group complies strictly with Singapore's tax regulations by engaging a third-party service provider to manage its income tax requirements in Singapore and address any tax compliance and tax-related queries.

For other tax-related matters in Singapore, such as payment of Goods and Services Tax and withholding tax for payment of services, the Group's Accounts and Finance department ensures compliance with the relevant tax reporting requirements.

The Group engages tax agents for annual tax filings and consults tax advisors as needed to ensure compliance for each transaction. In FY2024, The Group did not engage in lobbying activities on tax-related issues.

Data Privacy and Protection

The Group is committed to protecting our customers' and tenants' privacy and data. We have implemented a Personal Data Protection Policy ("PDPP"), which governs the collection, use and protection of our customers' personal information in a responsible manner, in accordance with the latest amendment of the Personal Data Protection Act 2012 ("PDPA"). In the event that we need to collect personal data from our tenants, we ensure that we obtain the tenant's consent before collecting the data.

A structured segregation of data storage and access rights has been set out based on departments and authority levels. Safeguard measures have been imposed physically and digitally.

The details of the PDPP are available on the Company's website.

Our appointed Data Protection Officer develops, assesses and reviews policies and procedures, to ensure full compliance with the PDPA throughout the Group and any risks of breaches have been communicated.

There were no incidents of substantiated complaints concerning breaches of customer privacy and loss of customer data in FY2024.

Supply Chain Management

We deal with a large supplier base and developing strong relationships with the suppliers will provide us with continuous success. The suppliers include building maintenance material providers, contractors and suppliers for soft and hard services, as well as downstream services such as waste management and professional support services. We engage with our contractors onsite regularly, with a specific emphasis on health and safety issues apart from service quality.

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To ensure that our supply chain is sustainable and resilient, we adopt a risk-based approach. Our procurement team manages relationships with large business partners who are involved in delivering essential services or products for our operations based on their service delivery and adherence to the environmental laws in the respective jurisdictions. ESG criteria have been included in our new vendor qualification/evaluation process since early December 2023.

During the onboarding process, we assess new suppliers using a thorough evaluation system, which includes ESG factors. For services and products which may have negative environmental impacts, such as paint and thinner, the Group will request for the supplier to produce documentary proof of the validity of the material used.³

In line with our sustainability commitment, for construction projects, we have a preference towards contractors and/or sub-contractors who are ISO 14001 (Environmental Management Systems) and ISO 45001 (Occupational Health and Safety) certified and we will include this as part of the contractor/sub-contractor evaluation.⁴

In FY2024, no new vendor has been assessed to have negative environmental or social impacts on the supply chain or in general. We assessed our suppliers and no suppliers were identified as having significant actual and potential negative environmental impacts.

Governance and Ethics Targets

FY2024 Targets	Performance in FY2024	Status in FY2024
Compliance		
Zero incidents of non-compliance with all relevant laws and regulations	In FY2024, there were zero incidents of non-compliance with all relevant laws and regulations	Met
Cyber Security		
Zero incidents of data breaches due to cyber-attacks or breaches of PDPA	In FY2024, there were zero incidents of data breaches due to cyber-attacks or breaches of PDPA	Met

Targets	Short-term Targets (FY2025)	Medium-term Targets (FY2026 - FY2030)	Long-term Targets (Beyond FY2030)
Anti-corruption			
Maintain zero incidents of corruption	√	√	√
Compliance			
Maintain zero incidents of non-compliance with all relevant laws and regulations	√	√	√
Cyber Security			
Maintain zero incidents of data breaches due to cyber-attack or breach of PDPA	√	√	√
Tax			
Maintain zero incidents of significant tax-related non-compliance	√	√	√

ENVIRONMENTAL RESPONSIBILITY

Climate action and management of energy, water and waste constitute the key elements of our environmental responsibility across our operations. Our efforts are geared towards seizing opportunities and addressing global sustainability challenges.

We actively manage and take practical measures by adhering to BCA Green Mark guidelines. The Group strives to resolve promptly any environmental issues that may arise.

³ This does not include miscellaneous purchases, including stationery, as they are not a material recurring expense that requires a supplier evaluation form, and decisions will be made based on prices.

⁴ There were no construction projects awarded to contractors/sub-contractors in FY2024 and such vendor qualification is not applicable for the construction segment.

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In addition to the focus on sustainable buildings, the Group has developed and formalised an Environmental Policy. The Environmental Policy outlines our commitment to comply with all relevant environmental laws and regulations while minimising environmental pollution by conserving energy and using our resources efficiently during policy formulation, planning, development, management and maintenance of our properties. We will also consider environmental requirements in the procurement of goods and services as well as practising the 3Rs ("Reduce, Reuse and Recycle") when managing our resources, waste and materials. To achieve our environmental performance and targets, we continue to integrate the best practices throughout our supply chain. For example, outsourced cleaners are required to use green-labelled detergents and toilet paper for International Building and The Concourse. Further practices have been elaborated upon in the following sections.

Energy and Emissions Management

As a responsible corporate citizen in the real estate industry, the Group recognises the impact of our GHG contribution on perpetuating the effects of climate change and its role in addressing these growing global concerns. We focused our sustainability efforts on our core property business within Singapore.

Our commitment to sustainability is reflected in the certifications our buildings have achieved. In 2022 and 2023, The Concourse and International Building were Green Mark re-certified.⁵ This certification evaluates a building for its environmental impact and performance and is awarded to buildings that are more climate-responsive, energy-effective, resource-efficient, smarter and have healthier indoor environments.

To further support sustainability goals, we continue to track and share our energy consumption with the BCA and key in our annual usage into the Building Energy Submission System. As part of our ongoing energy-saving initiatives, we replaced the fans and motors at International Building with more energy-efficient models. This contributed to our commitment towards energy saving and based on the actual usage and energy modelling, we have renewed International Building's Green Mark (GoldPlus) certification in September 2023.

In FY2024, we commenced the process of upgrading The Concourse's Green Mark certification from Platinum to SLE certification and this process is currently ongoing. This initiative underscores our commitment to exceptional energy efficiency and sustainability standards. Achieving the SLE certification will signify that The Concourse is dedicated to substantial energy savings through the integration of advanced energy-efficient technologies and the implementation of renewable energy solutions.

To further promulgate this focus, we have developed a Green Tenant Guideline to create awareness and educate all tenants within our buildings to practise good environmental habits.

Energy Conservation	Water Conservation
<ul style="list-style-type: none"> Select Energy Star label appliances in our purchases Choose Singapore Green Labelling Scheme ("SGLS") registered items upon replacement of appliances Replace lightings with high energy efficient lightings such as T5 with high frequency electronic ballast or Light Emitting Diode ("LED") Use of energy efficient lighting to minimise energy consumption while maintaining proper lighting level Ensure that all lights are switched off when not in use Install motion sensors for pantry areas or low use areas to save energy Ensure all windows and doors are closed when air-conditioners are in use 	<ul style="list-style-type: none"> Report water leakage to building hotline immediately Do not remove flow restrictors devices installed on water taps Use of auto-sensor taps for all basin taps Use dual capacity flushing cistern
	Interior Conservation
	<ul style="list-style-type: none"> Use of low volatile organic compounds paints certified under SGLS Materials used are SGLS products or use of products that have at least 30% of recyclable content
Recycling	
<ul style="list-style-type: none"> Segregate recyclable items properly Clean up recyclables before sorting as contaminated recyclables are considered general wastes Electronic waste recycling in The Concourse and International Building managed by third-party waste management service provider 	

Within our office, we have incorporated energy-saving features to reduce our energy consumption. These include installing LED lights, installing motion sensors for toilets and staircases and using high-efficiency electronic ballasts in common areas and energy-efficient air-cooling systems across all our buildings.

⁵ BCA Green Mark certifications for "The Concourse" and "International Building" are valid until 7 February 2025 and 12 September 2026 respectively.

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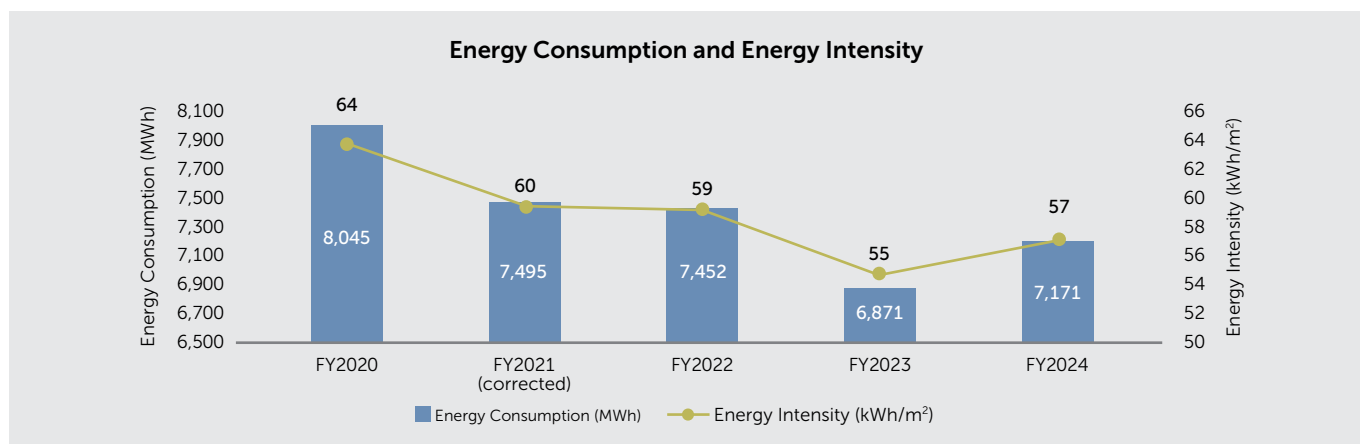
In a dedicated effort to assist Singapore in achieving its environmental goals, the Group has launched the Green Grove initiative, which involves the cultivation of green spaces on the 38th and 39th floors of The Concourse. This initiative will help with the absorption of GHG in tackling the climate crisis, while also naturally cooling the air to reduce urban temperatures and enhance energy efficiency.

Additionally, the Group has installed a total of four Electronic Vehicle ("EV") charging stations, including two fast-charging lots at The Concourse and Concourse Skyline, and two fast-charging lots at International Building. These stations have been put into operation in January 2024. This will encourage the usage of more EVs and minimise the environmental impact from commuting.

We endeavour to reduce our energy consumption across all our properties in the upcoming years to reduce our carbon footprint on the environment. The Group's energy consumption includes both electricity procured from third-party providers and petrol-diesel used to generate electricity when the Group conducts routine electrical maintenance.

In FY2024, the Group's electricity consumption was 7,159 MWh across four properties – International Building, 362 & 364 Orchard Road, The Concourse and Concourse Skyline – covering a total gross floor area ("GFA")⁶ of 125,517 m². This resulted in an electricity intensity of 57.04 kWh/m². Compared to FY2023, the electricity consumption (FY2023: 6,858 MWh) and electricity intensity (FY2023: 54.63 kWh/m²) both increased by 4.4%. This increase was primarily due to higher tenant occupancy. However, when compared to FY2018,⁷ we saw a 5.3% reduction in both electricity consumption (FY2018: 7,560 MWh) and electricity intensity (FY2018: 60.22 kWh/m²) respectively. This resulted from an improvement in energy conservation efforts. With a reduction in electricity consumption, the Group also saw our Scope 2 emissions decrease as compared to FY2018.

Additionally, emissions are generated from our building and facilities management. During the regular electrical maintenance on our properties, approximately 1,200 litres, that is equivalent to 0.043 terajoules (equivalent to 12 MWh)⁸ of non-renewable petrol-diesel was used for the building's generator to generate electricity. The total fuel consumption is 0.17% of the total energy consumed within the Group.⁹ There was no change in the volume of fuel combusted in FY2024, as compared to FY2018.



Apart from the fossil fuel consumption, the Group generated a total of 2,950 tCO₂e of Scope 2¹⁰ carbon emissions from its electricity consumption across the reported properties, as reflected below. In FY2024, the decrease in electricity consumption has resulted in a 6.9% decrease¹¹ in Scope 2 carbon emissions as compared to FY2018 (FY2018: 3,169 tCO₂e).

⁶ The gross floor area includes both tenanted and non-tenanted areas.

⁷ Baseline year FY2018 was selected for performance measurement in FY2020, FY2021, FY2022, FY2023 and FY2024.

⁸ In FY2024, the Group updated its methodology for calculating emissions from non-renewable fuels. Previously, the Group used the emission factors provided by the Intergovernmental Panel on Climate Change ("IPCC"). For FY2024, the Group transitioned to using emission factors from the UK Department for Environment, Food & Rural Affairs ("DEFRA"), as they reflect the latest available data.

⁹ In FY2024, the calculation of the total energy consumed within the Group was equal to total non-renewable fuel consumed and electricity purchased for consumption.

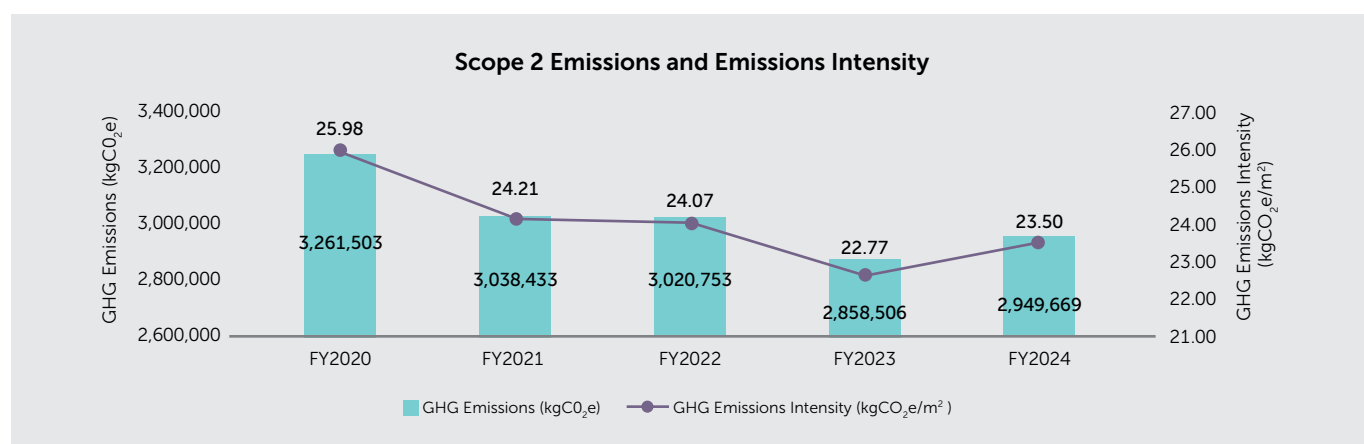
¹⁰ Grid Emissions Factors ("GEF") of 0.4120 kgCO₂e/kWh were taken from the EMA 2023: EMA | SES Chapter 2: Energy Transformation for calculation of FY2024 emissions. The 2021 GEF of 0.4085 kgCO₂e/kWh was applied to FY2021 and FY2022 GHG emissions and the 2022 GEF of 0.4168 kgCO₂e/kWh was applied to FY2023 GHG emissions.

¹¹ Baseline year: FY2018.

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Scope	Scope 1 GHG Emissions		Scope 2 GHG Emissions		
Properties	International Building and 362 & 364 Orchard Road	The Concourse and Concourse Skyline	International Building and 362 & 364 Orchard Road	The Concourse and Concourse Skyline	Total
Total GHG Emissions (tCO ₂ e)	N.A.	3.02	752.50	2,197.17	2,949.67
GFA (m ²) ¹²	15,437.92	110,079.42	15,437.92	110,079.42	125,517.34
Emissions Intensity (tCO ₂ e/m ²)	N.A.	0.00003	0.04874	0.01996	0.02350



To further elevate our climate ambitions, we have contracted with a service provider for retail cooling¹³ in International Building. This will ensure that the chiller plants operate sustainably and meet the Green Mark requirement. Similarly, at The Concourse, the agreement with the service provider was signed in FY2024 and we aim to commence such retail cooling operations in FY2025.

Water Management

The Group's efficient water management, including the management of water discharge, has complied with the authority's requirements. It has been certified by the Public Utilities Board ("PUB") for running a water-efficient building since 2011. In upholding our water conservation efforts, efficient water usage and management are integral parts of our internal Environmental Policy. The Group focuses on managing water usage for our operations as well as our tenants as it is a strategic and precious resource in Singapore. The Group's water consumption consists of water consumed at the Group's office and shared areas within our properties. We do not include the water consumed by our tenants as they pay for their own water consumption.

The Group also participates in the Water Efficiency Management Plan initiated by PUB under which we measure and report our water consumption to identify potential areas to reduce water consumption and raise water efficiency. As per our maintenance protocol, particularly for water consumption, routine checks are conducted for water usage to detect any abnormalities in the water consumption based on our average consumption.

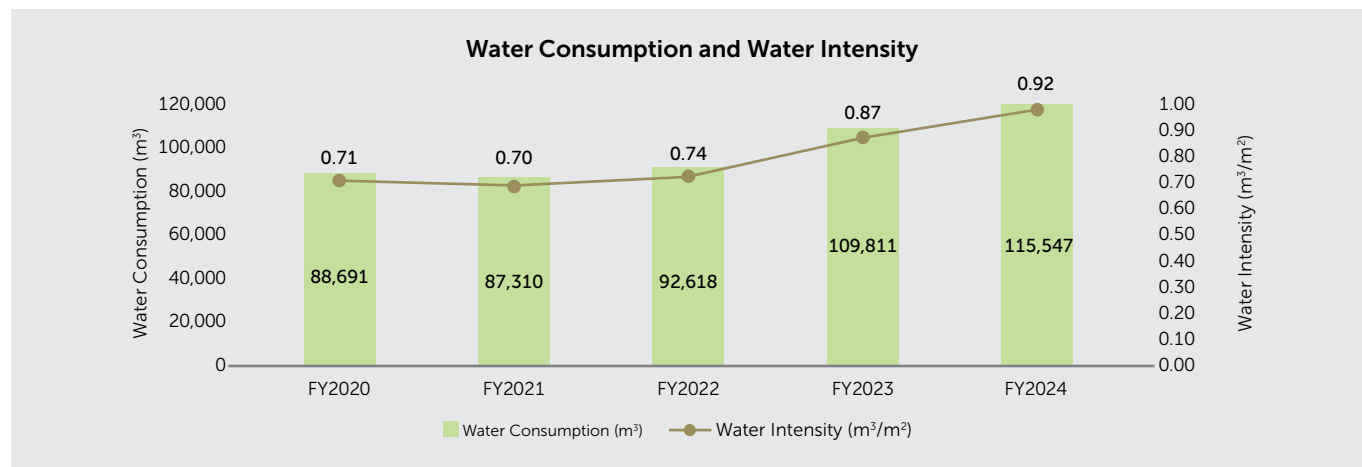
¹² Fuel consumption and electricity consumption were used for electrical maintenance and powering up our properties in FY2024. Scope 1 and Scope 2 emissions are also generated as the result of the electricity usage and maintenance of International Building, 362 & 364 Orchard Road, The Concourse and Concourse Skyline. The denominator used to calculate the intensity of energy consumption and GHG emissions is the GFA of the properties that are specific to the source of the usage.

¹³ Retail cooling system is the cooling solution for individual buildings, where the customers get to enjoy key benefits including, outsourced operation and maintenance of cooling system and improved system efficiency guarantee.

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As part of our efforts to conserve resources, we have been recycling water through our AHU condensate water recovery system. Each year, we recycle approximately 600 m³, which accounts for 0.5% of water consumption. In FY2024, water consumption has increased from 109,811 m³ in FY2023 to 115,547 m³. This increase was primarily due to condenser water pipe rectification works at the Level 7 chiller plant room at The Concourse, as well as higher tenant occupancy at International Building. Moving forward, we will strive to maintain our water efficiency and consumption across all our properties.



Waste Management

As a developer, the Group is committed to responsible waste management. Our primary waste stream consists of non-hazardous waste from our properties. To ensure responsible disposal, we engage third-party waste management service providers who handle the processing of waste generated from our properties. We receive regular waste disposal reports¹⁴ from the service providers for us to be aware of our waste disposal trends.

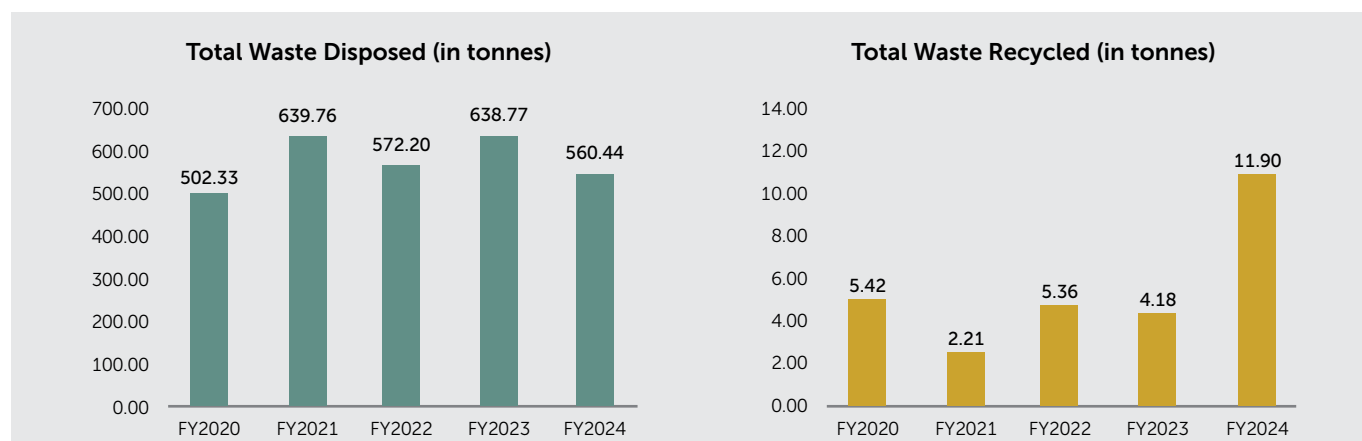
In FY2024, the total waste generated across our properties amounted to 572.34 tonnes, with 11.90 tonnes sent for recycling and 560.44 tonnes sent for disposal. This marks an 11.0% reduction from the 642.95 tonnes generated in FY2023. Among the different types of waste we generate, only general waste is sent for disposal, while other waste types – such as paper, plastic, metal, glass and wood – are directed to recycling.

The breakdown of our recycled waste is detailed in the table below (units: in tonnes):

Paper	Plastic	Metal	Glass	Wood	Total
7.10	0.27	0.30	0.02	4.21	11.90

To promote sustainability, we have been encouraging recycling amongst our tenants across our properties and strive to minimise the amount of waste that is generated by monitoring the amount of waste disposed of monthly. The Group provides recycling bins on each floor to encourage tenants to sort their waste before disposing or recycling it.

In FY2024, our total waste sent for recycling increased by 184.7% from FY2023 (FY2023: 4.18 tonnes), while waste sent for disposal decreased by 12.3% compared to FY2023 (FY2023: 638.77 tonnes).



¹⁴ Composition of the waste diverted from disposal is only available and reported by the third-party waste disposal service providers.

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Since FY2023, the Group has initiated electronic waste ("e-waste") recycling at The Concourse and, in FY2024, we extended the initiative to International Building, both with the support of our third-party waste management service provider. The e-waste comprises technology equipment, batteries and faulty devices, whereby the components and constituent materials can be turned into new products with proper processes which will help to save resources and reduce hazardous environmental impacts from materials, such as mercury and lead. There was no e-waste collected from the recycling bins at The Concourse and International Building in FY2024.

Environmental Responsibility Targets

FY2024 Targets	Performance in FY2024	Status in FY2024
Energy and Emissions Management		
Maintain and achieve BCA Green Mark on our certified properties ¹⁵	All existing properties are BCA Green Mark certified <ul style="list-style-type: none"> International Building: BCA Green Mark (GoldPlus) The Concourse: BCA Green Mark (Platinum) 	Met
Reduce GHG emissions ¹⁶ intensity by 1% from the baseline year FY2018	GHG intensity for Scope 2 in FY2024 was 23.50 kgCO ₂ e/m ² and it was a reduction of 6.9% from the baseline year FY2018 (FY2018: 25.25 kgCO ₂ e/m ²)	Met
Water Management		
Maintain water intensity levels within a 5% range from the baseline year FY2018	Water intensity was 0.92 m ³ /m ² for FY2024. It was 5.1% lower than the baseline year FY2018 (FY2018: 0.97 m ³ /m ²)	Met

Targets	Short-term Targets (FY2025)	Medium-term Targets (FY2026 - FY2030)	Long-term Targets (Beyond FY2030)
Energy and Emissions Management			
Maintain BCA Green Mark on our certified properties	√	√	√
Reduce GHG emissions intensity by 1% from the baseline year FY2018	√	√	√
Water Management			
Maintain water intensity levels within a 5% range from the baseline year FY2018	√	√	√
Waste Management			
Strive to minimise waste generation	√	√	√

BUILDING AND FACILITIES MANAGEMENT

The Group strives to provide our tenants and customers with a comfortable experience at our properties as the management of our buildings to visitors and services rendered to our tenants are crucial to the success of our business. In building maintenance, we conduct periodic mechanical and electrical maintenance services, pest control and cleaning, as well as landscaping services to ensure our buildings are well-maintained for our tenant's business operations. In maintaining the building's structural integrity, cyclical inspection of the building structure is conducted by engineers engaged every five years, in compliance with building regulations. All our buildings are regularly assessed for compliance with the latest safety standards. Additional safety and health measures conducted by the Group include annual fire and safety drills. We aim to ensure an immediate response and action to feedback from our tenants or visitors on potential health and safety concerns.

¹⁵ There are two properties, namely The Concourse and International Building that are certified with BCA Green Mark.

¹⁶ Refer to Scope 2 GHG emissions. Scope 1 GHG emissions, which are emitted when using generators for regular building and facilities management, remains unchanged for the past few years.

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In FY2024, we engaged third-party cleaners at International Building and The Concourse, as well as security personnel at International Building. However, as the Group does not control the methods used by these third-party agencies, these cleaners and security personnel are not considered as our employees.

Additionally, there were zero incidents of non-compliance with building regulations.

Building and Facilities Management Targets

FY2024 Targets	Performance in FY2024	Status in FY2024
Customer Health and Safety		
Zero incidents of non-compliance with health and safety regulations	In FY2024, there were zero incidents of non-compliance with health and safety regulations	Met
Building and Facilities Management		
Achieve 85% of tenants who are satisfied with our properties	85% of the tenants at The Concourse and International Building were satisfied with the property	Met

Targets	Short-term Targets (FY2025)	Medium-term Targets (FY2026 - FY2030)	Long-term Targets (Beyond FY2030)
Customer Health and Safety			
Maintain zero incidents of non-compliance with health and safety regulations	√	√	√
Building and Facilities Management			
Achieve 85% of tenants who are satisfied with the properties	√	√	√

OCCUPATIONAL HEALTH AND SAFETY

We are determined to provide a safe working environment for all our employees, suppliers and contractors. Our Property Management department has put in place robust health and safety procedures, standards and practices. Additionally, our Safety Committee actively oversees, reviews, monitors, improves and implements all issues related to occupational health and safety.

To further strengthen our commitment, the Group periodically conducts risk assessments to identify and evaluate potential hazards associated with our activities. Following from this, we implement control measures to mitigate the potential risks effectively. If the need arises, the Group also engages external qualified safety consultants for their advice and guidance on programs and initiatives to prevent any potential occupational accidents and injury.

Occupational Health and Safety Management

Our central aim is to ensure that our people are safe and secure in performing their duties at work and feel supported in terms of health, safety and hygiene. The priority of the Group has always been towards health and safety and this tone is set by our senior management, which extends to all teams and all business activities.

The Group has also obtained the bizSAFE Level 3 certification certified by the Workplace Safety and Health Council for its subsidiary engaged in property management activities. This certification is valid until 6 December 2026 and requires the company to implement a risk management plan in the workplace to address all highlighted risks. Therefore, we currently use a risk assessment and management system to keep employees safe.

This risk assessment covers all possible aspects of workplace hazards to identify and mitigate the risks of any workplace health and safety risks for our employees. We conduct a 5x5 matrix risk assessment, where hazards are evaluated based on both severity and likelihood. Based on the latest risk assessment performed in FY2024, the hazards have been categorised into low, medium and high risks for 15 processes at workplaces and offices. The following table represents examples of hazards that have been categorised as "Low Risks", "Medium Risks" and "High Risks":

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Process	Work Activity	Hazard	Possible Injury/Ill-health
Low Risks			
Plumbing and sanitary works	Usage of portable tools to cut pipes to length	Heat stress	Dehydration/ill-health in employees
Working at height	Using of "A" frame ladder	Continuous use of ladder (Exceed 15 minutes)	Fatigue
	All the work activities (human factors)	Decreased mental alertness	Body injury/sickness
Storage of materials	Use of trolleys/pallet jacks	Protruding equipment/materials on a trolley	Bruises/cuts to employees
	Stack/retrieve material onto/from storage racks	Ergonomic hazard due to poor work posture when placing or retrieving items above shoulder height	Staff experience upper body and shoulder pain
Medium Risks			
Use of hand tools & power tools	Operation & maintenance of powered tools	Live electrical cable	Electric shock to employees
Electrical works	Unloading of materials by lorry crane/manually	Cut by sharp edges	Cut on hand and fingers during handling
	Drilling of supports – use of "A" frame ladder	Man falling from "A" frame ladder	Body injuries, fractures of bones, breathing problems and deafness
	Cutting cable tray	Hit by the flying parts of the fibre-cutting machine	Body injury, eye irritation, objects stuck in the eyes and deafness
Mental well-being	Review employees' workload	Excessive workload or work paces	Job burnout, stress and anxiety
	Organisation restructuring	Stress and anxiety	Stress and anxiety
High Risks			
Electrical works	Accessing to heights	Improper access to height	Falling from height causing injury/death to employees
Working at height	Working on gondola (when necessary)	Fall from height	Potential for serious injury/fatality to employees
	Working on gondola (when necessary)	Gondola collapse	Serious/fatal injury to employees
Reinstatement works	Housekeeping	Poor housekeeping	Fire accident (accumulation of flammable material) causing death to people nearby and loss of property

The risk assessment process is as follows: (1) identification of hazards, (2) assessment of the hazard risks, (3) controlling the risks, (4) recording any findings and (5) reviewing the controls. In the event of a reported workplace health risk or incident by any employee, the employee is expected to report the identified risk or incident to his immediate supervisor. The supervisor is expected to resolve the hazard immediately or report to senior management for resolution and corrective actions to be conducted. Prior to any corrective actions, site investigations and interviews will be conducted to understand the reported workplace health risk or incident before determining the corrective actions to be taken.

As the Group engages contractors for technical repair works that involve higher risk to their workplace health and safety, we conduct briefings prior to the start of their work. This briefing is usually conducted for at least an hour per week to remind them of the health and safety risks. The Ministry of Manpower ("MOM") approved "Work at Height" course is also provided for workers who need to work at height. As these potential risks and hazards are communicated to our employees and contractors, it is expected that they comply with the recommended course of action to remain safe while at the workplace.

To further strengthen our safety culture, we provide workplace safety and health training to all foreign technicians once every two years, which aligns with their renewal process for their work permits. Additionally, they are required to attend Continuous and Education Training every two years, depending on their respective specialised training, such as electrical works, plumbing and suspended ceilings. This ensures that workers stay updated with the latest industry standards and safety practices.

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Our collaborative safety culture is reinforced through consistent communication. We have monthly briefings where workers can have a forum to provide feedback on health and safety-related issues. In addition, officers and managers conduct weekly meetings to discuss work-related requirements and address any safety concerns. Experienced employees meet with safety representatives on an ad-hoc basis to provide suggestions for implementation, where feasible.

Health and Working Environment

The Group recognises that fostering a safe and supportive working environment is integral to employee well-being. Our approach to health and the working environment goes beyond safety, promoting a culture of care and comfort.

As part of our ongoing commitment to safety, we conduct daily toolbox meetings that foster open communication and collaboration. Workers are encouraged to voice any concerns about situations that could potentially lead to injury or ill-health without fear of reprisals. In the event of a dangerous situation, our safety representatives will conduct a thorough review and report their findings to the Vice President of Property Management for necessary action.

Our commitment to mitigating negative occupational health and safety impacts includes proactive strategies and solutions. We continuously strive to address potential risks before they arise, ensuring a comprehensive approach to managing both health and safety concerns. The following table reflects our commitment to a holistic safety culture encompassing our infrastructure, knowledge, reporting and rectification:

Safety Culture	Employees	Tenants and Visitors
Infrastructure	<ul style="list-style-type: none"> Safety equipment, such as personal protective equipment, harnesses and ladders, are provided when needed 	<ul style="list-style-type: none"> We conduct lift and escalator maintenance regularly to prevent malfunction Signage of hazards is placed where risks are identified We comply with all regulatory requirements for staircases, doors, escape routes and other similar facilities set out by the BCA and Fire Safety and Shelter Department Fire-fighting and detection equipment are provided where necessary Installation of CCTV cameras and around-the-clock security teams are placed to conduct regular spot checks
Knowledge	<ul style="list-style-type: none"> We provide health and safety training within our property management maintenance teams to ensure that workers are familiar with the safety requirements Training on how to respond during emergencies is provided to equip employees with the knowledge and skills to respond effectively during emergencies 	<ul style="list-style-type: none"> Standard operating procedures are included in the tenant handbook, fire safety handbook and contracts with service providers, to educate them on the procedures to take during emergencies Bi-annual fire and safety drills are conducted to familiarise workers with the steps to take during emergencies
Reporting	<ul style="list-style-type: none"> A reporting protocol is in place for incidents reported by employees 	<ul style="list-style-type: none"> Presence of a safety manager at our properties Mandatory appointment of a fire warden for all tenants An annual occupancy survey is distributed to tenants to appraise our responsiveness to tenant issues, as well as the frequency and quality of our in-house maintenance team
Rectification	<ul style="list-style-type: none"> We perform timely investigation and execution of preventative and corrective action We provide hospitalisation benefits to our employees who are involved in workplace accidents 	<ul style="list-style-type: none"> A reporting protocol is in place for incidents reported by tenants or visitors to allow for timely investigation and execution of preventative and corrective actions

Work-related Injuries and Ill-health

Workplace accidents are closely monitored and recorded by the Property Management department. We are pleased to report that there have been zero fatalities or accidents resulting in permanent injuries involving our employees in Singapore.

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In FY2024, there were zero incidents of major workplace injuries, recordable work-related injuries, ill-health, or fatalities reported among employees and contractors.¹⁷ Out of a total of 168,000 working hours¹⁸ contributed by employees in FY2024, the Group therefore recorded a zero rate of major workplace injuries and fatalities. There were no incidents of non-compliance with health and safety laws resulting in fines or penalties during the year.

Occupational Health and Safety Targets

FY2024 Targets	Performance in FY2024	Status in FY2024
Occupational Health and Safety		
Zero workplace accidents resulting in a fatality or permanent injury	In FY2024, there were zero workplace accidents resulting in a fatality or permanent injury	Met
To conduct workplace health and safety trainings for our employees	In FY2024, we conducted workplace health and safety training for our employees	Met

Targets	Short-term Targets (FY2025)	Medium-term Targets (FY2026 - FY2030)	Long-term Targets (Beyond FY2030)
Occupational Health and Safety			
Zero workplace accidents resulting in a fatality or permanent injury	√	√	√
To conduct workplace health and safety trainings for our employees	√	√	√

TALENT RETENTION

Our employees are vital to our business's success and long-term sustainability. We are committed to creating a workplace that ensures equal opportunities and benefits for everyone. To support their growth, we continuously offer training to our employees to enhance their skills and uphold a policy of non-discrimination across all areas of our operations.

Our Workforce and Diversity

As a responsible organisation, the Group is committed to promoting an inclusive workplace that values diversity in age and gender, ensuring a steady influx of highly skilled talent. Our diverse workforce is a major driving force in creating change and further improvement in the Group.

There were no incidents of discrimination in FY2024.

The Group's Handbook and Terms and Conditions of Employment are aligned and designed to provide employees with general guidelines about our policies, procedures and practices, terms and conditions, as well as the competitive compensation and benefits packages available to them. We base all employment decisions on merit and do not subscribe to a mandatory retirement policy, allowing us to retain individuals beyond the national retirement age.

Additionally, we focus on diversity in our people, as we believe diversity promotes growth when people interact and build on different ideas. We aim to achieve diversity in terms of both age and gender across all employee levels, including Senior Management,¹⁹ Middle Management²⁰ and Executives and Non-executives.²¹ The breakdown of this diversity is disclosed in the graphs below.

As of 31 December 2024, our total employee strength stood at 84, of which 33 are female, equivalent to 39% of the total headcount. Of this number, a total of 5 new employees were hired and 5 employees left the Group. This is equivalent to a new hire rate and turnover rate of 6% each.

¹⁷ This does not include workers who are not employees as they have their own risk assessment systems.

¹⁸ The total working hours were calculated based on a total headcount of 84 employees, who worked for a standard 8 hours every day, for an estimated number of 250 working days in FY2024. The rate was calculated based on 168,000 hours worked.

¹⁹ Senior Management refers to Vice President ("VP") and above.

²⁰ Middle Management refers to an employee who is holding manager title, but does not include assistant manager.

²¹ Executives and Non-executives refer to employees at the executive level other than the managerial staff. Non-executives also include technicians, assistants, secretaries, despatch riders and drivers.

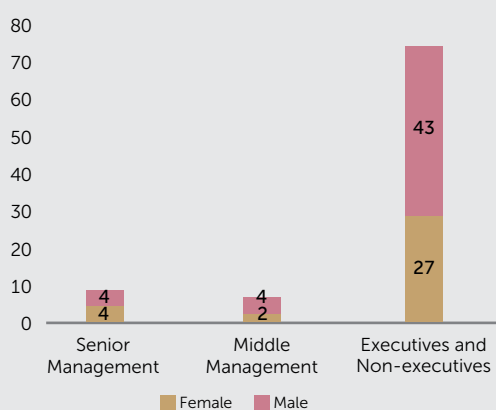
SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

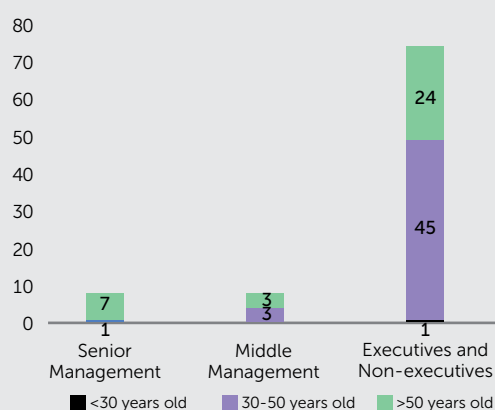
Apart from our employees, we are aware that our Board should also embody essential elements such as diversity in gender and experience to provide an effective Board. As of 31 December 2024, the Board consisted of seven Directors (excluding an Alternate Director), including one female (14%). We also had three independent Directors (43%) on the Board to ensure independence in decision-making.

Please refer to pages 13 and 14 of our Corporate Governance Statement for further details on our Board Diversity Policy, as well as our targets to achieve diversity on the Board.

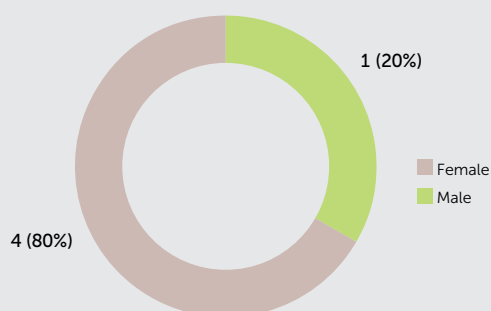
Employees - By Gender and Category



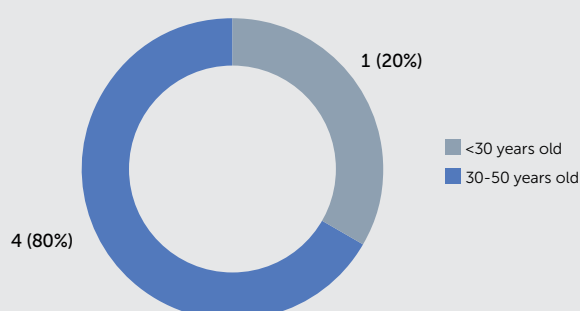
Employees - By Age and Category



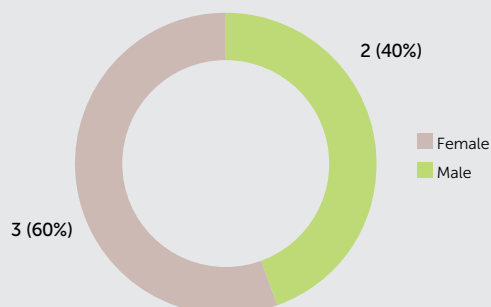
New Employee Hire – By Gender



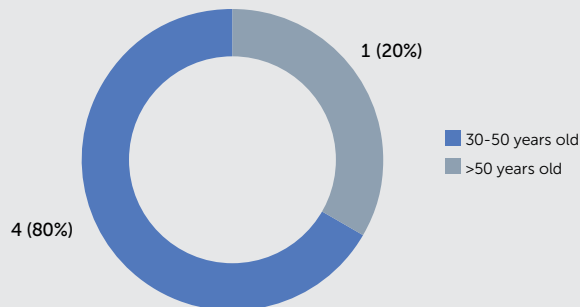
New Employee Hire – By Age



Employee Turnover – By Gender



Employee Turnover – By Age



SUSTAINABILITY REPORT

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Training and Education

While our employees possess a wide range of experience and expertise, we believe in continuous learning and development, which aligns with the ever-changing landscape of the industry and economy. The Group encourages employees to take ownership of their learning and to actively enhance their technical and leadership skills by participating in a range of different internal and external trainings.

In addition to mandatory training designed to advance careers, we also encourage employees to attend re-certification courses to update and maintain their certifications and licenses. Heads of departments oversee and monitor the training hours and developmental progress of employees under their care. They identify the mandatory training required for their employees and ensure full attendance for these trainings.

Our training programs encompass a wide array of topics, including compliance and ethics, financial and accounting training, ESG and climate change training, and tradesman skills. In FY2024, we recorded a total of 547.5 training hours, with each employee participating in an average of 6.5 hours of training. The average training hours per employee are further broken down by gender and employee category as follows:

Average Training Hours By Gender	Male	Female
Average training hours per employee (hours)	3.5	11.1

Average Training Hours By Employee Category	Senior Management	Middle Management	Executives and Non-executives
Average training hours per employee (hours)	9.3	12.8	5.7

We also conduct performance reviews for all staff each year to monitor their progress and reward their achievements. In FY2024, 100%²² of our employees received an annual performance review. Employees who have obtained voluntary certifications are encouraged to monitor their own training and development requirements. Where re-certification is necessary, heads of departments will monitor compliance with these requirements.

Employee Well-being

We strive to ensure that our people feel motivated, safe and secure as well as empowered to carry out their work in the best manner possible. The Group emphasises the importance of ensuring the well-being of our employees. In any instances of changes in operations, we will inform employees in accordance with the minimum notice period as indicated in the employee handbook. For Middle Management and above, a three-month notice period is required, and a one-month notice period applies to the rest of the employees.

We believe that engaged, healthy and happy employees contribute to a progressive and productive workforce and are fundamental to the continuity and growth of our operations. The Group seeks to be an employer for which our employees are proud to work through our contributions to social causes. In doing so, the Group has been donating to beneficiaries such as Kong Meng San Phor Kark See Monastery.

The Group also strongly advocates for the government's pro-family policies and strictly complies with the MOM's guidelines regarding parental and childcare leave. In FY2024, only one employee took maternity leave and eight eligible employees took childcare leave.

In addition, all employees are entitled to a range of benefits including Group Personal Accident and Group Hospitalisation & Surgical insurance coverage, where confirmed employees are eligible to be reimbursed for outpatient medical fees and charges. Our employees are covered under the Work Injury Compensation Act.

Starting from FY2024, we complied with flexible work arrangements in line with the recently launched Tripartite Guidelines on Flexible Work Arrangement Requests. We recognise the growing importance of flexible work options in allowing our employees to remain in the workforce while effectively managing family responsibilities. By complying with this, we aim to foster a more balanced and productive work environment for our employees.

²² It does not include the VPs, secretaries, despatch rider and drivers due to different performance measurement criteria.

SUSTAINABILITY REPORT

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Talent Retention Targets

FY2024 Targets	Performance in FY2024	Status in FY2024
Training and Education		
Conduct annual performance appraisals for all employees	In FY2024, all employees receive annual performance appraisals	Met
Achieve at least 4 training hours for each employee	On average, each employee received 6.5 hours of training in FY2024	Met

Targets	Short-term Targets (FY2025)	Medium-term Targets (FY2026 - FY2030)	Long-term Targets (Beyond FY2030)
Employment			
Continue to provide competitive benefits to employees	√	√	√
Labor/Management Relations			
Continue to inform minimum notice periods to all employees	√	√	√
Training and Education			
Achieve at least 4 average hours of training for each employee	√	√	√
Conduct annual performance appraisals for all employee	√	√	√
Diversity and Equal Opportunity			
Maintain diversity among our employees	√	√	√
Non-discrimination			
Achieve zero incidents of discrimination	√	√	√

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CLIMATE-RELATED DISCLOSURES

Taskforce on Climate-related Financial Disclosures ("TCFD")

As a long-term owner and manager of real estate, the Group recognises the potential for the economic transition to a low-carbon economy to affect our revenue, assets and business operations.

This section marks our third-year journey on how we manage climate-related risks and opportunities with reference to the recommendations of TCFD.

Following the four key pillars recommended by TCFD, we provide disclosures on climate-related aspects of our governance, strategy, risk management and performance metrics and targets, as outlined in the table below:

TCFD Pillar	Recommended Disclosures	Approach/Action	Status in FY2024
Governance	Describe the Board's oversight of climate-related risks and opportunities	<p>The STF has assessed and identified the climate-related risks and opportunities based on the TCFD framework. The STF has also articulated its strategies and mitigation on these risks and opportunities. The consolidated risks and opportunities as well as mitigation strategies were reported to the Board.</p> <p>The Board has collectively reviewed and approved the climate-related risks and opportunities identified by the STF. It endeavours to implement and continuously fine tune its sustainability governance structure by engaging the assistance of the STF and the operational leadership to oversee the climate mitigation strategies. Moving forward, the Board will be updated on the progress at least once a year or whenever necessary.</p>	●
	Describe management's role in assessing and managing climate-related risks and opportunities	<p>The identification and assessment of climate-related risks and opportunities were undertaken by the STF which comprises the Group's senior management, assistant manager and electrical engineer. The STF is supporting the Board to implement the identified climate-related strategies from ground up together with the support of the operational leadership teams.</p> <p>The operational leaders and the STF regularly review the progress and strategies within their operational sites to ensure that the strategies are implemented accordingly.</p> <p>For critical decisions pertaining to sustainability, the STF and operational leaders will agree on and implement the changes accordingly.</p>	●

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TCFD Pillar	Recommended Disclosures	Approach/Action	Status in FY2024									
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	<p>The Group has engaged an external ESG consultant to assist the STF in identifying the climate-related risks and opportunities. The Group defines its time horizon as follows:</p> <ul style="list-style-type: none">• Short-term: less than three years• Medium-term: between three and five years• Long-term: more than 5 years <p>To assess these risks and opportunities, we draw from the Network for Greening the Financial System (“NGFS”) scenarios, adapting them to our business context. The selected scenarios, along with their underlying assumptions and justifications, are summarised in the table below:</p> <table><tr><th>Scenario</th><th>Assumptions</th><th>Justification</th></tr><tr><td>NGFS orderly net zero by 2050: Limit temperature rise to 1.5°C</td><td><ul style="list-style-type: none">• Earlier adoption of climate policies, with gradual tightening• Reach net zero emissions by 2050• Low physical risk but high transition risk</td><td>Aligned with the latest international climate agreement and national commitments</td></tr><tr><td>NGFS hothouse world current policies: Temperature rise exceeding 3°C</td><td><ul style="list-style-type: none">• Preserve currently implemented policies without additional climate policies• Variations in climate policies across different jurisdictions• Emissions increasing until 2080• High physical risk but low transition risk</td><td>Unfavourable outcome and conservative approach</td></tr></table> <p>Please refer to the section on “Climate Risks and Opportunities” for more information.</p>	Scenario	Assumptions	Justification	NGFS orderly net zero by 2050: Limit temperature rise to 1.5°C	<ul style="list-style-type: none">• Earlier adoption of climate policies, with gradual tightening• Reach net zero emissions by 2050• Low physical risk but high transition risk	Aligned with the latest international climate agreement and national commitments	NGFS hothouse world current policies: Temperature rise exceeding 3°C	<ul style="list-style-type: none">• Preserve currently implemented policies without additional climate policies• Variations in climate policies across different jurisdictions• Emissions increasing until 2080• High physical risk but low transition risk	Unfavourable outcome and conservative approach	●
		Scenario	Assumptions	Justification								
		NGFS orderly net zero by 2050: Limit temperature rise to 1.5°C	<ul style="list-style-type: none">• Earlier adoption of climate policies, with gradual tightening• Reach net zero emissions by 2050• Low physical risk but high transition risk	Aligned with the latest international climate agreement and national commitments								
		NGFS hothouse world current policies: Temperature rise exceeding 3°C	<ul style="list-style-type: none">• Preserve currently implemented policies without additional climate policies• Variations in climate policies across different jurisdictions• Emissions increasing until 2080• High physical risk but low transition risk	Unfavourable outcome and conservative approach								
Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy and financial planning	Please refer to the section on “Climate Risks and Opportunities” for more information.	●										
Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>The Group has integrated climate-related scenarios into its risk and opportunity assessments to inform strategic decision-making.</p> <p>Please refer to the section on “Climate Risks and Opportunities” for more information.</p>	●										

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

TCFD Pillar	Recommended Disclosures	Approach/Action	Status in FY2024
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Climate-related risks are primarily identified through the results of our climate-related risk assessment. The key climate-related risks facing the Group are outlined in the section on "Climate Risks and Opportunities".	●
	Describe the organisation's processes for managing climate-related risks	The Group manages its climate-related risks on an asset-level basis. Our climate risk assessment is conducted for all assets owned by the Group in Singapore and Hong Kong. The leadership at asset level will meet with the Group's Management regularly to highlight potential climate-related risks and undertake appropriate contingency planning and actions to mitigate these risks.	●
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	As part of managing the overall risk management, the Board and management team will undertake a periodic review of the identified climate-related risks and the risk management approach.	●
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	The Group recognises that the consumption of energy is indispensable within its operations coupled with the increasing awareness and emphasis placed on the measurement of one's carbon footprint and has been continuously tracking the carbon footprint of our properties. This allows the Group to be better informed of our carbon footprint and begin reducing our carbon footprint on the environment. Scope 1 emissions arise from our direct consumption of fossil fuels while Scope 2 emissions arise from electricity consumption procured from the electricity providers.	●
	Disclose Scope 1, ²³ Scope 2 ²⁴ and if appropriate, Scope 3 ²⁵ GHG emissions and the related risks	As progressed from our first year of tracking GHG emissions in FY2022, the Group continues to track Scope 1 and 2 emissions respectively according to the GHG accounting protocol. In line with SGX-ST's phased implementation approach for TCFD adoption, the Group shall evaluate the need to quantify and monitor Scope 3 GHG emissions in the subsequent sustainability report when it becomes mandatory. For our energy consumption and emissions performance, please refer to the data disclosed in the section on "Energy and Emissions Management".	●
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	The Group shall continue to monitor its emissions footprint and quantitative emissions reduction targets. The Group is evaluating other metrics that may potentially warrant inclusion as targets to manage climate-related risks.	●

Status: ● Implemented

The table above summarises our considerations of each element in our disclosures. With the increasingly volatile climate, our implementations and alignment of our disclosures will evolve.

²³ Scope 1 GHG emissions which are emissions resulting from the sources owned or controlled by the Group.

²⁴ Scope 2 GHG emissions are resulted from the generation of purchased electricity consumed by the Group.

²⁵ Scope 3 GHG emissions are emissions from sources not owned or controlled by the Group such as the Group's value chain.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

Climate Risks and Opportunities

The Group has aligned the identification of our climate-related risks and opportunities with the TCFD framework which considers the following:

- Transition risks: include changes to policy and legal obligations, technological innovation, changing market demand for products and changing stakeholders' expectations
- Physical risks: risks relating to the physical impacts of climate change (both acute and chronic)

The table below reflects the Group's understanding of the most significant climate-related risks that is relevant to our business by considering inputs from Senior Management with the assistance of an external consultant. We recognise that the list is not exhaustive and we will continue to enhance our understanding and responses to these risks.

Transition and Physical Risks	Description	Risk Mitigation
Transition Risks (Policy and Legal)	<p>The Singapore government has announced a roadmap to gradually increase carbon taxes. The carbon taxes will increase operational expenses.</p> <p>The carbon tax has been increased to \$25/tCO₂e in 2024 from \$5/tCO₂e in 2023. Carbon tax is expected to be raised to \$45/tCO₂e in 2026 and 2027. By 2030, the rate of carbon tax is expected to reach \$50-\$80/tCO₂e.</p> <p>Impact Area:</p> <ul style="list-style-type: none"> • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline • YOTEL <p>Time period:²⁶ Short, Medium, Long</p> <p>Likelihood:²⁷ Certain</p> <p>Financial Impact: The Group does not have direct impacts from higher carbon taxes but may experience higher operational costs indirectly through increasing electricity prices.</p> <p>As part of our enhancement of climate-related disclosures, we conducted a more quantitative evaluation of our transition climate risks in FY2024, focusing on the indirect impact of electricity prices which could result from higher carbon taxes in Singapore. Singapore's carbon tax rate is set to increase from \$5/tCO₂e in 2023 to \$25/tCO₂e in 2024 with a view to reaching \$50 - \$80/tCO₂e by 2030. Based on the costs of electricity in 2023 and the carbon taxes announced by the Singapore government, we have estimated that our electricity costs could potentially increase by up to 10.2% by 2030.²⁸</p>	<p>The Group has implemented several initiatives aimed at improving energy efficiency and reducing carbon emissions, including:</p> <ul style="list-style-type: none"> • We have installed a Building Automation System which pre-sets temperatures and monitors the air conditioning system in The Concourse • The Concourse used a significant amount of green electricity from an electricity retailer. The adoption of green electricity will reduce carbon emissions and support Singapore's transition to widely adopt "Green Energy" in power generation and reduce carbon emissions by 2030 • YOTEL is currently pursuing certification from the Global Sustainable Tourism Council ("GSTC"), which offers a portal for effectively monitoring, managing and calculating carbon emission reductions <p>Over the longer term, the Group will consider the following measures:</p> <ul style="list-style-type: none"> • Regular assessment of the latest technology available to improve energy efficiency • Assess the feasibility of installing more energy-efficient systems, such as installing solar panels at The Concourse • Continue to educate tenants • Fit common areas with motion sensors and LED lights • Install meters to monitor energy and water consumption and cooling systems

²⁶ Time period: Short: less than 3 years, Medium: between 3 and 5 years, Long: more than 5 years.

²⁷ Likelihood: Possible, Likely, Certain

²⁸ The quantitative evaluation of potential financial impact which could result from higher carbon taxes in Singapore is limited and subject to certain key assumptions around pass-thru costs, future fuel prices and fuel mix of the grid, among others.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

Transition and Physical Risks	Description	Risk Mitigation
Transition Risks (Policy and Legal)	<p>Changes in built environment regulations could lead to more stringent energy performance for the Group's buildings. Changes in Singapore's building requirements are reflected in the Singapore Green Building Masterplan which contains three overarching targets for the built environment:</p> <ul style="list-style-type: none"> • Green 80% of Singapore buildings by 2030 • 80% of new buildings to be SLE buildings from 2030 • Best-in-class green buildings to see an 80% improvement in energy efficiency (over 2005 levels) by 2030 <p>Impact Area:</p> <ul style="list-style-type: none"> • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline • YOTEL 	<p>The Group has contributed to the Singapore Green Plan 2030²⁹ Greener Infrastructure and Buildings targets by having Green Mark certification for International Building and initiating the SLE certification process for The Concourse. According to Building Energy Benchmarks Report (2024),³⁰ the Group has maintained its Energy Use Intensity ("EUI") at the top of the 2nd quartile.³¹</p> <p>As part of our commitment to sustainability, YOTEL is exploring to upgrade its chiller system to meet the new criteria for Green Mark certification by 2030. Additionally, we conduct energy audits every three years with external professional engineers as required by the BCA. These audits ensure that our building consistently maintains high energy efficiency standards.</p>
	Time period: Short, Medium, Long	
	Likelihood: Certain	
	Financial Impact: Increased costs to assess and maintain Green Mark certification and mitigation practices for alignment	<p>The Group shall continue to assess the feasibility to achieve or maintain Green Mark certification on all investment properties in Singapore.</p> <p>The Group engaged and will continue to engage with the service provider to provide retail cooling services to its properties to maintain sustainable operations and Green Mark Certification over the longer term.</p>
		<p>The Group has also played a part in achieving Singapore Green Plan 2030 "Cleaner-energy Vehicles" targets by installing a total of four EV charging stations in The Concourse, Concourse Skyline and International Building.</p> <p>The Group shall continue to identify innovative low carbon technologies and energy-saving measures to maintain Green Mark certification and energy efficiency. This commitment aligns with the objectives of the Singapore Green Plan 2030 and the broader goal of achieving net zero emissions by 2050.</p>
	<p>The publication of the Singapore-Asia taxonomy in December 2023 provides criteria on what types of real estate activities can be considered green or transitioning. This could lead to more stringent bank financing as more capital is channelled to sustainable activities</p> <p>Impact Area:</p> <ul style="list-style-type: none"> • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline • YOTEL 	<p>The Group will explore green loans or the sustainability-linked loan market when the property that is to be secured for the loan qualifies for the criteria required.</p>
	Time period: Short, Medium, Long	
	Likelihood: Certain	
	Financial Impact: More stringent bank financing	

²⁹ Singapore Green Plan 2030 has set out five key pillars with ambitious and concrete targets as seen in <https://www.greenplan.gov.sg/targets/>.

³⁰ BCA Building Energy Benchmarking Report (2024) can be accessed at: <https://www1.bca.gov.sg/docs/default-source/docs-corp-buildsg/sustainability/bca-building-energy-benchmarking-report-and-data-2024.xlsx>

³¹ Energy Use Intensity ("EUI") Benchmark for Office Buildings:

- Top quartile: EUI ≤ 109 kWh/m²·yr
- 2nd quartile: EUI = 109 – 142 kWh/m²·yr
- 3rd quartile: EUI = 142 – 184 kWh/m²·yr
- Bottom quartile: EUI > 184 kWh/m²·yr

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

Transition and Physical Risks	Description	Risk Mitigation
Transition Risk (Market)	<p>A shift in customer preferences towards sustainable materials leads to an increasing number of tenants seeking assets with high-performing green credentials. Green cements, which incorporate alternative materials or methods to lower carbon footprints, will be a critical technology to meet these evolving consumer demands.</p> <p>Impact Area:</p> <ul style="list-style-type: none"> • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline • YOTEL • Magazine Gap Towers • Magazine Heights • Upper Roof and Parking Spaces of THE ICON 	<p>The Group may conduct continuous assessment for the feasibility of utilising green materials for its building projects.</p> <p>At YOTEL, we are actively pursuing GTSC certification, which requires the adoption of greener materials and sustainable practices. In line with this commitment, we have implemented several initiatives to promote sustainability, such as encouraging guests to reduce or forgo daily room servicing. Additionally, we are transitioning to biodegradable products across our guest rooms and food & beverage outlets, including bamboo toothbrushes and biodegradable takeaway utensils. By mid-2025, we aim to eliminate single-use plastic water bottles throughout the hotel.</p>
	Time period: Medium, Long	
	Likelihood: Likely	
	<p>Financial Impact:</p> <ul style="list-style-type: none"> • Increased initial cost • Delayed project schedule 	
Physical Risks (Acute)	<p>The Group may experience greater frequency of acute weather events such as flooding, arising from extreme rainfall events. Physical infrastructure damage, supply chain disruption, and subsequent work stoppages may all be potential consequences.</p> <p>Impact Area:</p> <ul style="list-style-type: none"> • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline • YOTEL • Magazine Gap Towers • Magazine Heights • Upper Roof and Parking Spaces of THE ICON 	<p>The government of Singapore is taking the necessary actions to avoid the occurrence of floods in downtown areas where our properties are located. In addition to existing climate adaptation measures, such as compliance with PUB's flood prevention regulations, risks - such as disruptions to business, physical infrastructure damage, value chain disruptions and negative health impacts - shall be mitigated and addressed appropriately with action plans involving the supply chain.</p> <p>At YOTEL, we support these efforts by proactively monitoring weather forecasts and implementing preparedness measures. These include providing umbrellas for in-house guests, placing floor mats in wet areas for safety and inspecting drainage systems, such as floor traps and basement pumps, to ensure they function effectively during heavy rainfall.</p> <p>In Hong Kong, our properties comply with local building regulations designed to withstand extreme weather events, such as heavy rainfall and typhoons. These regulations ensure the structural integrity of our buildings, minimising the risk of operational disruptions.</p>
	Time period: Medium, Long	
	Likelihood: Certain	
	<p>Financial Impact:</p> <ul style="list-style-type: none"> • Increased cost to mitigate against flooding events • Reduced revenue or delayed revenue recognition • Declined property value 	

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

Transition and Physical Risks	Description	Risk Mitigation
Physical Risks (Chronic)	<p>The prevalence of higher average ambient temperatures may lead to higher cooling and heating, ventilation and air conditioning ("HVAC") operating costs. Extreme temperature changes may also affect employees' health. This could include increased thermal discomfort and the risks of heat-related illnesses which may result in temporary work stoppages.</p> <p>Impact Area:</p> <ul style="list-style-type: none"> • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline • YOTEL • Magazine Gap Towers • Magazine Heights • Upper Roof and Parking Spaces of THE ICON <p>Time period: Medium, Long</p> <p>Likelihood: Certain</p> <p>Financial Impact:</p> <ul style="list-style-type: none"> • Increased operational expenses 	<p>The Group's strategic action plans to both directly and indirectly control its environmental impacts on emission generation and temperature increase include:</p> <ul style="list-style-type: none"> • Green initiatives: Landscaping at all the roof terraces of The Concourse has been a key focus of our sustainability efforts. In FY2023, we extended our greening efforts and planted green groves on the 38th and 39th floors of the building. This greenery will help us which will directly contribute to natural cooling of the surrounding air temperature • Energy efficiency upgrades: As part of our ongoing sustainability efforts, we have upgraded lighting and HVAC systems, replacing air-conditioning units, fans and motors with more energy-efficient models to lower energy consumption • Renewable energy: The Concourse uses a significant amount of green electricity sourced from a renewable energy retailer and we have also installed additional EV chargers to support sustainability goals • Tenant education • Digital monitoring • Building Management System ("BMS"): We have implemented BMS at YOTEL to centralise the control of temperature and humidity levels in YOTEL, ensuring optimal comfort while minimising energy consumption • HVAC Maintenance and Optimisation: Routine inspections and maintenance are conducted on HVAC systems, including regular air filter replacements and refrigerant checks to ensure efficient operation. Additionally, we are replacing older air-conditioning units with more energy-efficient models as part of our ongoing upgrade program. We also set temperature settings across different building zones to minimise energy waste by avoiding unnecessary cooling in unoccupied areas

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

Although the Group is exposed to climate-related risks, it has also identified climate-related opportunities, which are disclosed in the following table.

Opportunities	Description	Management's Response
Energy Source	<p>Regulatory changes in Hong Kong's Building Regulation may lead to decreased operating costs. The Hong Kong government has tightened regulations regarding floor area increases in private buildings. Previously, developers were allowed to increase floor area by incorporating green and amenity features. However, the revised policy includes the following changes:</p> <ul style="list-style-type: none"> • Elimination of concessions for certain features • Reduced concession levels for features such as car parks, balconies, utility platforms and residential recreational facilities • Imposition of an overall cap of 10% for features that still qualify for concessions • For new buildings, to obtain concessions, developers are required to integrate sustainable design elements, such as enhanced building separation, improved building permeability, setbacks and greenery. Additionally, developers must provide detailed environmental and energy consumption information as part of the approval process <p>Impact Area:</p> <ul style="list-style-type: none"> • Magazine Gap Towers • Magazine Heights • Upper Roof and Parking Spaces of THE ICON <p>Time period: Short, Medium, Long</p> <p>Likelihood: Certain</p> <p>Financial Impact: Integration of sustainable design elements into new developments is expected to enhance energy performance and reduce operating costs.</p>	The Group will continue to monitor these requirements to assess their impact on operating costs.
Market	<p>A shift in customer preferences towards energy-efficient buildings leads to an increased demand for green products and services. This trend presents an opportunity to leverage a green rental premium as tenants are increasingly willing to pay higher rents for energy-efficient properties.</p> <p>Impact Area:</p> <ul style="list-style-type: none"> • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline • YOTEL • Magazine Gap Towers • Magazine Heights • Upper Roof and Parking Spaces of THE ICON <p>Time period: Medium, Long</p> <p>Likelihood: Likely</p> <p>Financial Impact: Increase in revenue by tapping on the green rental premium created by increased demand for energy-efficient buildings.</p>	The Group will continue to monitor market trends and make necessary improvements to ensure they meet the demand for more energy-efficient buildings.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

SGX-ST Six Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	<ul style="list-style-type: none"> Materiality Assessment
2	Climate-related disclosures consistent with the TCFD recommendations	<ul style="list-style-type: none"> Climate-related Disclosures
3	Policies, Practices and Performance	<ul style="list-style-type: none"> Governance and Ethics
4	Board Statement	<ul style="list-style-type: none"> Sustainability Governance Structure
5	Targets	<ul style="list-style-type: none"> Governance and Ethics Environmental Responsibility Building and Facilities Management Occupational Health and Safety Talent Retention
6	Framework	<ul style="list-style-type: none"> About This Report

GRI CONTENT INDEX

Statement of use	Hong Fok Corporation Limited has reported with reference to the GRI Standards for the period from 1 January 2024 to 31 December 2024
GRI 1 used	GRI 1: Foundation 2021

GRI Standard/ Other Source	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	Annual Report (pages 6 and 7)
	2-2 Entities included in the organisation's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	About This Report
	2-5 External Assurance	About This Report
	2-6 Activities, value chain and other business relationships	Annual Report (pages 6 and 7)
	2-7 Employees	Talent Retention <ul style="list-style-type: none"> Our Workforce and Diversity
	2-8 Workers who are not employees	Building and Facilities Management
	2-9 Governance structure and composition	Governance and Ethics <ul style="list-style-type: none"> Sustainability Governance Structure
	2-10 Nomination and selection of the highest governance body	Annual Report (Corporate Governance Statement)
	2-11 Chair of the highest governance body	Annual Report (Corporate Governance Statement)
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance and Ethics <ul style="list-style-type: none"> Sustainability Governance Structure
	2-13 Delegation of responsibility for managing impacts	Governance and Ethics <ul style="list-style-type: none"> Sustainability Governance Structure
	2-14 Role of the highest governance body in sustainability reporting	Governance and Ethics <ul style="list-style-type: none"> Sustainability Governance Structure
	2-15 Conflicts of interest	Annual Report (Corporate Governance Statement)
	2-16 Communication of critical concerns	Governance and Ethics <ul style="list-style-type: none"> Whistle-blowing Policy
	2-17 Collective knowledge of the highest governance body	Governance and Ethics <ul style="list-style-type: none"> Sustainability Governance Structure
	2-18 Evaluation of the performance of the highest governance body	Annual Report (Corporate Governance Statement)
	2-19 Remuneration policies	Annual Report (Corporate Governance Statement)
	2-20 Process to determine remuneration	Annual Report (Corporate Governance Statement)

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

GRI Standard/ Other Source	Disclosure	Location
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	Not disclosed due to confidentiality reasons
	2-22 Statement on sustainable development strategy	Board Statement
	2-23 Policy commitments	Governance and Ethics <ul style="list-style-type: none"> Business Ethics
	2-24 Embedding policy commitments	Governance and Ethics <ul style="list-style-type: none"> Business Ethics
	2-25 Processes to remediate negative impacts	Governance and Ethics <ul style="list-style-type: none"> Whistle-blowing Policy
	2-26 Mechanisms for seeking advice and raising concerns	Governance and Ethics <ul style="list-style-type: none"> Whistle-blowing Policy
	2-27 Compliance with laws and regulations	Governance and Ethics <ul style="list-style-type: none"> Corporate Compliance Environmental Compliance
	2-28 Membership associations	We are a member of the <ul style="list-style-type: none"> Real Estate Developers' Association of Singapore Orchard Road Business Association
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment <ul style="list-style-type: none"> Stakeholder Engagement
	2-30 Collective bargaining agreements	Not applicable. The Group has no collective bargaining agreements
Disclosure of Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder Engagement and Materiality Assessment <ul style="list-style-type: none"> Materiality Assessment
	3-2 List of material topics	Stakeholder Engagement and Materiality Assessment <ul style="list-style-type: none"> Materiality Assessment
Governance and Ethics		
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance and Ethics
	201-2 Financial implications and other risks and opportunities due to climate change	Climate-related Disclosures
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance and Ethics <ul style="list-style-type: none"> Anti-corruption and Anti-money Laundering Policy
	205-2 Communication and training on anti-corruption policies and procedures	Governance and Ethics <ul style="list-style-type: none"> Anti-corruption and Anti-money Laundering Policy
	205-3 Confirmed incidents of corruption and actions taken	Governance and Ethics <ul style="list-style-type: none"> Anti-corruption and Anti-money Laundering Policy
GRI 207: Tax 2019	207-1 Approach to tax	Governance and Ethics <ul style="list-style-type: none"> Tax
	207-2 Tax governance, control, and risk management	Governance and Ethics <ul style="list-style-type: none"> Tax
	207-3 Stakeholder engagement and management of concerns related to tax	Governance and Ethics <ul style="list-style-type: none"> Tax

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

GRI Standard/ Other Source	Disclosure	Location
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Governance and Ethics • Supply Chain Management
	308-2 Negative impacts in the supply chain and actions taken	Governance and Ethics • Supply Chain Management
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Governance and Ethics • Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	Governance and Ethics • Supply Chain Management
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance and Ethics • Data Privacy and Protection
Environmental Responsibility		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Responsibility
GRI 302: Energy 2019	302-1 Energy consumption within the organisation	Environmental Responsibility • Energy and Emissions Management
	302-3 Energy intensity	Environmental Responsibility • Energy and Emissions Management
	302-4 Reduction of energy consumption	Environmental Responsibility • Energy and Emissions Management
	302-5 Reductions in energy requirements of products and services	Environmental Responsibility • Energy and Emissions Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environmental Responsibility • Water Management
	303-2 Management of water discharge related impacts	Environmental Responsibility • Water Management
	303-5 Water consumption	Environmental Responsibility • Water Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Responsibility • Energy and Emissions Management
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Responsibility • Energy and Emissions Management
	305-4 GHG emissions intensity	Environmental Responsibility • Energy and Emissions Management
	305-5 Reduction of GHG emissions	Environmental Responsibility • Energy and Emissions Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental Responsibility • Waste Management
	306-2 Management of significant waste related impacts	Environmental Responsibility • Waste Management
	306-3 Waste generated	Environmental Responsibility • Waste Management
	306-4 Waste diverted from disposal	Environmental Responsibility • Waste Management
	306-5 Waste directed to disposal	Environmental Responsibility • Waste Management

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

GRI Standard/ Other Source	Disclosure	Location
Building and Facilities Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Building and Facilities Management
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Building and Facilities Management
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Building and Facilities Management
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety • Occupational Health and Safety Management
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety • Occupational Health and Safety Management • Health and Working Environment
	403-3 Occupational health services	Occupational Health and Safety • Occupational Health and Safety Management
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety • Occupational Health and Safety Management
	403-5 Worker training on occupational health and safety	Occupational Health and Safety • Occupational Health and Safety Management
	403-6 Promotion of worker health	Talent Retention • Employee Well-being
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety • Health and Working Environment
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety • Occupational Health and Safety Management
	403-9 Work-related injuries	Occupational Health and Safety • Work-related Injuries and Ill-health
	403-10 Work-related ill-health	Occupational Health and Safety • Work-related Injuries and Ill-health
Talent Retention		
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Retention
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent Retention • Our Workforce and Diversity
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Retention • Our Workforce and Diversity • Employee Well-being
	401-3 Parental leave	Talent Retention • Employee Well-being

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2024

GRI Standard/ Other Source	Disclosure	Location
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Talent Retention • Employee Well-being
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Retention • Training and Education
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Retention • Training and Education
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Retention • Training and Education
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Talent Retention • Our Workforce and Diversity
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Talent Retention • Our Workforce and Diversity

TCFD Content Index

TCFD Recommendations		Section Reference
Governance	(a) Board's oversight of climate-related risks (b) Management's role in assessing and managing climate-related risks	Climate-related Disclosures
Strategy	(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term (b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning (c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Climate-related Disclosures
Risk Management	(a) Describe the organisation's processes for identifying and assessing climate-related risks (b) Describe the organisation's processes for managing climate-related risks (c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Climate-related Disclosures
Metrics and Targets	(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process (b) Disclose Scope 1, Scope 2 and if appropriate, Scope 3 GHG emissions and the related risks (c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Climate-related Disclosures

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2024

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

In our opinion:

- (a) the financial statements set out on pages 80 to 131 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance, changes in equity of the Group and of the Company and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

DIRECTORS

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

Executive Directors

Mr Cheong Pin Chuan
Mr Cheong Sim Eng
Ms Cheong Hooi Kheng

Non-executive Non-independent Director

Mr Chan Pengee, Adrian

Non-executive Independent Directors

Mr Chong Weng Hoe
Mr Kwik Sam Aik
Mr Tan Kok Kwee (Appointed on 1 February 2024)

Alternate Director

Mr Cheong Tze Hong, Marc
(Alternate Director to Mr Cheong Pin Chuan)

DIRECTORS' INTERESTS

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

Name of Director and Corporation in which Interests are Held	Holdings at Beginning of the Year	Holdings at End of the Year
Hong Fok Corporation Limited		
Ordinary shares		
Mr Cheong Pin Chuan		
– direct interest held	20,969,328	20,969,328
– deemed interests	150,323,053	150,323,053
Mr Cheong Sim Eng		
– direct interest held	114,431,756	114,431,756
– deemed interests	53,659,778	53,659,778
Ms Cheong Hooi Kheng		
– direct interest held	14,832,180	14,832,180
Mr Cheong Tze Hong, Marc		
– direct interest held	2,000,000	2,000,000

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2024

Name of Director and Corporation in which Interests are Held	Holdings at Beginning of the Year	Holdings at End of the Year
Hong Fok Land International Limited		
Ordinary shares		
Mr Cheong Pin Chuan – deemed interests	22,835,343	22,835,343
Ms Cheong Hooi Kheng – direct interest held	13,444,418	13,444,418

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

There were no changes in any of the abovementioned interests in the Company between the end of the financial year and as at 21 January 2025.

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

SHARE OPTIONS

During the financial year, there were:

- (a) no options granted by the Company or any of its subsidiary corporations to any person to take up unissued shares in the Company or its subsidiary corporations; and
- (b) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

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

AUDIT AND RISK MANAGEMENT COMMITTEE

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

- (a) 1 January 2024 till the conclusion of the Annual General Meeting held on 29 April 2024 (the "2024 AGM")

Mr Kwik Sam Aik (Chairman)
Mr Chan Pengee, Adrian
Mr Chong Weng Hoe

- (b) After the conclusion of the 2024 AGM and at the date of this statement

Mr Tan Kok Kwee (Chairman)
Mr Kwik Sam Aik
Mr Chong Weng Hoe

The Audit and Risk Management Committee performs the functions specified in Section 201B of the Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance 2018.

The Audit and Risk Management Committee has held four meetings since the last Directors' Statement. In performing its functions, the Audit and Risk Management Committee met with the Company's external and internal auditors to discuss the scope of their work (including the external auditors' audit plan), the results of their examination (including the external auditors' audit report) and evaluation of the Company's internal accounting control system.

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2024

The Audit and Risk Management Committee also reviewed the following:

- assistance provided by the Group's officers and the Company's officers to the internal and external auditors;
- condensed interim financial statements and annual financial statements of the Group and the Company prior to their submission to the Directors of the Company for adoption;
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST); and
- the scope and results of the Group's internal audit procedures.

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

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

In appointing our auditors for the Company, subsidiary corporations and significant associated companies, we have complied with Rules 712 and 715 of the Listing Manual of the SGX-ST.

AUDITORS

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

ON BEHALF OF THE BOARD OF DIRECTORS

CHEONG SIM ENG

Director

CHEONG HOOI KHENG

Director

28 March 2025

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2024

MEMBERS OF THE COMPANY HONG FOK CORPORATION LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hong Fok Corporation Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and the statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 80 to 131.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income 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)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Valuation of investment properties (Refer to Note 7 to the Financial Statements)

Risk:

The Group has a portfolio of investment properties located in Singapore and Hong Kong. Investment properties represent the single largest category of assets on the consolidated statement of financial position, amounting to \$3,497,522,000, 95.8% (2023: \$3,466,696,000, 94.6%) of total assets as at 31 December 2024.

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement and estimate regarding the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied and a small change in the assumptions can have a significant impact to the valuation.

Our response:

We evaluated the qualifications, competence and objectivity of the external valuers and held discussions with the valuers to understand their valuation methodologies and assumptions used.

We considered the valuation methodologies used against those applied by other valuers for similar property types and the requirements under the listing rules. We evaluated the appropriateness of the key assumptions used in the valuations, which included discount rate, terminal capitalisation rate and prices per square feet by comparing them against historical rates, market comparable and industry data, taking into consideration comparability and market factors.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2024

Our findings:

The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work.

The valuation methodologies adopted by the valuers are in line with generally accepted market practices and meet the requirements under the listing rules. The key assumptions used in the valuations were supported by the evidence available and are within the range of industry and market data. The disclosures in the financial statements are appropriate.

Other Information

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2024

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Voo Poh Jee.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore

28 March 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Non-current Assets					
Property, plant and equipment	4	2,200	1,484	—	—
Right-of-use assets	33	690	180	—	—
Subsidiaries	5	—	—	853,278	853,278
Investment properties	7	3,497,522	3,466,696	—	—
Other assets	8	276	315	—	—
Other investments	9	#	#	—	—
Pledged bank deposits	14	2,550	3,789	—	—
		3,503,238	3,472,464	853,278	853,278
Current Assets					
Other investments	9	11,554	16,674	—	—
Development properties	11	96,111	108,981	—	—
Trade and other receivables	12	5,888	3,591	47	32
Amounts due from subsidiaries	13	—	—	275,607	258,968
Current tax assets		4	3	—	—
Cash and cash equivalents	14	33,523	63,517	1,241	1,159
		147,080	192,766	276,895	260,159
Total Assets		3,650,318	3,665,230	1,130,173	1,113,437
Equity Attributable to Owners of the Company					
Share capital	15	186,688	186,688	186,688	186,688
Treasury shares	15	(143,670)	(143,670)	(42,620)	(42,620)
Reserves	16	2,273,077	2,246,578	607,065	615,499
		2,316,095	2,289,596	751,133	759,567
Non-controlling interests	6	614,504	604,135	—	—
Total Equity		2,930,599	2,893,731	751,133	759,567
Non-current Liabilities					
Loans and borrowings	17	658,872	712,688	—	—
Trade and other payables	18	16,055	10,828	—	—
Lease liabilities	33	380	45	—	—
Amount due to a subsidiary	13	—	—	290,020	—
Deferred tax liabilities	10	271	502	—	—
		675,578	724,063	290,020	—
Current Liabilities					
Trade and other payables	18	37,726	40,331	1,579	1,515
Lease liabilities	33	329	150	—	—
Contract liabilities	20	101	41	—	—
Amounts due to subsidiaries	13	—	—	87,441	352,355
Current tax liabilities		5,985	6,914	—	—
		44,141	47,436	89,020	353,870
Total Liabilities		719,719	771,499	379,040	353,870
Total Equity and Liabilities		3,650,318	3,665,230	1,130,173	1,113,437

Amount less than \$1,000.

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

STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue	20	104,319	110,601	–	–
Other income	21	902	159	–	–
		105,221	110,760	–	–
Depreciation of property, plant and equipment	4	(463)	(599)	–	–
Depreciation of right-of-use assets	33	(329)	(394)	–	–
Gain on disposal of property, plant and equipment		26	14	–	–
Gain on revaluation of investment properties	7	11,841	87,110	–	–
Loss on disposal of investment property		–	(74)	–	–
(Impairment loss)/Impairment loss written back on other assets	8	(41)	53	–	–
Changes in fair value of other investments at fair value through profit or loss		1,383	1,326	–	–
Cost of sales of development properties		(13,924)	(15,024)	–	–
Impairment loss on trade receivables, net	28	(#)	(109)	–	–
Bad debts written off, net		(14)	–	–	–
Loss on redemption of Hong Kong dollar unsecured bonds		(23)	–	–	–
Commitment fee on unutilised bank facilities		(1,401)	(1,400)	–	–
Employee benefit expenses	22	(28,155)	(23,419)	–	–
Lease expenses	33	(237)	(202)	–	–
Maintenance expenses		(10,329)	(10,269)	–	–
Professional fees		(1,300)	(1,130)	(392)	(302)
Property tax		(7,046)	(6,666)	–	–
Rental commission		(997)	(934)	–	–
Exchange gain/(loss), net		352	(400)	941	(522)
Other expenses		(3,858)	(3,503)	(792)	(653)
		50,706	135,140	(243)	(1,477)
Finance income	23	2,566	2,488	2	22
Finance expense	23	(37,643)	(38,555)	–	–
Net finance (expense)/income	23	(35,077)	(36,067)	2	22
Profit/(Loss) before tax	24	15,629	99,073	(241)	(1,455)
Tax expense	25	(1,439)	(4,055)	–	–
Profit/(Loss) for the year		14,190	95,018	(241)	(1,455)
Profit/(Loss) attributable to:					
Owners of the Company		23,744	88,068	(241)	(1,455)
Non-controlling interests	6	(9,554)	6,950	–	–
Profit/(Loss) for the year		14,190	95,018	(241)	(1,455)
Earnings per share (cents):					
Basic	27	3.70	13.72		
Diluted	27	3.70	13.72		

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

STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Profit/(Loss) for the year		14,190	95,018	(241)	(1,455)
Other comprehensive income, net of tax					
<i>Items that are or may be reclassified subsequently to Profit or Loss:</i>					
Exchange differences on translation of financial statements of foreign subsidiaries		16,016	(9,178)	–	–
Exchange differences on monetary items forming part of net investments in foreign subsidiaries		1,026	(571)	–	–
Other comprehensive income for the year, net of tax*		17,042	(9,749)	–	–
Total comprehensive income for the year		31,232	85,269	(241)	(1,455)
Total comprehensive income attributable to:					
Owners of the Company		31,308	83,759	(241)	(1,455)
Non-controlling interests	6	(76)	1,510	–	–
Total comprehensive income for the year		31,232	85,269	(241)	(1,455)

Amount less than \$1,000.

* There was no tax effect on the components included in other comprehensive income.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

Group	Note	Attributable to Owners of the Company					Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
		Share Capital \$'000	Treasury Shares \$'000	Capital and Other Reserves \$'000	Translation Reserves \$'000	Retained Profit \$'000			
At 1 January 2023		186,688	(143,573)	543	(12,972)	2,181,534	2,212,220	602,452	2,814,672
Total comprehensive income for the year									
Profit for the year		–	–	–	–	88,068	88,068	6,950	95,018
Other comprehensive income									
Exchange differences on translation of financial statements of foreign subsidiaries		–	–	42	(3,780)	–	(3,738)	(5,440)	(9,178)
Exchange differences on monetary items forming part of net investments in foreign subsidiaries		–	–	–	(571)	–	(571)	–	(571)
Total other comprehensive income, net of tax		–	–	42	(4,351)	–	(4,309)	(5,440)	(9,749)
Total comprehensive income for the year		–	–	42	(4,351)	88,068	83,759	1,510	85,269
Transactions with Owners, recorded directly in Equity									
Distributions to Owners									
Own shares acquired	15	–	(97)	–	–	–	(97)	–	(97)
Issuance of bonds by a subsidiary	16	–	–	131	–	–	131	173	304
Dividend paid	26	–	–	–	–	(6,417)	(6,417)	–	(6,417)
Total Transactions with Owners		–	(97)	131	–	(6,417)	(6,383)	173	(6,210)
At 31 December 2023		186,688	(143,670)	716	(17,323)	2,263,185	2,289,596	604,135	2,893,731

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

Group	Note	Attributable to Owners of the Company						Non-controlling Interests \$'000	Total Equity \$'000
		Share Capital \$'000	Treasury Shares \$'000	Capital and Other Reserves \$'000	Translation Reserves \$'000	Retained Profit \$'000	Total \$'000		
At 1 January 2024		186,688	(143,670)	716	(17,323)	2,263,185	2,289,596	604,135	2,893,731
Total comprehensive income for the year									
Profit/(Loss) for the year		–	–	–	–	23,744	23,744	(9,554)	14,190
Other comprehensive income									
Exchange differences on translation of financial statements of foreign subsidiaries		–	–	(70)	6,608	–	6,538	9,478	16,016
Exchange differences on monetary items forming part of net investments in foreign subsidiaries		–	–	–	1,026	–	1,026	–	1,026
Total other comprehensive income, net of tax		–	–	(70)	7,634	–	7,564	9,478	17,042
Total comprehensive income for the year		–	–	(70)	7,634	23,744	31,308	(76)	31,232
Transactions with Owners, recorded directly in Equity									
Distributions to Owners									
Issuance of bonds by a subsidiary	16	–	–	51	–	–	51	68	119
Modification of bonds issued by a subsidiary	16	–	–	1,557	–	–	1,557	10,377	11,934
Dividend paid	26	–	–	–	–	(6,417)	(6,417)	–	(6,417)
Total Transactions with Owners		–	–	1,608	–	(6,417)	(4,809)	10,445	5,636
At 31 December 2024		<u>186,688</u>	<u>(143,670)</u>	<u>2,254</u>	<u>(9,689)</u>	<u>2,280,512</u>	<u>2,316,095</u>	<u>614,504</u>	<u>2,930,599</u>

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

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

Company	Note	Share Capital \$'000	Treasury Shares \$'000	Retained Profit \$'000	Total \$'000
At 1 January 2023		186,688	(42,523)	625,147	769,312
Loss and total comprehensive income for the year		–	–	(1,455)	(1,455)
Transactions with Owners, recorded directly in Equity					
Distributions to Owners					
Own shares acquired	15	–	(97)	–	(97)
Dividend paid	26	–	–	(8,193)	(8,193)
Total Transactions with Owners		–	(97)	(8,193)	(8,290)
At 31 December 2023		186,688	(42,620)	615,499	759,567
At 1 January 2024		186,688	(42,620)	615,499	759,567
Loss and total comprehensive income for the year		–	–	(241)	(241)
Transactions with Owners, recorded directly in Equity					
Distributions to Owners					
Dividend paid	26	–	–	(8,193)	(8,193)
Total Transactions with Owners		–	–	(8,193)	(8,193)
At 31 December 2024		186,688	(42,620)	607,065	751,133

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2024

Group	Note	2024 \$'000	2023 \$'000
Cash Flows from Operating Activities			
Profit before tax		15,629	99,073
Adjustments for:			
Depreciation of property, plant and equipment	4	463	599
Depreciation of right-of-use assets	33	329	394
Gain on disposal of property, plant and equipment		(26)	(14)
Gain on revaluation of investment properties	7	(11,841)	(87,110)
Loss on disposal of investment property		–	74
Loss on redemption of Hong Kong dollar unsecured bonds		23	–
Impairment loss/(Impairment loss written back) on other assets	8	41	(53)
Changes in fair value of other investments at fair value through profit or loss		(1,383)	(1,326)
Impairment loss on trade receivables, net	28	#	109
Bad debts written off, net		14	–
Unrealised currency translation (gain)/loss, net		(388)	354
Finance income	23	(2,566)	(2,488)
Finance expense	23	37,643	38,555
		37,938	48,167
Changes in working capital:			
Development properties		12,870	13,325
Trade and other receivables		(2,455)	(392)
Trade and other payables		4,269	117
Contract liabilities		60	(66)
Cash generated from operations		52,682	61,151
Tax paid		(3,381)	(6,645)
Tax refunded		769	–
Net Cash From Operating Activities		50,070	54,506
Cash Flows From Investing Activities			
Capital expenditure on investment properties		(498)	(539)
Decrease/(Increase) in restricted cash		19	(36)
Proceeds from disposal of investment property		–	1,826
Proceeds from disposal of property, plant and equipment		59	80
Proceeds from disposal of other investments		14,526	3,932
Purchase of property, plant and equipment		(1,192)	(399)
Purchase of other investments		(7,640)	(38)
Interest received		1,412	1,398
Net Cash From Investing Activities		6,686	6,224
Cash Flows From Financing Activities			
Decrease in pledged bank deposits		1,269	94
Interest paid		(33,872)	(31,830)
Dividend paid	26	(6,417)	(6,417)
Payment of lease liabilities		(332)	(428)
Repayments of loans and borrowings		(111,182)	(138,952)
Proceeds from loans and borrowings		61,539	148,891
Purchase of treasury shares	15	–	(97)
Net Cash Used In Financing Activities		(88,995)	(28,739)
Net (Decrease)/Increase in Cash and Cash Equivalents		(32,239)	31,991
Cash and cash equivalents at beginning of the year		63,481	32,103
Effect of exchange rate fluctuations on cash and cash equivalents held		2,264	(613)
Cash and Cash Equivalents at End of the Year	14	33,506	63,481

Amount less than \$1,000.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 March 2025.

1 DOMICILE AND ACTIVITIES

Hong Fok Corporation Limited (the "Company") is a company incorporated in Singapore. The Company's registered office is at 300 Beach Road #41-00, The Concourse, Singapore 199555.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries consist of property investment, property development and construction, property management, investment trading and investment holding and management.

The financial statements of the Group as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as the "Group entities").

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgements

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

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

There is no critical judgement in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

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

- Note 7 – valuation of investment properties
- Note 11 – net realisable value of development properties

Measurement of Fair Values

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

The Group has an established control framework with respect to the measurement of fair values. This includes Management that reports directly to the Executive Directors who will then have the overall responsibility for all significant fair value measurements, including Level 3 fair values.

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 and valuation methodologies.

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The results of the external valuations are reported to the Executive Directors.

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

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

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

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

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

- Note 7 – investment properties
- Note 29 – fair value of assets and liabilities

2.5 Changes in Material Accounting Policies

New Accounting Standards and Amendments

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

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

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

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The accounting policies have been applied consistently by Group entities.

3.1 Basis of Consolidation

(i) Business Combinations

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

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

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 3.9). Any gain on a bargain purchase is recognised in profit or loss immediately.

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

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

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Non-controlling interests ("NCI") are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

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

(ii) **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

(iii) **Acquisitions from Entities under Common Control**

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

(iv) **Loss of Control**

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

(v) **Transactions Eliminated on Consolidation**

Intra-group balances and transactions, and any unrealised income and expense (except for foreign currency transaction gain or loss) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(vi) **Subsidiaries in the Separate Financial Statements**

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment loss.

3.2 Foreign Currency

(i) **Foreign Currency Transactions**

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

(ii) **Foreign Operations**

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

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

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

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3.3 Property, Plant and Equipment

(i) *Recognition and Measurement*

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

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

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

(ii) *Subsequent Costs*

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

(iii) *Depreciation*

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

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

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

Plant and equipment	– 3 to 5 years
Office equipment and furniture	– 1 to 5 years
Motor vehicles	– 10 years

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

3.4 Leases

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

(i) *As a Lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

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

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment loss.

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

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

NOTES TO THE FINANCIAL STATEMENTS

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Lease payments included in the measurement of the lease liability comprise fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including staff accommodation space and office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease terms.

(ii) As a Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group recognises lease payments received from investment and development properties under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.5 Investment Properties

Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

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

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value.

3.6 Financial Instruments

(i) Recognition and Initial Measurement

Non-derivative financial assets and financial liabilities

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

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

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(ii) *Classification and Subsequent Measurement*

Non-derivative financial assets

The Group classifies its non-derivative financial assets as measured at amortised cost or FVTPL.

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

Financial assets at amortised cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Financial assets: Business model assessment

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

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

The business models of the Group are as follows:

Held to collect

There are two main portfolios of financial assets that have a held-to-collect business model. The Group holds financial assets which arise from its investment properties and development properties. The objective of the business model for these financial instruments is to collect the amounts due from the Group's receivables and to earn contractual interest income on the amounts collected.

Held for trading

The Group holds a portfolio of listed equity securities and debt securities for the purposes of trading (see Note 9 for further details).

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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

The Group had no financial assets held outside trading business models that failed the solely payments of principal and interest assessment.

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Non-derivative financial assets: Subsequent measurement and gain and loss

Financial assets at amortised cost

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

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gain or loss, including any interest or dividend income, are recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gain and loss

Financial liabilities are classified as measured at amortised cost.

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

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

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

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

Financial liabilities

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

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

(iv) Offsetting

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

(v) Cash and Cash Equivalents

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

(vi) Share Capital

Ordinary shares

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

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

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

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Shares held by subsidiary (treasury shares)

A subsidiary's investment in the Company's shares is not treated as ordinary shares outstanding in the statement of financial position. On consolidation, the subsidiary's investment in the Company's share is reclassified as treasury shares and deducted from consolidated equity.

(vii) Intra-group Financial Guarantees in the Separate Financial Statements

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

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

Expected credit losses ("ECLs") are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover. Liabilities arising from financial guarantees are included within 'loans and borrowings'.

3.7 Club Memberships

Club memberships are stated at cost less accumulated impairment loss. Gain or loss on disposal of club membership is determined as the difference between the net disposal proceeds and the carrying amount of the club membership and is accounted for in profit or loss as they arise.

3.8 Development Properties

Development properties for sale are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-down to net realisable value is presented as allowance for foreseeable losses.

3.9 Impairment

(i) Non-derivative Financial Assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs.

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

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

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

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

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

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

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

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The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial Assets

The carrying amounts of the Group's non-financial assets, other than investment properties, development properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment loss is recognised in profit or loss. Impairment loss recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment loss recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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3.10 Revenue Recognition

(i) *Revenue from Contracts with Customers*

Sale of completed development properties

Revenue from sales of completed development properties is recognised when control over the property has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

The residential projects have no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the residential project. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In respect of a development property where the Group has no enforceable right to payment until the property is delivered to the customer, revenue is recognised when the legal title is transferred to the customer or upon handover of units to the customers.

Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the entity adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the entity uses a discount rate that would reflect that of a separate financing transaction between the entity and its customer at contract inception.

Revenue is measured at the transaction price agreed under the contract. Estimates of revenue, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by Management.

Property management income and maintenance fee

Property management income and maintenance fee are recognised in profit or loss upon rendering of the services.

(ii) *Rental Income and Hiring Charges*

Rental income (net of any lease incentives) and hiring charges are recognised on a straight-line basis over the lease term.

3.11 Employee Benefits

(i) *Defined Contribution Plans*

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) *Short-term Employee Benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) *Other Long-term Employee Benefits*

The Group's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield of Singapore Government Bond that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. Remeasurements are recognised in profit or loss in the period in which they arise.

(iv) *Termination Benefits*

Termination benefits are recognised as an expense at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for restructuring.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

3.12 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance expense.

3.13 Finance Income and Expense

The Group's finance income and expense include:

- interest income on late payments, pledged bank deposits, certain cash and cash equivalents and certain other investments;
- deferred day one gain on bonds;
- interest expense on loans and borrowings;
- interest expense on lease liabilities;
- amortisation of transaction costs previously capitalised; and
- amortisation of imputed interest on the bonds previously capitalised.

Interest income or expense is recognised under the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.14 Tax Expense

Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that
 - is not a business combination; and
 - at the time of the transaction (i) affects neither accounting nor taxable profit or loss; and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value, the presumption that the carrying amount of the investment properties will be recovered through sale has not been rebutted.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

3.15 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.16 Earnings Per Share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.17 New Accounting Standards and Interpretations Not Adopted

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

- SFRS(I) 18: *Presentation and Disclosure in Financial Statements*
- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*
- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I)s – Volume 11
- SFRS(I) 19: *Subsidiaries without Public Accountability: Disclosures*

The Group is in the process of assessing the impact of the new or amended accounting standards on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

4 PROPERTY, PLANT AND EQUIPMENT

Group	Plant and Equipment \$'000	Office Equipment and Furniture \$'000	Motor Vehicles \$'000	Total \$'000
Cost				
At 1 January 2023	1,247	5,810	2,785	9,842
Additions	3	396	–	399
Disposals	(2)	(332)	(144)	(478)
Translation differences	–	(62)	(22)	(84)
At 31 December 2023	1,248	5,812	2,619	9,679
At 1 January 2024	1,248	5,812	2,619	9,679
Additions	2	445	745	1,192
Disposals	(1)	(81)	(499)	(581)
Translation differences	–	117	41	158
At 31 December 2024	1,249	6,293	2,906	10,448
Accumulated Depreciation				
At 1 January 2023	1,241	5,220	1,621	8,082
Depreciation for the year	3	360	236	599
Disposals	(2)	(324)	(86)	(412)
Translation differences	–	(57)	(17)	(74)
At 31 December 2023	1,242	5,199	1,754	8,195
At 1 January 2024	1,242	5,199	1,754	8,195
Depreciation for the year	3	248	212	463
Disposals	(1)	(72)	(475)	(548)
Translation differences	–	105	33	138
At 31 December 2024	1,244	5,480	1,524	8,248
Carrying Amounts				
At 1 January 2023	6	590	1,164	1,760
At 31 December 2023	6	613	865	1,484
At 31 December 2024	5	813	1,382	2,200

5 SUBSIDIARIES

Company	2024 \$'000	2023 \$'000
Equity investments at cost	228,870	228,870
Impairment loss	(115)	(115)
	228,755	228,755
Amounts due from subsidiaries	634,824	634,824
Impairment loss	(10,301)	(10,301)
	624,523	624,523
	853,278	853,278

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Impairment Loss

The movements in impairment loss on investments in subsidiaries are as follows:

Company	2024 \$'000	2023 \$'000
At 1 January and 31 December	(115)	(115)

The Company assessed the carrying amount of its investment in subsidiaries for indicators of impairment and reversal of impairment.

Based on the assessment, the Company did not identified any indicators of impairment and reversal of impairment.

Amounts Due from Subsidiaries

Amounts due from subsidiaries are non-trade in nature, unsecured and interest free. The settlement of these amounts is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investment in subsidiaries.

Details of the subsidiaries are as follows:

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Ownership Interest Held by the Group	
		2024 %	2023 %
Yat Yuen Hong Holdings Pte. Ltd.	Singapore	100	100
Yat Yuen Hong Company Limited and its subsidiary:	Singapore	100	100
Super Homes Pte. Ltd.	Singapore	100	100
Hong Fok Homes Pte Ltd	Singapore	100	100
Cecil Land Development Pte Ltd	Singapore	100	100
Hong Fok Land Ltd and its subsidiary:	Singapore	100	100
Jemmax Investments Pte Ltd	Singapore	100	100
Hong Fok Commercial Pte. Ltd.	Singapore	100	100
Hong Fok Realty Pte. Ltd.	Singapore	100	100
Vista Parking Services Pte Ltd	Singapore	100	100
Hong Fok Nominees Pte. Ltd.	Singapore	100	100
Broadway Development Pte Ltd	Singapore	100	100
Turie Pte Ltd	Singapore	100	100
Defoe Pte Ltd and its subsidiary:	Singapore	100	100
Brisco Pte Ltd	Singapore	100	100
Rasco Pte Ltd	Singapore	100	100
Biogem International Pte Ltd	Singapore	100	100
HFC Ventures.com Co Pte Ltd	Singapore	100	100
Cocre8 Pte. Ltd.	Singapore	100	100
Warranty Management Pte Ltd	Singapore	100	100
Maincon (Building) Pte. Ltd. and its subsidiary:	Singapore	100	100
Elegant Homes Pte Ltd	Singapore	100	100
Goldease Investments Limited and its subsidiaries:	Singapore/British Virgin Islands	100	100
Arundel Trading Pte Ltd	Singapore	100	100
Firth Enterprises Pte Ltd	Singapore	100	100
Hong Fok Development (Newton) Pte Ltd	Singapore	100	100
Bishopgate Holdings Limited	Singapore/British Virgin Islands	100	100
Gold Triumph Assets Limited	Singapore/British Virgin Islands	100	100
Yorkwin Investments Limited	Singapore/British Virgin Islands	100	100
Hong Fok Corporation (Cayman) Limited	Hong Kong/Cayman Islands	100	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Ownership Interest Held by the Group	
		2024 %	2023 %
Hong Fok Corporation (H.K.) Limited and its subsidiaries: [@]	Hong Kong	100	100
Hong Fok Investment Holding Company Limited	Hong Kong	100	100
Hong Fok Land International Limited	Hong Kong	100	100
Hong Fok Nominees Limited	Hong Kong	100	100
Supreme Homes Company Limited	Hong Kong	100	100
Hong Fok Enterprises Limited	Hong Kong	100	100
Hong Fok Land International Limited and its significant subsidiaries: [@]	Hong Kong/ Bermuda	49	49
Hong Fok Land Asia Limited	Hong Kong/British Virgin Islands	49	49
Hong Fok Land Investment Limited	Hong Kong	49	49
Hugoton Limited	Hong Kong	49	49
Bossiney Limited	Hong Kong	49	49
Magazine Gap Property Management Limited	Hong Kong	49	49
Wellow Investment Limited	Hong Kong/Republic of Liberia	49	49
Giant Yield Limited	Hong Kong	49	49
Hong Fok Land Holding Limited	Hong Kong	49	49
Allied Crown Limited	Hong Kong	49	49
Winfoong Land Limited	Hong Kong	49	49
Asian Vision Limited	Hong Kong	49	49
Winfoong Assets Investment Limited	Hong Kong/British Virgin Islands	49	49
Prestige Century Limited	Hong Kong/British Virgin Islands	49	49
Hong Fok Land Assets Pte. Ltd.*	Singapore	49	49

[@] These consolidated financial statements are audited by Crowe (HK) CPA Limited.

* These financial statements are audited by KPMG LLP.

KPMG LLP is the auditor of all significant Singapore-incorporated subsidiaries. Significant foreign-incorporated subsidiaries are audited by Crowe (HK) CPA Limited. For this purpose, a subsidiary is considered significant as defined under the Listing Manual of the SGX-ST if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

Although the Group owns less than half of the ownership interest and voting power of Hong Fok Land International Limited, Management has determined that the Group has de facto control over Hong Fok Land International Limited. This is because two other investees, having direct and indirect interests in the Group, are inclined to vote in favour of the Group. The combined ownership interest of the Group and these two investees amounts to 51.5%, giving the Group the ability to cast the majority votes and, consequently, control the outcome of shareholder decisions.

6 NON-CONTROLLING INTERESTS

The following subsidiaries have material non-controlling interests ("NCI"):

Name of Subsidiary	Place of Business	Country of Incorporation	Ownership Interest Held by NCI	
			2024 %	2023 %
Hong Fok Land International Limited and its subsidiaries	Hong Kong, Singapore	Bermuda, Hong Kong, British Virgin Islands, Republic of Liberia, Singapore	51	51

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

The following summarised the financial information of the Group's subsidiaries with material NCI prepared in accordance with SFRS(I).

Group	Hong Fok Land International Limited and its Subsidiaries \$'000	Intra-group Adjustments \$'000	Total \$'000
31 December 2024			
Non-current assets	651,010		
Current assets	7,230		
Non-current liabilities	(79,227)		
Current liabilities	(5,588)		
Net assets	573,425		
Net assets attributable to NCI	292,447	322,057	614,504
Revenue	7,848		
Loss	(25,799)		
Other comprehensive income	(22,256)		
Total comprehensive income	(48,055)		
Attributable to NCI:			
– (Loss)/Profit	(13,157)	3,603	(9,554)
– Other comprehensive income	(11,351)	20,829	9,478
– Total comprehensive income	(24,508)	24,432	(76)
Cash flows used in operating activities	(536)		
Cash flows from investing activities	1,691		
Cash flows used in financing activities (dividends to NCI: \$Nil)	(34,735)		
Net decrease in cash and cash equivalents	(33,580)		
31 December 2023			
Non-current assets	667,528		
Current assets	39,295		
Non-current liabilities	(121,532)		
Current liabilities	(5,162)		
Net assets	580,129		
Net assets attributable to NCI	295,866	308,269	604,135
Revenue	7,844		
Loss	(11,135)		
Other comprehensive income	(3,359)		
Total comprehensive income	(14,494)		
Attributable to NCI:			
– (Loss)/Profit	(5,679)	12,629	6,950
– Other comprehensive income	(1,713)	(3,727)	(5,440)
– Total comprehensive income	(7,392)	8,902	1,510
Cash flows used in operating activities	(3,641)		
Cash flows from investing activities	3,094		
Cash flows from financing activities (dividends to NCI: \$Nil)	30,781		
Net increase in cash and cash equivalents	30,234		

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

7 INVESTMENT PROPERTIES

Group	2024 \$'000	2023 \$'000
At 1 January	3,466,696	3,391,541
Additions arising from subsequent expenditure recognised in carrying amount	498	539
Write back of accrued expenses	–	(102)
Disposal	–	(1,900)
Changes in fair value	11,841	87,110
Translation differences	18,487	(10,492)
At 31 December	3,497,522	3,466,696

Investment properties comprise freehold land and buildings that include a hotel property and commercial properties, and leasehold land and buildings that include commercial properties, residential properties and parking spaces.

The hotel property is managed by a third-party hotel operator for a period of approximately sixteen years since 2017 with option to renew.

The commercial and residential properties are mainly leased to external customers. Each of the leases contains an initial non-cancellable period of usually one to five years. Subsequent renewals are negotiated with the lessee.

Changes in fair value are recognised as gain or loss in profit or loss. All gain or loss are unrealised.

Security

The Group's investment properties with carrying values of approximately \$3,464,167,000 (2023: \$3,434,303,000) are mortgaged for certain credit facilities granted to the Group (see Note 17).

Measurement of Fair Value

(i) Fair Value Hierarchy

The fair value information of investment properties are set out as follows:

Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2024				
Leasehold properties	–	13,520	2,127,701	2,141,221
Freehold properties	–	–	1,356,301	1,356,301
	–	13,520	3,484,002	3,497,522
31 December 2023				
Leasehold properties	–	13,170	2,123,166	2,136,336
Freehold properties	–	–	1,330,360	1,330,360
	–	13,170	3,453,526	3,466,696

The fair values of investment properties were determined by external, independent valuers, having the appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued. The independent valuers provide the fair values of the Group's investment properties portfolio at least annually. The valuation reports as at that date are prepared in accordance with recognised appraisal and valuation standards.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

(ii) Level 3 Fair Value

The following table shows a reconciliation of the Group's investment properties from the beginning balance to the ending balance for fair value measurements in Level 3 of the fair value hierarchy:

Group	2024 \$'000	2023 \$'000
At 1 January	3,453,526	3,376,481
Additions arising from subsequent expenditure recognised in carrying amount	498	539
Write back of accrued expenses	–	(102)
Changes in fair value		
– net gain included in 'Gain on revaluation of investment properties'	11,491	87,100
Translation differences	18,487	(10,492)
At 31 December	3,484,002	3,453,526

The following table shows the Group's valuation techniques used in measuring the fair values of investment properties, as well as the significant inputs used.

Valuation Techniques	Key Inputs		Inter-relationship between Key Inputs and Fair Value Measurement
Direct Comparison Method: The market comparable approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.	Singapore Leasehold Properties: Prices per square feet: \$2,500 to \$4,000 (2023: \$2,400 to \$4,000) Freehold Properties: Prices per square feet: \$3,500 to \$13,500 (2023: \$3,300 to \$13,000)	Hong Kong Leasehold Properties: Prices per square feet: HK\$22,600 to HK\$33,400 (\$3,900 to \$5,900) (2023: HK\$24,300 to HK\$35,800 (\$4,000 to \$6,100)) Prices per parking space: HK\$130,000 to HK\$1,410,000 (\$22,700 to \$247,100) (2023: HK\$160,000 to HK\$1,650,000 (\$26,900 to \$278,400))	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none">price per square feet was higher (lower); orprice per parking space was higher (lower).
Discounted Cashflow Method: The valuation model considers the present value of net cash flows to be generated from the property, discounted using a risk-adjusted discount rate. Among other factors, the discount rate estimation considers the quality of a building and its location, and lease terms.	Freehold Properties: Discount rate: 5% (2023: 5%) Terminal capitalisation rate: 3% (2023: 3%)	Not applicable.	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none">the discount rate was lower (higher); orthe terminal capitalisation rate was lower (higher).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

8 OTHER ASSETS

Group	2024 \$'000	2023 \$'000
Non-current		
Club membership	276	315
Movements of the club membership are set out as follows:		
Cost		
At 1 January	402	404
Exchange translation difference	2	(2)
At 31 December	404	402
Accumulated Impairment		
At 1 January	87	140
Impairment loss/(Impairment loss written back)	41	(53)
At 31 December	128	87
Carrying Amount		
At 1 January	315	264
At 31 December	276	315

During the year, an impairment loss of \$41,000 (2023: impairment loss written back of \$53,000) was recognised based on the recoverable amount of the club membership.

9 OTHER INVESTMENTS

Group	2024 \$'000	2023 \$'000
Non-current		
Equity investments – designated at FVTPL	#	#
Current		
Debt investments – mandatorily at FVTPL	–	5,934
Equity investments – mandatorily at FVTPL	11,554	10,740
	11,554	16,674

Amount less than \$1,000.

10 DEFERRED TAX ASSETS AND LIABILITIES

Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Investment properties	–	–	(2,352)	(2,126)
Tax losses carry-forward	2,081	1,624	–	–
Deferred tax assets/(liabilities)	2,081	1,624	(2,352)	(2,126)
Set off of tax	(2,081)	(1,624)	2,081	1,624
Net deferred tax assets/(liabilities)	–	–	(271)	(502)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Movement in Deferred Tax Balances

Movements in deferred tax balances of the Group during the year were as follows:

Group	At 1/1/2023 \$'000	Recognised in Profit or Loss (Note 25) \$'000	Translation Differences \$'000	At 31/12/2023 \$'000	Recognised in Profit or Loss (Note 25) \$'000	Translation Differences \$'000	At 31/12/2024 \$'000
Investment properties	(2,014)	(156)	44	(2,126)	(141)	(85)	(2,352)
Tax losses carry-forward	2,220	(558)	(38)	1,624	385	72	2,081
	206	(714)	6	(502)	244	(13)	(271)

Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

Group	2024 \$'000	2023 \$'000
Deductible temporary differences	16,026	10,788
Unutilised tax losses	101,355	100,939
	117,381	111,727

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The tax losses and deductible temporary differences do not expire under current tax legislation.

11 DEVELOPMENT PROPERTIES

Group	2024 \$'000	2023 \$'000
Completed properties	96,111	108,981

During the year, completed development properties for sale of approximately \$12,870,000 (2023: \$13,760,000) were recognised as an expense and included in 'Cost of sales of development properties'.

Development properties with carrying values of approximately \$96,111,000 (2023: \$108,981,000) are mortgaged for certain credit facilities granted to the Group (see Note 17).

In assessing the net realisable value of the completed property units, Management takes into account the recent transaction prices of similar or comparable properties for completed units. Market conditions may, however, change, which may affect the future selling prices on the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may be subject to adjustments in future periods.

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables	792	735	—	—
Impairment loss	(127)	(142)	—	—
	665	593	—	—
Other receivables	789	1,194	—	—
Deposits	295	371	8	8
	1,749	2,158	8	8
Prepayments and others	4,139	1,433	39	24
	5,888	3,591	47	32

As at 31 December 2024, prepayments and others included approximately \$2,779,000 paid for the acquisition of five units in an investment property. The purchase was fully paid and completed in February 2025.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

13 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

Company	2024 \$'000	2023 \$'000
Amounts due from subsidiaries	276,771	260,132
Impairment loss	(1,164)	(1,164)
	275,607	258,968
Amount due to a subsidiary (non-current)	(290,020)	–
Amounts due to subsidiaries (current)	(87,441)	(352,355)
	(377,461)	(352,355)

The amounts due from/to subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand.

During the year ended 31 December 2024, a subsidiary had undertaken not to demand settlement of approximately \$290,020,000 due from the Company for the next twelve months from 31 December 2024. The amount due to this subsidiary was reclassified to non-current as at 31 December 2024.

The Company's exposure to credit risk and impairment loss on amounts due from subsidiaries is disclosed in Note 28.

14 CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash at banks and in hand	5,727	5,540	1,241	1,159
Deposits	30,346	61,766	–	–
Cash and cash equivalents	36,073	67,306	1,241	1,159
Less: Pledged bank deposits	(2,550)	(3,789)	–	–
Cash and cash equivalents (current)	33,523	63,517	1,241	1,159
Less: Restricted cash	(17)	(36)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	33,506	63,481	1,241	1,159

The effective interest rate for the cash at banks and deposits ranged from approximately 0% to 5.5% (2023: 0% to 5.0%) per annum. These interest rates reprice within six months of the reporting date.

Pledged bank deposits represent bank balances of certain subsidiaries pledged as security for certain credit facilities granted to the Group (see Note 17).

15 SHARE CAPITAL

	Group		Company	
	2024 No. of Shares	2023 No. of Shares	2024 No. of Shares	2023 No. of Shares
Issued and Fully Paid Ordinary Shares, with no Par Value, excluding Treasury Shares				
At 1 January	641,707,508	641,802,708	819,297,140	819,392,340
Share buyback	–	(95,200)	–	(95,200)
At 31 December	641,707,508	641,707,508	819,297,140	819,297,140

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

The total treasury shares held by the Group and Company are as follows:

	Group		Company	
	No. of Shares	\$'000	No. of Shares	\$'000
At 1 January 2023	228,809,432	143,573	51,219,800	42,523
Share buyback	95,200	97	95,200	97
At 31 December 2023, 1 January 2024 and 31 December 2024	228,904,632	143,670	51,315,000	42,620

Share Buyback by the Company

In 2023, the Company made purchases of 95,200 ordinary shares in the capital of the Company for a total consideration of approximately \$97,000, including directly attributable transaction costs.

As at 31 December 2024 and 31 December 2023, the Company held 51,315,000 treasury shares which represent approximately 6.3% of the total number of issued shares (excluding treasury shares) of 819,297,140.

16 RESERVES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Capital and other reserves	2,254	716	–	–
Translation reserves	(9,689)	(17,323)	–	–
Retained profit	2,280,512	2,263,185	607,065	615,499
	2,273,077	2,246,578	607,065	615,499

Capital reserves comprise the following items:

- (a) difference between the fair value of the net assets and the purchase consideration in respect of the subsidiaries acquired prior to 1 January 2001;
- (b) imputed interest on the bonds issued by a subsidiary and subscribed by NCI (see Note 17); and
- (c) fair value on the issuance and modification of bonds by a subsidiary (see Note 17).

The translation reserves comprise foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of these financial statements and the foreign currency differences on monetary items which form part of the Company's net investments in foreign subsidiaries.

17 LOANS AND BORROWINGS

Group	Note	2024 \$'000	2023 \$'000
Non-current			
Singapore dollar secured bank loans	a	609,999	627,931
Hong Kong dollar secured bank loans	a	17,520	50,610
Hong Kong dollar unsecured bonds	b,c,e	48,530	43,525
Deferred day one gain on Hong Kong dollar unsecured bonds	c,d	–	1,691
Unamortised transaction costs		(4,712)	(6,761)
Unamortised imputed interest on unsecured bonds		(12,465)	(4,308)
		658,872	712,688

(a) Certain loans of the Group are secured by:

- (i) mortgages on and assignment of rental income from investment properties with carrying values of approximately \$3,464,167,000 as at 31 December 2024 (2023: \$3,434,303,000) (see Note 7);
- (ii) mortgages on development properties with carrying values of approximately \$96,111,000 as at 31 December 2024 (2023: \$108,981,000) (see Note 11) and assignment of the rights, titles and interest in the tenancy agreements, sale and purchase agreements and insurances from the development properties;

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(iii) guarantees by the Company and/or its subsidiaries (see Note 28); and

(iv) charges over certain of the Group's pledged bank deposits of approximately \$2,550,000 as at 31 December 2024 (2023: \$3,789,000) (see Note 14).

(b) As at 31 December 2024, a subsidiary of the Company has outstanding bonds amounting to approximately \$81,818,000 (HK\$467,000,000) (2023: \$75,578,000 (HK\$448,000,000)), of which approximately \$33,288,000 (HK\$190,000,000) (2023: \$32,053,000 (HK\$190,000,000)) was held by another subsidiary of the Company.

During the year ended 31 December 2024, a subsidiary of the Company:

(i) redeemed unsecured bonds amounting to approximately \$350,000 (HK\$2,000,000) on 15 April 2024;

(ii) issued unsecured bonds amounting to approximately \$1,226,000 (HK\$7,000,000) and \$2,453,000 (HK\$14,000,000) to certain NCI on 24 April 2024 and 20 August 2024 respectively; and

(iii) extended the maturity date of the unsecured bonds from 9 March 2025 to 9 March 2030 on 2 December 2024.

The fair value of these unsecured bonds at the date of issuance and modification was measured by an independent valuer.

(c) During the year ended 31 December 2023, a subsidiary of the Company issued Hong Kong dollar unsecured bonds amounting to approximately \$3,037,000 (HK\$18,000,000) and \$2,024,000 (HK\$12,000,000) to an independent third party and certain NCI respectively on 19 September 2023. The fair value of these unsecured bonds at the date of issuance was measured by an independent valuer.

As the valuation was not supported by observable market data, the day one gain of the issued unsecured bonds to the independent third party in 2023 of approximately \$457,000 (HK\$2,707,000) was being deferred instead of being recognised directly in the profit or loss. The deferred day one gain was recognised in profit or loss over the term of the unsecured bonds on a straight-line basis.

(d) During the year ended 31 December 2024, an amortisation of deferred day one gain of approximately \$1,312,000 (2023: \$1,054,000) was recognised as an income and included in 'finance income'.

(e) The bonds are non-convertible, unsecured, bear a fixed interest rate of 2.00% per annum up to maturity, payable annually in arrears and will mature on 9 March 2030 (2023: 9 March 2025). The subsidiary may redeem whole or part of principal amount and payment of accrued interest at any time prior to the maturity date by giving the holder not less than 10 days' prior written notice.

Terms and Debt Repayment Schedule

Group	Currency	Nominal Interest Rate Per Annum	Year of Maturity	Carrying Amount \$'000
31 December 2024				
Secured bank loans	SGD	3.99% – 5.05%	2028	285,591
Secured bank loans	SGD	3.99% – 5.00%	2026	319,696
Secured bank loans	HKD	5.63% – 6.97%	2026	17,520
Unsecured bonds	HKD	2.00%	2030	36,065
				658,872
31 December 2023				
Secured bank loans	SGD	4.53% – 5.08%	2028	279,465
Secured bank loans	SGD	4.53% – 5.08%	2026	341,705
Secured bank loans	HKD	4.47% – 7.22%	2026	50,610
Unsecured bonds	HKD	2.00%	2025	40,908
				712,688

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Reconciliation of Movements of (Assets)/Liabilities to Cash Flows Arising from Financing Activities

Group	Assets	Liabilities				Total \$'000
	Pledged Bank Deposits \$'000	Interest Payables \$'000	Bank Loans \$'000	Bonds \$'000	Lease Liabilities \$'000	
At 1 January 2023	(3,899)	1,930	665,377	35,043	522	698,973
Changes from Financing Cash Flows						
Decrease in pledged bank deposits	94	–	–	–	–	94
Interest paid	–	(31,822)	–	–	(8)	(31,830)
Payment of lease liabilities	–	–	–	–	(428)	(428)
Repayments of loans and borrowings	–	–	(138,952)	–	–	(138,952)
Proceeds from loans and borrowings	–	–	143,830	5,061	–	148,891
Total Changes from Financing Cash Flows	94	(31,822)	4,878	5,061	(436)	(22,225)
The Effect of Changes in Foreign Exchange Rates	16	–	(469)	(762)	(11)	(1,226)
Other Changes						
New leases	–	–	–	–	112	112
Issuance of bonds by a subsidiary	–	–	–	(304)	–	(304)
Deferred day one gain on bonds issued by a subsidiary	–	–	–	(1,054)	–	(1,054)
Finance expense	–	33,629	1,994	2,924	8	38,555
Total Other Changes	–	33,629	1,994	1,566	120	37,309
At 31 December 2023	(3,789)	3,737	671,780	40,908	195	712,831
At 1 January 2024	(3,789)	3,737	671,780	40,908	195	712,831
Changes from Financing Cash Flows						
Decrease in pledged bank deposits	1,269	–	–	–	–	1,269
Interest paid	–	(33,808)	–	–	(64)	(33,872)
Payment of lease liabilities	–	–	–	–	(332)	(332)
Repayments of loans and borrowings	–	–	(110,832)	(350)	–	(111,182)
Proceeds from loans and borrowings	–	–	57,860	3,679	–	61,539
Total Changes from Financing Cash Flows	1,269	(33,808)	(52,972)	3,329	(396)	(82,578)
The Effect of Changes in Foreign Exchange Rates	(30)	–	1,949	1,624	7	3,550
Other Changes						
New leases	–	–	–	–	839	839
Issuance of bonds by a subsidiary	–	–	–	(119)	–	(119)
Modification of bonds issued by a subsidiary	–	–	–	(11,911)	–	(11,911)
Deferred day one gain on bonds issued by a subsidiary	–	–	–	(1,312)	–	(1,312)
Finance expense	–	31,983	2,050	3,546	64	37,643
Total Other Changes	–	31,983	2,050	(9,796)	903	25,140
At 31 December 2024	(2,550)	1,912	622,807	36,065	709	658,943

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18 TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Non-current					
Provision for other long-term employee benefits	19	16,055	10,828	–	–
Current					
Trade payables		3,783	4,877	–	–
Accrued operating expenses		3,504	5,447	333	332
Accrued development expenditure		67	–	–	–
Provision for bonus		8,110	8,338	–	–
Tenancy and other deposits		16,604	17,023	–	–
Unclaimed dividends		1,053	991	1,053	991
Other payables		3,135	2,291	193	192
		36,256	38,967	1,579	1,515
Goods and Services Tax payables		1,470	1,364	–	–
		37,726	40,331	1,579	1,515

Trade payables include retention sum of approximately \$91,000 (2023: \$61,000) relating to improvements to properties and purchase of office equipment and furniture.

As at 31 December 2024, included in other payables is an amount of approximately \$1,569,000 (2023: \$1,514,000) relating to unclaimed monies due to the former shareholders of the NCI relating to the Group's acquisition of an additional 5.47% interest in NCI that was completed in 2022.

19 OTHER LONG-TERM EMPLOYEE BENEFITS

	Note	2024 \$'000	2023 \$'000
Group			
Provision for other long-term employee benefits	18	16,055	10,828
The Group's net obligation in respect of other long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods.			
Movements in the net obligation recognised in the statement of financial position during the year were as follows:			
Present value of obligation:			
At 1 January		10,828	10,842
Provision made			
– Current service cost		2,319	491
– Past service cost		2,908	–
	22	5,227	491
Benefits payable		–	(505)
At 31 December		16,055	10,828

During the year ended 31 December 2024, the Group's existing retirement arrangement for Management and staff was adjusted to align with the market practices in Singapore. As a result of the plan amendment, the Group's provision for other long-term employee benefits increased by \$2,908,000. A corresponding past service cost was recognised in profit or loss in 2024.

Included in the current service cost is an additional provision for certain Management under the ex gratia payment plan for a period of time.

The interest rate used to discount estimated cash flows at the reporting date is 0% to 2.9% (2023: 2.6% to 3.5%) per annum.

The weighted average number of service years provided by the employees at the end of the reporting period is approximately 19.3 years (2023: 19.5 years).

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20 REVENUE

Group	Note	2024 \$'000	2023 \$'000
Gross dividend income from investments		788	751
Rental income from			
– investment properties		68,246	70,391
– development properties		2,502	2,547
Hiring charges from			
– investment properties		244	213
– development properties		1,700	1,692
Maintenance fee from			
– investment properties		7,613	7,931
– development properties		211	220
Revenue from contracts with customers		23,015	26,856
	(i)	30,839	35,007
		104,319	110,601

(i) Disaggregation of Revenue from Contracts with Customers

Group	Reportable Segments			Total \$'000
	Property Investment \$'000	Property Development and Construction \$'000	Property Management \$'000	
2024				
Major Product or Service Line				
Sale of completed development properties	–	19,464	–	19,464
Property management income	–	–	2,908	2,908
Maintenance fee	7,613	211	–	7,824
Car park income	643	–	–	643
	8,256	19,675	2,908	30,839
Timing of Revenue Recognition				
Products and services transferred at a point in time	643	19,464	1,770	21,877
Products and services transferred over time	7,613	211	1,138	8,962
	8,256	19,675	2,908	30,839
2023				
Major Product or Service Line				
Sale of completed development properties	–	23,365	–	23,365
Property management income	–	–	2,874	2,874
Maintenance fee	7,931	220	–	8,151
Car park income	617	–	–	617
	8,548	23,585	2,874	35,007
Timing of Revenue Recognition				
Products and services transferred at a point in time	617	23,365	1,802	25,784
Products and services transferred over time	7,931	220	1,072	9,223
	8,548	23,585	2,874	35,007

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(ii) **Contract Balances**

The following table provides information about trade receivables and contract liabilities from contracts with customers.

Group	2024 \$'000	2023 \$'000
Trade receivables	172	195
Contract liabilities	(101)	(41)
	71	154

Contract liabilities relate primarily to advance consideration received from customers.

The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in the contract liabilities during the year were as follows:

Group	2024 \$'000	2023 \$'000
Revenue recognised that was included in contract liabilities at the beginning of the year	(41)	(107)
Increases due to cash received, excluding amounts recognised as revenue during the year	101	41
	60	(66)

21 **OTHER INCOME**

Group	2024 \$'000	2023 \$'000
Compensation/Forfeiture income	43	–
Attendance and processing fees	56	89
Government grants/schemes	43	25
Gain on redemption of other investments	686	–
Licence fees and other charges	22	25
Others	52	20
	902	159

22 **EMPLOYEE BENEFIT EXPENSES**

Group	Note	2024 \$'000	2023 \$'000
Salaries, wages and bonus		20,546	20,554
Contributions to defined contribution plans		521	711
Other long-term employee benefits	19	5,227	491
Others		1,861	1,663
		28,155	23,419

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23 NET FINANCE (EXPENSE)/INCOME

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Interest income on:				
– late payments	33	44	–	–
– pledged bank deposits and cash and cash equivalents	1,221	1,096	2	22
– other investments	–	294	–	–
Deferred day one gain on bonds	1,312	1,054	–	–
Finance income	2,566	2,488	2	22
Interest expense on:				
– bank loans and unsecured bonds	(31,983)	(33,629)	–	–
– lease liabilities	(64)	(8)	–	–
Amortisation of transaction costs previously capitalised	(2,050)	(1,994)	–	–
Amortisation of imputed interest on unsecured bonds	(3,546)	(2,924)	–	–
Finance expense	(37,643)	(38,555)	–	–
Net finance (expense)/income recognised in profit or loss	(35,077)	(36,067)	2	22

24 PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Audit fees paid to:				
– Auditors of the Company	248	240	112	107
– Other auditors	139	139	–	–
Non-audit fees paid to:				
– Auditors of the Company	42	56	2	6
– Other auditors	112	97	95	80
Direct operating expenses arising from investment properties:				
– that generated rental income	18,434	17,533	–	–
– that did not generate rental income	218	200	–	–
Directors' fees	557	456	478	380

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25 TAX EXPENSE

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current Tax Expense					
Current year		2,842	3,536	–	–
Adjustments in prior years		(1,159)	(195)	–	–
		1,683	3,341	–	–
Deferred Tax Expense					
Current year	10	(244)	714	–	–
		1,439	4,055	–	–
Reconciliation of Effective Tax Rate					
Profit/(Loss) before tax		15,629	99,073	(241)	(1,455)
Tax using the Singapore tax rate at 17% (2023: 17%)		2,657	16,842	(41)	(247)
Effect of tax rates in foreign jurisdictions		115	36	–	–
Tax exempt income		(6,589)	(16,783)	(160)	(4)
Non-deductible expenses		5,764	3,045	201	251
Deferred tax assets not recognised		1,289	1,528	–	–
Utilisation of previously unrecognised tax losses		(639)	(717)	–	–
Tax incentives		(5)	(5)	–	–
Adjustments in prior years		(1,159)	(195)	–	–
Others		6	304	–	–
		1,439	4,055	–	–

26 DIVIDEND

A first and final tax exempt (one-tier) dividend in respect of the previous financial year was paid by the Company and the Group as follows:

	2024 \$'000	2023 \$'000
Company		
Paid to Owners of the Company		
First and final dividend of 1.0 cent (2023: first and final dividend of 1.0 cent) per ordinary share	8,193	8,193
Group		
Paid to Owners of the Company	8,193	8,193
Dividend paid to subsidiary	(1,776)	(1,776)
	6,417	6,417

Subsequent to the reporting date, the following tax exempt (one-tier) dividend was proposed by the Directors. This exempt (one-tier) dividend based on the number of ordinary shares (excluding treasury shares) of 819,297,140 (2023: 819,297,140) and 641,707,508 (2023: 641,707,508) for the Company and the Group respectively as at 31 December 2024 has not been provided for:

	2024 \$'000	2023 \$'000
Company		
First and final dividend of 1.0 cent (2023: first and final dividend of 1.0 cent) per ordinary share	8,193	8,193
Group		
First and final dividend of 1.0 cent (2023: first and final dividend of 1.0 cent) per ordinary share	6,417	6,417

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27 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 31 December 2024 was based on the consolidated profit attributable to ordinary shareholders for the year of approximately \$23,744,000 (2023: \$88,068,000); and the weighted average number of ordinary shares outstanding of 641,707,508 (2023: 641,739,067), which excludes treasury shares held by the Company and also ordinary shares held by an investee, calculated as follows:

Weighted Average Number of Ordinary Shares

Group	2024 No. of Shares	2023 No. of Shares
Issued ordinary shares	870,612,140	870,612,140
Effect of ordinary shares held by an investee and treasury shares	(228,904,632)	(228,873,073)
Weighted average number of ordinary shares during the year	641,707,508	641,739,067

The weighted average number of ordinary shares detailed above is used for both the basic and diluted earnings per share as there are no dilutive potential ordinary shares.

28 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Management Committee oversees how Management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Management Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, pledged bank deposits and cash and cash equivalents.

The carrying amounts of financial assets represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held.

Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries.

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Intra-group financial guarantees comprise guarantees given by the Company to financial institutions in respect of credit facilities granted to subsidiaries. The maximum exposure of the Company is approximately \$1,105,949,000 (2023: \$1,115,681,000). At the end of reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantees. The periods in which the financial guarantees expire are as follows:

Company	2024 \$'000	2023 \$'000
Within 1 year	5,750	5,750
After 1 year but within 5 years	1,100,199	1,109,931
	1,105,949	1,115,681

Trade and Other Receivables

Risk management policy

Concentration of credit risk relating to trade and other receivables is limited due to the Group's many varied customers. These customers are individuals and corporations, both local and multinational with different business activities. The Group's historical experience in the collection of trade receivables falls within the recorded allowances. Rental deposits are received for the Group's lease arrangements as lessor to reduce credit risk.

Due to these factors, Management believes that no additional credit risk beyond amounts provided for impairment loss is inherent in the Group's trade receivables.

Exposure to credit risk

A summary of the exposures to credit risk for trade receivables is as follows:

Group	2024		2023	
	Not Credit Impaired \$'000	Credit Impaired \$'000	Not Credit Impaired \$'000	Credit Impaired \$'000
Not past due	36	–	11	–
Within 1 month	204	–	132	2
After 1 month but within 3 months	47	–	160	–
After 3 months but within 12 months	23	24	4	370
More than 12 months	10	448	2	54
Total gross carrying amount	320	472	309	426
Loss allowance	–	(127)	–	(142)
	320	345	309	284

Expected credit loss assessment

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Movements in allowance for impairment in respect of trade receivables

The movements in the allowance for impairment in respect of trade receivables during the year were as follows:

Group	2024 \$'000	2023 \$'000
At 1 January	142	33
Impairment loss recognised	2	117
Impairment loss written back	(2)	(8)
	#	109
Impairment loss written off	(15)	–
At 31 December	127	142

Amount less than \$1,000.

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Other Receivables and Deposits

The Group and Company assess on a forward-looking basis the ECLs associated with other receivables and deposits, excluding prepayments and others. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and Company consider the amount of the allowance on other receivables and deposits to be negligible.

Pledged Bank Deposits and Cash and Cash Equivalents

The Group and the Company held pledged bank deposits and cash and cash equivalents of approximately \$36,073,000 and \$1,241,000 respectively at 31 December 2024 (2023: \$67,306,000 and \$1,159,000 respectively), and these figures represent the maximum credit exposures on these assets. The pledged bank deposits and cash and cash equivalents are held with regulated financial institutions.

Impairment on pledged bank deposits and cash and cash equivalents were measured on the 12-month expected loss basis. The Group considers that its pledged bank deposits and cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on pledged bank deposits and cash and cash equivalents was negligible.

Non-trade Amounts Due from Subsidiaries

The Company held non-trade amounts due from its subsidiaries of approximately \$276,771,000 (2023: \$260,132,000) as follows:

Company	2024		2023	
	Not Credit Impaired \$'000	Credit Impaired \$'000	Not Credit Impaired \$'000	Credit Impaired \$'000
Amounts due from subsidiaries	275,590	1,181	258,825	1,307
Total gross carrying amount	275,590	1,181	258,825	1,307
Loss allowance	–	(1,164)	–	(1,164)
	275,590	17	258,825	143

In assessing whether the amounts due from subsidiaries are credit impaired, the Company considered the financial positions, financial performance and operations of the subsidiaries.

Movements in allowance for impairment in respect of amounts due from subsidiaries

The movements in the allowance for impairment in respect of amounts due from subsidiaries during the year were as follows:

Company	2024		2023	
	12-month ECLs \$'000	Lifetime ECLs \$'000	12-month ECLs \$'000	Lifetime ECLs \$'000
At 1 January and 31 December	–	1,164	–	1,164

Liquidity risk

Risk Management Policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by Management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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Exposure to Liquidity Risk

The following are the expected contractual maturities of financial liabilities, including interest payments and excluding the impact of netting arrangements:

	Carrying Amount \$'000	Contractual Cash Outflows \$'000	----- Cash Outflows ----- After 1 Year but Within 5 Years After 5 Years \$'000		
			Within 1 Year \$'000	5 Years \$'000	5 Years \$'000
Group					
31 December 2024					
Non-derivative Financial Liabilities					
Loans and borrowings	658,872	(740,451)	(27,280)	(664,462)	(48,709)
Lease liabilities	709	(757)	(363)	(394)	—
Trade and other payables*	36,256	(36,256)	(25,756)	(10,011)	(489)
	695,837	(777,464)	(53,399)	(674,867)	(49,198)
31 December 2023					
Non-derivative Financial Liabilities					
Loans and borrowings	712,688	(834,620)	(35,786)	(798,834)	—
Lease liabilities	195	(200)	(155)	(45)	—
Trade and other payables*	38,967	(38,967)	(30,322)	(7,947)	(698)
	751,850	(873,787)	(66,263)	(806,826)	(698)
Company					
31 December 2024					
Non-derivative Financial Liabilities					
Trade and other payables	1,579	(1,579)	(1,579)	—	—
Amounts due to subsidiaries	377,461	(377,461)	(87,441)	(290,020)	—
Recognised financial liabilities	379,040	(379,040)	(89,020)	(290,020)	—
Financial guarantees	—	(610,273)	(610,273)	—	—
	379,040	(989,313)	(699,293)	(290,020)	—
31 December 2023					
Non-derivative Financial Liabilities					
Trade and other payables	1,515	(1,515)	(1,515)	—	—
Amounts due to subsidiaries	352,355	(352,355)	(352,355)	—	—
Recognised financial liabilities	353,870	(353,870)	(353,870)	—	—
Financial guarantees	—	(628,205)	(628,205)	—	—
	353,870	(982,075)	(982,075)	—	—

* Exclude provision for other long-term employee benefits and Goods and Services Tax payables.

The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Risk Management Policy

The Group's exposure to changes in interest rates relates primarily to loans and borrowings and deposits placed with financial institutions. Interest rate risk is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which interest income and expense could be impacted from an adverse movement in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Exposure to Interest Rate Risk

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was as follows:

Group	2024 \$'000	2023 \$'000
Fixed Rate Instruments		
Loans and borrowings	(48,530)	(43,525)
Variable Rate Instruments		
Deposits	30,346	61,766
Loans and borrowings	(627,519)	(678,541)
	(597,173)	(616,775)

Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect the profit or loss.

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A reasonably possible change of 100 basis points in interest rate on variable rate instruments at the reporting date would have increased/(decreased) the Group's profit or loss by approximately \$5,972,000 (2023: \$6,168,000). There is no effect to equity. The analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2023.

Foreign currency risk

As at the reporting date, the Group is exposed to foreign currency risk on the cash and cash equivalents and investments that are denominated in United States Dollar ("USD") and Hong Kong Dollar ("HKD").

The Company is exposed to foreign currency risk on amounts due from subsidiaries that are denominated in HKD.

Exposure to currency risk is monitored on an ongoing basis and the Group and the Company endeavour to keep the net exposure at an acceptable level.

Exposure to Foreign Currency Risk

The summary of quantitative data about the Group's and Company's exposure to foreign currency risk as reported to the Management of the Group is as follows:

Group	----- 2024-----		----- 2023-----	
	USD \$'000	HKD \$'000	USD \$'000	HKD \$'000
Debt investments – mandatorily at FVTPL	–	–	5,934	–
Equity investments – mandatorily at FVTPL	–	10,067	–	9,312
Cash and cash equivalents	11	109	–	17
	11	10,176	5,934	9,329
Company			2024 HKD \$'000	2023 HKD \$'000
Amounts due from subsidiaries			25,326	24,454

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Sensitivity Analysis – Foreign Currency Risk

A reasonably possible strengthening/(weakening) of the Singapore dollar, as indicated below, against the USD and HKD at 31 December would have (decreased)/increased profit or loss by the amounts shown below. There is no effect to equity. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023.

	Group \$'000	Company \$'000
2024		
USD (10% strengthening)	(1)	–
HKD (10% strengthening)	(1,018)	(2,533)
USD (10% weakening)	1	–
HKD (10% weakening)	<u>1,018</u>	<u>2,533</u>
2023		
USD (10% strengthening)	(593)	–
HKD (10% strengthening)	(933)	(2,445)
USD (10% weakening)	593	–
HKD (10% weakening)	<u>933</u>	<u>2,445</u>

Equity Price Risk

The Group has investments in quoted equity and debt investments and is exposed to equity price risk. These investments are listed on the SGX-ST and the Stock Exchange of Hong Kong Limited.

For such investments classified as FVTPL, the impact of a 5% increase in prices of the quoted investments at the reporting date would have increased the profit or decreased the loss of the Group by \$508,000 (2023: \$469,000) before tax. An equal change in the opposite direction would have decreased the profit or increased the loss of the Group by \$508,000 (2023: \$469,000) before tax.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

29 FAIR VALUE OF ASSETS AND LIABILITIES**Accounting Classifications and Fair Values**

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. For the current year, the fair value disclosure of lease liabilities is also not required.

Group	Note	Carrying Amount				Fair Value			
		Mandatorily at FVTPL \$'000	Designated at FVTPL \$'000	Amortised Cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2024									
Financial Assets									
Measured at Fair Value									
Equity investments – designated at FVTPL	9	–	#	–	#	–	–	#	#
Equity investments – mandatorily at FVTPL	9	11,554	–	–	11,554	10,170	1,384	–	11,554
		11,554	#	–	11,554				
Financial Assets Not Measured at Fair Value									
Trade and other receivables ^a	12	–	–	1,749	1,749				
Pledged bank deposits	14	–	–	2,550	2,550				
Cash and cash equivalents	14	–	–	33,523	33,523				
		–	–	37,822	37,822				
Financial Liabilities Not Measured at Fair Value									
Loans and borrowings	17	–	–	(658,872)	(658,872)	–	(658,173)	–	(658,173)
Trade and other payables*	18	–	–	(36,256)	(36,256)				
		–	–	(695,128)	(695,128)				

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Group	Note	Carrying Amount				Fair Value			
		Mandatorily at FVTPL \$'000	Designated at FVTPL \$'000	Amortised Cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2023									
Financial Assets Measured at Fair Value									
Equity investments – designated at FVTPL	9	–	#	–	#	–	–	#	#
Debt investments – mandatorily at FVTPL	9	5,934	–	–	5,934	–	5,934	–	5,934
Equity investments – mandatorily at FVTPL	9	10,740	–	–	10,740	9,381	1,359	–	10,740
		16,674	#	–	16,674				
Financial Assets Not Measured at Fair Value									
Trade and other receivables ^a	12	–	–	2,158	2,158				
Pledged bank deposits	14	–	–	3,789	3,789				
Cash and cash equivalents	14	–	–	63,517	63,517				
		–	–	69,464	69,464				
Financial Liabilities Not Measured at Fair Value									
Loans and borrowings	17	–	–	(712,688)	(712,688)	–	(727,046)	–	(727,046)
Trade and other payables*	18	–	–	(38,967)	(38,967)				
		–	–	(751,655)	(751,655)				

Amount less than \$1,000.

@ Exclude prepayments and others.

* Exclude provision for other long-term employee benefits and Goods and Services Tax payables.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Company	Note	Carrying Amount		Fair Value			
		Amortised Cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2024							
Financial Assets Not Measured at Fair Value							
Trade and other receivables [®]	12	8	8				
Amounts due from subsidiaries	13	275,607	275,607				
Cash and cash equivalents	14	1,241	1,241				
		<u>276,856</u>	<u>276,856</u>				
Financial Liabilities Not Measured at Fair Value							
Amounts due to subsidiaries	13	(377,461)	(377,461)				
Trade and other payables	18	(1,579)	(1,579)				
		<u>(379,040)</u>	<u>(379,040)</u>				
31 December 2023							
Financial Assets Not Measured at Fair Value							
Trade and other receivables [®]	12	8	8				
Amounts due from subsidiaries	13	258,968	258,968				
Cash and cash equivalents	14	1,159	1,159				
		<u>260,135</u>	<u>260,135</u>				
Financial Liabilities Not Measured at Fair Value							
Amounts due to subsidiaries	13	(352,355)	(352,355)				
Trade and other payables	18	(1,515)	(1,515)				
		<u>(353,870)</u>	<u>(353,870)</u>				

[@] Exclude prepayments.**Valuation Techniques and Significant Inputs**

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant inputs used.

Financial instruments measured at fair value

Type	Valuation Techniques	Significant Inputs	Inter-relationship between Key Inputs and Fair Value Measurement
Group			
Debt investments – mandatorily at FVTPL	Discounted Cash Flow: The fair value is estimated considering the present value calculated using a risk-adjusted discount rate.	Discount rate 2024: Not applicable (2023: 9.2%)	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).
Equity investments – mandatorily at FVTPL	Market Comparison Technique: The fair value is calculated using the net asset value of the investee entity, an equity fund, where the net assets comprise mainly of marketable securities traded in active markets.	Net asset value	The estimated fair value would increase/(decrease) if the net asset value was higher/(lower).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Financial instruments not measured at fair value

Type	Valuation Technique
------	---------------------

Group and Company

Other financial liabilities* **Discounted Cash Flows:** The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

* Other financial liabilities include loans and borrowings.

Transfer between Level 1 and 2

There was no transfer between Level 1 and 2 in 2024 and 2023.

Level 3 Fair Values

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

Group	Equity Investments – Designated at FVTPL	
	2024 \$'000	2023 \$'000
At 1 January and 31 December	#	#

Amount less than \$1,000.

30 CAPITAL MANAGEMENT

The Group's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, to continue to maintain the future development and growth of the business.

The Group monitors capital using a net debt equity ratio, which is adjusted net debt divided by total equity. For this purpose, adjusted net debt is defined as total loans and borrowings less pledged bank deposits and cash and cash equivalents. Total equity includes equity attributable to equity holders of the Company.

The Group also monitors capital using a net debt to equity ratio, which is defined as net debt divided by total equity.

Group	2024 \$'000	2023 \$'000
Gross loans and borrowings	676,049	722,066
Pledged bank deposits	(2,550)	(3,789)
Cash and cash equivalents [^]	(33,506)	(63,481)
Net debt	639,993	654,796
Total equity	2,930,599	2,893,731
Net debt to equity ratio	0.22	0.23

[^] Exclude restricted cash.

The Company seeks shareholders' approval annually to renew its share purchase mandate which authorises the Directors of the Company to make purchases of the Company's shares on the market subject to terms and conditions stated in the share purchase mandate. There was no change in the Group's approach to capital management during the financial year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

31 RELATED PARTIES

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year on terms agreed between the parties concerned:

Group	2024 \$'000	2023 \$'000
Rental income and management fee from key management personnel	468	466
Contract services provided to key management personnel	173	96

Key Management Personnel Remuneration

Key management personnel remuneration is as follows:

Short-term employee benefits	17,367	17,321
Post-employment benefits	101	101
Other long-term employee benefits	3,917	111
	21,385	17,533

32 SEGMENT REPORTING

The Group has 3 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different operating and marketing strategies. For each of the strategic business units, the Company's Board of Directors reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- *Property investment* – includes investments in investment properties
- *Property development and construction* – sale of residential units and development of properties
- *Property management* – provides maintenance and management services

Other operations include investment holding, investment trading and dormant companies. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2024 or 2023.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the Company's Board of Directors. Segment profit/(loss) is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly current tax and deferred tax expense, current tax assets and liabilities, and deferred tax liabilities. Segment revenue, expense and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Information about Reportable Segments *Business Segments*

Group	Property Investment \$'000	Property Development and Construction \$'000	Property Management \$'000	Other Operations \$'000	Total \$'000
2024					
External revenue	76,746	23,877	2,908	788	104,319
Inter-segment revenue	605	–	1,087	1,754	3,446
Finance income	1,395	61	–	1,110	2,566
Finance expense	(35,229)	(1,768)	–	(646)	(37,643)
Reportable segment profit/(loss) before tax	12,915	4,813	(18)	(2,081)	15,629
Other material non-cash items:					
– Depreciation	(285)	(57)	(13)	(437)	(792)
– Gain on revaluation of investment properties	11,841	–	–	–	11,841
– Changes in fair value of other investments at fair value through profit or loss	–	–	–	1,383	1,383
– (Impairment loss)/Impairment loss written back on trade receivables, net	(1)	–	1	–	(#)
– Impairment loss on other assets	(41)	–	–	–	(41)
Capital expenditure:					
– Investment properties	498	–	–	–	498
– Property, plant and equipment	964	123	2	103	1,192
Reportable segment assets	3,508,722	97,898	855	42,839	3,650,314
Reportable segment liabilities	644,597	27,666	959	40,241	713,463

Amount less than \$1,000.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Group	Property Investment \$'000	Property Development and Construction \$'000	Property Management \$'000	Other Operations \$'000	Total \$'000
2023					
External revenue	79,152	27,824	2,874	751	110,601
Inter-segment revenue	601	–	650	1,767	3,018
Finance income	1,151	74	–	1,263	2,488
Finance expense	(35,459)	(2,240)	–	(856)	(38,555)
Reportable segment profit/(loss) before tax	95,066	7,821	(186)	(3,628)	99,073
Other material non-cash items:					
– Depreciation	(417)	(36)	(13)	(527)	(993)
– Gain on revaluation of investment properties	87,110	–	–	–	87,110
– Changes in fair value of other investments at fair value through profit or loss	–	–	–	1,326	1,326
– (Impairment loss)/Impairment loss written back on trade receivables, net	(117)	–	8	–	(109)
– Impairment loss written back on other assets	53	–	–	–	53
Capital expenditure:					
– Investment properties	539	–	–	–	539
– Development properties	–	435	–	–	435
– Property, plant and equipment	204	123	4	68	399
Reportable segment assets	3,474,656	111,961	1,015	77,595	3,665,227
Reportable segment liabilities	681,322	37,624	753	44,384	764,083

Reconciliations of Reportable Segment Revenue, Profit or Loss, Assets and Liabilities and Other Material Items

Group	2024 \$'000	2023 \$'000
Revenue		
Total revenue for reportable segments	105,223	111,101
Revenue for other operations	2,542	2,518
Elimination of inter-segment revenue	(3,446)	(3,018)
	104,319	110,601
Profit or Loss before tax		
Total profit for reportable segments	17,710	102,701
Loss for other operations	(2,081)	(3,628)
	15,629	99,073
Assets		
Total assets for reportable segments	3,607,475	3,587,632
Assets for other operations	42,839	77,595
Current tax assets	4	3
	3,650,318	3,665,230
Liabilities		
Total liabilities for reportable segments	673,222	719,699
Liabilities for other operations	40,241	44,384
Deferred tax liabilities	271	502
Current tax liabilities	5,985	6,914
	719,719	771,499

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Other Material Items

Group	Reportable Segments \$'000	Other Operations \$'000	Total \$'000
2024			
Finance income	1,456	1,110	2,566
Finance expense	(36,997)	(646)	(37,643)
Depreciation	(355)	(437)	(792)
Changes in fair value of other investments at fair value through profit or loss	–	1,383	1,383
Capital expenditure: – Property, plant and equipment	1,089	103	1,192
2023			
Finance income	1,225	1,263	2,488
Finance expense	(37,699)	(856)	(38,555)
Depreciation	(466)	(527)	(993)
Changes in fair value of other investments at fair value through profit or loss	–	1,326	1,326
Capital expenditure: – Property, plant and equipment	331	68	399

Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on geographical location of the assets.

Group	Singapore \$'000	Hong Kong \$'000	Total \$'000
2024			
External revenue	96,745	7,574	104,319
Non-current assets	3,011,459	491,779	3,503,238
2023			
External revenue	103,033	7,568	110,601
Non-current assets	2,979,814	492,650	3,472,464

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

33 LEASES

Leases as Lessee

The Group leases an office space and warehouse for a period of 3 years and 2 years respectively, and does not include contingent rentals.

The Group also leases staff accommodation space and office equipment with contract terms of less than one year to five years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Group	Office Space and Warehouse	
	2024 \$'000	2023 \$'000
Right-of-use Assets		
Balance at 1 January	180	466
Depreciation for the year	(329)	(394)
Additions	839	112
Translation differences	#	(4)
Balance at 31 December	690	180
Lease Liabilities		
Non-current	380	45
Current	329	150
	709	195

Amount less than \$1,000.

Amounts Recognised in Profit or Loss

Group	2024 \$'000	2023 \$'000
Expenses relating to short-term leases	148	117
Expenses relating to leases of low-value assets	89	85
Lease expenses	237	202
Interest on lease liabilities	64	8

Amounts Recognised in Statement of Cash Flows

Group	2024 \$'000	2023 \$'000
Total cash outflow for leases	(569)	(630)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

Leases as Lessor

Operating leases

The Group leases out its investment and development properties. The Group has classified these leases as operating leases from a lessor perspective, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 7 sets out information about the operating leases of investment properties.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Group	2024 \$'000	2023 \$'000
Operating Leases		
Within one year	58,147	54,196
After one year but within two years	39,866	35,590
After two years but within three years	24,015	21,495
After three years but within four years	17,328	15,186
After four years but within five years	15,206	14,311
More than five years	50,835	64,478
	205,397	205,256

34 COMMITMENTS

As at 31 December, the Group's capital commitments outstanding but not provided for in the consolidated financial statements were as follows:

Group	2024 \$'000	2023 \$'000
Contracted for:		
– improvement works to investment properties	1,956	608
– purchase of motor vehicle	346	89
	2,302	697

STATEMENT OF SHAREHOLDINGS

AS AT 24 MARCH 2025

No. of Shares (excluding Treasury Shares ¹ and Subsidiary Holdings ²)	:	819,297,140
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 Vote Per Share
No. of Treasury Shares ¹	:	51,315,000 (6.26%)
No. of Subsidiary Holdings ²	:	Nil (0%)

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	191	3.72	7,454	0.00
100 – 1,000	292	5.69	153,768	0.02
1,001 – 10,000	2,640	51.41	15,303,928	1.87
10,001 – 1,000,000	1,972	38.40	102,132,462	12.46
1,000,001 and above	40	0.78	701,699,528	85.65
	5,135	100.00	819,297,140	100.00

TOP TWENTY SHAREHOLDERS¹

Name of Shareholder	No. of Shares	%
1 Hong Fok Land Holding Limited	177,589,632	21.68
2 P.C. Cheong Pte Ltd	95,429,584	11.65
3 United Overseas Bank Nominees Pte Ltd	90,528,632	11.05
4 HSBC (Singapore) Nominees Pte Ltd	59,563,046	7.27
5 Citibank Nominees Singapore Pte Ltd	45,911,383	5.60
6 Cheong Sim Eng	31,530,828	3.85
7 Maybank Securities Pte. Ltd.	21,035,396	2.57
8 DBS Nominees Pte Ltd	19,195,802	2.34
9 Justin Teo Zhiwei	18,244,500	2.23
10 UOB Kay Hian Pte Ltd	14,910,320	1.82
11 Cheong Lay Kheng	14,263,000	1.74
12 Cheong Pin Chuan	11,272,078	1.38
13 OCBC Securities Private Ltd	11,161,184	1.36
14 Morph Investments Ltd	10,610,000	1.29
15 Khoo Poh Koon	9,014,391	1.10
16 Phillip Securities Pte Ltd	8,361,494	1.02
17 Corporate Development Limited	8,113,776	0.99
18 Cheong Puay Kheng	7,658,400	0.93
19 Monconcept Investments Pte Ltd	4,574,500	0.56
20 Cheong Chay Khong	4,415,790	0.54
	663,383,736	80.97

Based on the information available to the Company, as at 24 March 2025, approximately 30.82% of the issued ordinary shares of the Company (excluding treasury shares) are held in the hands of the public. Hence, Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

¹ As per The Central Depository (Pte) Limited's report.

² The term "Subsidiary Holdings" shall have the same meaning ascribed to it in the Listing Manual, and is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

STATEMENT OF SHAREHOLDINGS

AS AT 24 MARCH 2025

SUBSTANTIAL SHAREHOLDERS³

Name of Substantial Shareholder	No. of Shares	
	Shareholdings in which Substantial Shareholder has a Direct/Beneficial Interest	Shareholdings in which Substantial Shareholder is Deemed to have an Interest
1 Goodyear Realty Co Pte Ltd	44,485,758	—
2 P.C. Cheong Pte Ltd	96,089,584	—
3 Cheong Sim Eng	114,431,756	53,659,778 ^(a)
4 Cheong Pin Chuan	20,969,328	150,323,053 ^(b)
5 Cheong Kim Pong	660,000	44,485,758 ^(c)
6 Hong Fok Land Holding Limited	177,589,632 ^(d)	—

(a) This represents Cheong Sim Eng's deemed interest in the issued ordinary shares in the capital of the Company ("Shares") held by his wife, Corporate Development Limited ("CDL") and Goodyear Realty Co Pte Ltd ("Goodyear").

(b) This represents Cheong Pin Chuan's deemed interest in the Shares held by his wife, P.C. Cheong Pte Ltd, CDL and Goodyear.

(c) This represents Cheong Kim Pong's deemed interest in the Shares held by Goodyear.

(d) Hong Fok Land Holding Limited ("HF Land") is wholly owned indirectly by Hong Fok Land International Limited (incorporated in Bermuda) via Hong Fok Land Asia Limited, Hong Fok Land Investment Limited and Wellow Investment Limited. The aforesaid companies are deemed to have an interest in the Shares held by HF Land.

³ Based on the Register of Substantial Shareholders kept pursuant to Section 137C of the Securities and Future Act 2001.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-seventh Annual General Meeting ("AGM" or "Meeting") of **HONG FOK CORPORATION LIMITED** will be held at Empress Ballroom 4 & 5, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Wednesday, 30 April 2025 at 10.30 a.m. to transact the following business:

As Ordinary Business

- 1 To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2024 and the Auditors' Report thereon. **(Resolution 1)**
- 2 To declare a first and final tax exempt (one-tier) dividend at 1 cent per ordinary share for the financial year ended 31 December 2024 (2023: 1 cent final). **(Resolution 2)**
- 3 To approve the payment of Directors' fees of \$486,000 for the financial year ending 31 December 2025, to be paid quarterly in arrears (2024: \$477,723). [See Explanatory Note (i)] **(Resolution 3)**
- 4 To re-elect Mr Cheong Sim Eng as Director retiring under Regulation 104 of the Constitution of the Company. [See Explanatory Note (ii)] **(Resolution 4)**
- 5 To re-elect Mr Chong Weng Hoe as Director retiring under Regulation 104 of the Constitution of the Company. [See Explanatory Note (iii)] **(Resolution 5)**
- 6 To re-appoint KPMG LLP, Public Accountants and Chartered Accountants, Singapore, as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

As Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without any modification:

- 7 **General Authority to Allot and Issue New Shares in the Capital of the Company**
 "That pursuant to Section 161 of the Companies Act 1967 (the "Act") and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to issue shares and convertible securities in the capital of the Company, including additional convertible securities issued pursuant to adjustments and new shares arising from the conversion of convertible securities and additional convertible securities (whether by way of rights, bonus or otherwise or in pursuance of any offer, agreement or option made or granted by the Directors during the continuance of this authority which would or might require shares or convertible securities to be issued during the continuance of this authority or thereafter) at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit (notwithstanding that such issue of shares pursuant to the offer, agreement or option or the conversion of the convertible securities may occur after the expiration of the authority contained in this Resolution), provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and provided further that where shareholders of the Company with registered addresses in Singapore are not given an opportunity to participate in the same on a pro-rata basis, then the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to all existing shareholders of the Company must not exceed 15% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and for the purpose of this Resolution, the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company shall be based on the Company's 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 convertible securities, (ii) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST and (iii) any subsequent bonus issue, consolidation or subdivision of shares, and provided also that adjustments under (i) and (ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this Resolution is passed), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST."
 [See Explanatory Note (iv)] **(Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING

8 Renewal of the Share Buy-Back Mandate

"That the Directors of the Company be and are hereby authorised to make purchases from time to time (whether by way of on-market purchases or off-market purchases in accordance with an equal access scheme) of up to 10% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company as at the date of this Resolution at any price up to but not exceeding the Maximum Price (as defined in the "Guidelines on Share Purchases" (the "Guidelines") set out in the Appendix of the Addendum dated 8 April 2025 to shareholders of the Company (being an addendum to the notice of annual general meeting dated 8 April 2025)) in accordance with the Guidelines and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force and expire on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST." [See Explanatory Note (v)]

(Resolution 8)

BY ORDER OF THE BOARD

LIM GUEK HONG
KOH CHAY TIANG
 Company Secretaries

Singapore
 8 April 2025

Explanatory Notes:

- (i) The Ordinary Resolution 3 proposed in item 3 above, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is during the financial year ending 31 December 2025. In the event that the amount proposed is insufficient, approval will be sought at the next annual general meeting for payments to meet the shortfall.
- (ii) Detailed information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Cheong Sim Eng can be found on pages 3, 30 and 33 of the Annual Report 2024 of the Company.
- (iii) Mr Chong Weng Hoe, upon re-election as a Director, shall remain as the Chairman of the Remuneration Committee and a Member of the Nominating Committee and Audit and Risk Management Committee. He is considered as an Independent Director for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Chong Weng Hoe can be found on pages 3, 31 and 33 of the Annual Report 2024 of the Company.
- (iv) The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company from the date of this AGM until the next annual general meeting, to issue shares and convertible securities in the capital of the Company, without seeking any further approval from shareholders in general meeting but within the limitation imposed by the Resolution, for such purposes as the Directors may consider to be in the interests of the Company.
- (v) The Ordinary Resolution 8 proposed in item 8 above relates to the renewal of a mandate originally approved by shareholders of the Company on 30 June 1999 and renewed by shareholders of the Company at all subsequent annual general meetings of the Company, including the previous annual general meeting held on 29 April 2024 authorising the Company to purchase its own shares subject to and in accordance with the "Guidelines on Share Purchases" set out in the Appendix of the Addendum dated 8 April 2025 to shareholders of the Company (being an addendum to the notice of AGM dated 8 April 2025), the Constitution of the Company, the Act, the Listing Manual of the SGX-ST and such other laws and regulations as may for the time being be applicable. The source of funds to be used for the purchase or acquisition of shares including the amount of financing and its impact on the Company's financial position are set out in Sections 5 and 6 of the Addendum dated 8 April 2025.

Notes:

- (a) **Conduct of Meeting**
 The AGM will be held, in a wholly physical format, at the venue, date and time stated above. There will be no option for members to participate virtually.
- (b) **Annual Report 2024, Addendum, Notice of AGM and Proxy Form**
 Documents relating to the business of the AGM, which comprise the Annual Report 2024 of the Company for the financial year ended 31 December 2024, Addendum, Notice of AGM and Proxy Form have been sent to members using electronic communications by way of being made available on the Company's website at <http://hongfok.listedcompany.com/>. These documents may also be accessed on SGXNet at <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice of AGM and the accompanying Proxy Form will also be sent by post to members.
 Members may request for printed copies of the Annual Report 2024 of the Company and the Addendum by completing and submitting the request form sent to them by post together with printed copies of this Notice of AGM and the accompanying Proxy Form, no later than 16 April 2025 to the Company c/o B.A.C.S Private Limited.
- (c) **Participation in the Meeting**
 - (i) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's Proxy Form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.
 - (ii) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's Proxy Form 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 Proxy Form.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.

NOTICE OF ANNUAL GENERAL MEETING

(d) Submission of Written Questions relating to the Agenda of the AGM in advance of the AGM

Members and proxy/proxies, including CPF and SRS investors, may submit questions related to the resolutions to be tabled at the AGM in advance of the AGM and in any case, not later than 12.00 a.m. on 16 April 2025 through any of the following means:

- (i) if submitted by email, to be received by the Company at ir@hongfok.com.sg; or
- (ii) if submitted by post, to be deposited at the registered office of the Company at 300 Beach Road #41-00, The Concourse, Singapore 199555.

and provide the following details for verification purposes:

- (i) full name of the member or proxy/proxies;
- (ii) last 4 digits of NRIC/Passport/Company Registration No.;
- (iii) number of shares held;
- (iv) contact number;
- (v) email address; and
- (vi) the manner in which the member or proxy/proxies hold shares in the Company (e.g. via CDP, CPF/ SRS, Physical Scrips).

Any question submitted without the identification details will not be addressed.

(e) Publication of Responses to Written Questions

The Company will endeavour to address the substantial and relevant comments and queries (which are related to the resolutions to be tabled for approval at the AGM) received from members either before the deadline for the submission of questions on 16 April 2025 by publishing its responses to such comments and queries, if any, on the Company's website <http://hongfok.listedcompany.com/> and on SGXNet at <https://www.sgx.com/securities/company-announcements> either by 24 April 2025, being at least 48 hours prior to the deadline for submission of Proxy Forms, or at the AGM. Should there be subsequent clarification sought or follow-up comments and queries received after the deadline for the submission of questions on 16 April 2025, the Company will address those substantial and relevant comments and queries prior to the AGM through publication on the Company's website and on SGXNet, or at the AGM.

(f) Submission of Proxy Forms

- (i) The instrument appointing proxy/proxies must be submitted to the Company in the following manner:

- (1) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896; or
 - (2) if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com,
- in either case, by 10.30 a.m. on 28 April 2025, being 48 hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument appointing proxy/proxies must complete and sign the Proxy Form, before scanning and sending it by email to the email address provided above or submitting it by post to the address provided above.

- (ii) Members are strongly encouraged to submit the completed Proxy Form electronically.
- (iii) CPF/SRS investors who hold the Company's shares:
 - (1) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
 - (2) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 21 April 2025.

Personal Data Privacy:

By submitting an instrument appointing a proxy/proxies 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 list, 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, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy/proxies and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy/proxies 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/proxies and/or representative(s) for the Purposes (the "Warranty"), and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of Warranty. Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes to be prepared for the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he may propose/second) may be recorded by the Company for such purpose.

NOTICE OF RECORD DATE

NOTICE IS HEREBY GIVEN THAT, subject to the members' approval to a first and final tax exempt (one-tier) dividend at 1 cent per ordinary share for the financial year ended 31 December 2024 (the "Proposed Dividend") at the forthcoming Annual General Meeting of **HONG FOK CORPORATION LIMITED** (the "Company") to be held on 30 April 2025, the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 14 May 2025 for the purpose of determining members' entitlements to the Proposed Dividend.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896 up to 5.00 p.m. on 14 May 2025 (the "Record Date") will be registered to determine members' entitlements to the Proposed Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with the shares as at 5.00 p.m. on the Record Date will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved at the forthcoming Annual General Meeting to be held on 30 April 2025, will be paid on 27 May 2025.

BY ORDER OF THE BOARD

LIM GUEK HONG
KOH CHAY TIANG
Company Secretaries

Singapore
8 April 2025

HONG FOK CORPORATION LIMITED

(Company Registration No. 196700468N)

(Incorporated in the Republic of Singapore)

PROXY FORM

(Please read notes overleaf before completing this Form)

Important

- 1 The Fifty-seventh Annual General Meeting (the "AGM" or "Meeting") will be held, in a wholly physical format, at the venue, date and time stated below.
- 2 Pursuant to Section 181(1C) of the Companies Act 1967 (the "Act"), relevant intermediaries may appoint more than two proxies to attend, speak and vote at the AGM.
- 3 For investors who have used their Central Provident Fund or Supplementary Retirement Scheme monies to buy Shares in the Company (the "CPF/SRS Investors"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- 4 CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 21 April 2025.
- 5 By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 April 2025.
- 6 Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxy/proxies to vote on his/her/its behalf at the Meeting.

I/We, _____ (Name) _____ (NRIC/Passport/Company Registration No.)

of _____

being a member/members of **HONG FOK CORPORATION LIMITED** (the "Company"), hereby appoint:

Name		NRIC/Passport Number	Proportion of Shareholdings (%)
Address			

and/or (delete as appropriate)

Name		NRIC/Passport Number	Proportion of Shareholdings (%)
Address			

or failing the person, or either or both the persons, referred to above, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Empress Ballroom 4 & 5, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on **Wednesday, 30 April 2025 at 10.30 a.m.** and any adjournment thereof in the following manner.

Please indicate your vote "For", "Against" or "Abstain" with an "X" within the box provided. Alternatively, please indicate the number of votes "For" or "Against" within the box provided. If you wish to abstain from voting on a resolution, please indicate "X" in the "Abstain" box in respect of that resolution. Alternatively, please indicate the number of shares that your proxy is directed to abstain from voting in that resolution.

In the absence of specific directions in respect of a resolution, the proxy/proxies will vote or abstain from voting at his/her/its discretion.

No.	Resolutions relating to:	For	Against	Abstain
1	Directors' Statement and Audited Financial Statements			
2	Declaration of First and Final Dividend of 1 cent			
3	To approve the payment of Directors' fees of \$486,000 for the financial year ending 31 December 2025			
4	Re-election of Mr Cheong Sim Eng as Director retiring under Regulation 104			
5	Re-election of Mr Chong Weng Hoe as Director retiring under Regulation 104			
6	Re-appointment of Auditors			
7	Authority to issue Shares and Convertible Securities			
8	Renewal of Share Buy-Back Mandate			

Dated this _____ day of _____ 2025

Total Number of Shares:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

- 1 (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's Proxy Form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, 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 Proxy Form 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 Proxy Form.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.

A member who wishes to submit an instrument of proxy must complete and sign the Proxy Form, before submitting it in the manner set out below.

- 2 A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy. If no name is inserted in the space for the name of your proxy on the Proxy Form, the Chairman of the Meeting will act as your proxy.
- 3 The instrument appointing proxy/proxies must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com.

in either case, by 10.30 a.m. on 28 April 2025, being 48 hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument appointing proxy must complete and sign the Proxy Form, before scanning and sending it by email to the email address provided above or submitting it by post to the address provided above.

Members are strongly encouraged to submit the completed Proxy Form electronically.

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- 4 CPF/SRS investors who hold the Company's shares may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case, they should approach their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM to submit their votes which is by 5.00 p.m. on 21 April 2025.
- 5 Completion and return of this instrument appointing a proxy/proxies shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy/proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
- 6 If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member.
- 7 The instrument appointing proxy/proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing proxy/proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its authorised officer(s) or its attorney duly authorised.
- 8 Where an instrument appointing proxy/proxies 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), if the instrument appointing proxy/proxies is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing proxy/proxies is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
- 9 A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.
- 10 The Company shall be entitled to reject the instrument appointing proxy/proxies if it 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 instrument appointing proxy/proxies (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject an instrument appointing proxy/proxies lodged or submitted if such members are not shown to have shares against their names in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.
- 11 Members should take note that once this Proxy Form is submitted electronically via email to the Company's Share Registrar, they cannot change their vote as indicated in the box provided above.

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Affix
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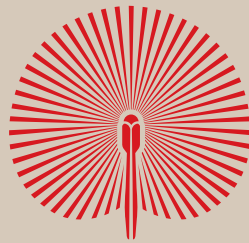
HONG FOK CORPORATION LIMITED

C/o B.A.C.S. Private Limited
77 Robinson Road #06-03
Robinson 77
Singapore 068896

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HONG FOK CORPORATION LIMITED

Co. Reg. No. 196700468N

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