



HGH HOLDINGS LTD.



CHARTING OUR FUTURE

ANNUAL REPORT 2024

CONTENTS

01	Corporate Profile	52	Statements of Financial Position
02	Chairman's Message	53	Consolidated Statement of Comprehensive Income
04	Operations Review and Financial Highlights	54	Consolidated Statement of Changes in Equity
08	Board of Directors	55	Consolidated Statement of Cash Flows
10	Key Management Personnel	57	Notes to the Financial Statements
11	Corporate Information	102	Statistics of Shareholdings
12	Corporate Governance Report	104	Notice of Annual General Meeting
45	Directors' Statement		Proxy Form
48	Independent Auditor's Report		

This Annual Report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms. Audrey Mok (Tel (65) 6232 3210), at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.





LEASING AND SERVICE INCOME

Through our purpose-built industrial complex spanning over a land size of 75,000 square metres and a gross floor area of over 53,000 square metres, we provide a one-stop high value-added general warehousing and logistics services, industrial and office space for engineering, manufacturing, industrial training and workers' dormitory facilities. Some of our major clients include NTUC Learning Hub, Space Furniture, Germaxco Shipping Agencies and Torishima Service Solutions Asia.

SUPPLY AND MANUFACTURING OF READY-MIX CONCRETE PRODUCTS

We supply ready-mix concrete in Singapore to various customers in the construction and civil engineering sector and the ready-mix concrete is a specialised business whereby very stringent criterion are set. Ready-mix concrete refers to concrete that have been weigh-batched at the batching plant, mixed inside a mixer in the plant itself or in a mechanical concrete mixer mounted on a truck chassis while in transit from the plant. The ready-mix is thus delivered in a "ready-to-use" state to its intended destination and ultimate location at the construction site. The ready-mix concrete industry is a support industry to the construction industry, where the construction industry constitutes one of the main sectors of Singapore's economy.



MANUFACTURING PRECAST CONCRETE PRODUCTS

We provide value-added and cost competitive manufacturing solutions to the construction sector with various product mix of structural and non-structural precast concrete products, that are suitable for all types of civil and construction works. The concrete products are sold mainly to civil engineering contractors undertaking projects from government ministries and statutory boards for infrastructure works and public housing in Singapore.

UNDERGROUND CABLE INSTALLATION AND ROAD REINSTATEMENT SERVICES

We carry out civil and associated works, such as underground cable installation and road reinstatement works for various customers in the construction and civil engineering sector. Underground cable installation refers to the installation of power cables, auxiliary cables and other accessories under the ground. We are also responsible for ensuring the proper laying of cables and quality of cable joints and branch connections. Road reinstatement refers to the backfilling and reinstatement of road surfaces after any trenching or excavation works. We are also responsible for ensuring that there is sufficient depth of refilling and proper compaction and settlement. We started out by undertaking various jobs obtained through public tenders, and we are currently Grade L5 and C1 registered contractor with the Building and Construction Authority (BCA).

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS

I am pleased to present an overview of the financial performance of HGH Holdings Ltd. (the “**Company**” or “**HGH**”) and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2024 (“**FY2024**”).

Currently, the Group is principally engaged in the following businesses:

1. Premium Concrete Pte. Ltd. (“**PC**”) for supply and manufacturing of ready-mix concrete;
2. W&P Precast Pte. Ltd. (“**WPP**”) and W & P Precast Sdn. Bhd. (“**WPP(M)**”) for supply of precast concrete products;
3. Engineering Manufacturing Services (S) Pte. Ltd. (“**EMS**”) and Germaxco Pte. Ltd. (“**Germaxco**”) for leasing and service income; and
4. Poh Huat Heng Corporation Pte. Ltd. (“**PHH**”) for underground cable installation and road reinstatement services.

In FY2024, the leasing and service income segment was the largest contributor to the Group’s revenue, accounting for approximately 47.5% of the total revenue. The second largest contributor was the supply and manufacturing of ready-mix concrete products segment, which generated about 24.8% of total revenue. The remaining revenue was contributed by the provision of underground cable installation and road reinstatement and the manufacturing of precast concrete products segments, which accounted for approximately 17.6% and 10.1% respectively.

BUSINESS OUTLOOK

The global economic landscape has become increasingly complex, requiring us to be diligent as we navigate challenges such as geopolitical tensions and ongoing inflationary pressures. Looking ahead to FY2025, the potential escalation of global trade tensions, particularly with the United States broadening its use of trade tariffs, is expected to introduce further uncertainty worldwide. At HGH, our approach to navigating these challenges remains consistent: we keep abreast of industry trends and prioritise agility, allowing us to adapt our strategies and redeploy resources effectively. This ensures that we continue to deliver high-quality products and services while creating sustainable value for our stakeholders.

We further note the positive projections from the Building and Construction Authority Singapore (“**BCA**”), which anticipates a strong construction demand in the medium-term. Specifically, the BCA projects the total construction

demand, representing the value of construction contracts to be awarded, to range between S\$47 billion and S\$53 billion in nominal terms in 2025. Furthermore, the medium-term outlook for construction demand is expected to remain strong due to several large-scale developments, such as Changi Airport Terminal 5 (T5) and the expansion of the Marina Bay Sands Integrated Resort, alongside public housing development and upgrading works¹. This robust forecast, coupled with projects secured by the Group and the revision of rental rates within our leasing and service income segment, gives us a sense of measured optimism for the future. The commencement of underground cable projects in late 2024 and the start of operations at our new ready-mix plant in January 2025 are key milestones in our strategic roadmap.

While acknowledging the ongoing global economic uncertainties, including the potential impact of escalating trade tensions, the Group remains focused on prudent

¹ <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025>



CHAIRMAN'S MESSAGE

management of its operational costs, particularly in light of prevailing material and manpower costs. Simultaneously, we will actively seek out and evaluate new business opportunities that align with our strategic objectives, ensuring we remain on a sustainable growth trajectory.

FINANCIAL REVIEW

In FY2024, the Group achieved a total revenue of S\$21.32 million, representing a 6.4% increase compared to the S\$20.03 million recorded in financial year ended 31 December 2023 ("FY2023"). This growth was primarily driven by higher revenue from the leasing and service income segment and the underground cable installation and road reinstatement services segment.

From a segmental perspective, the leasing and service income segment remained the largest contributor in FY2024, generating S\$10.12 million in revenue, which is a significant increase from the S\$8.74 million reported in FY2023. This growth of 15.8% was mainly attributable to revised rental rates. Following this, the supply and manufacturing of ready-mix concrete products segment contributed S\$5.29 million in FY2024, a decrease from the S\$6.85 million in FY2023 largely due to the construction of a new plant during the year. The provision of underground cable installation and road reinstatement services segment also saw significant activity in FY2024, generating S\$3.75 million, a substantial increase of 58.2% compared to the S\$2.37 million in FY2023, driven by a higher number of projects completed. Lastly, the manufacturing of precast concrete products segment contributed S\$2.16 million in FY2024, as compared to S\$2.08 million in FY2023.

Further details on the Group's financial performance and position can be found in the "Operations Review and Financial Highlights" section of this Annual Report, offering a more comprehensive view of our charted progress.

CORPORATE GOVERNANCE

HGH remains steadfast in its commitment to maintaining the highest standards of corporate governance throughout all aspects of our operations and business practices. We believe this commitment is fundamental to our long-term success and in upholding the trust of our stakeholders as we navigate the future together. More information on our corporate governance policies can be found in the Corporate Governance Report within this Annual Report.

APPRECIATION

The performance of the Group in the past financial year is a testament to our resilience and adaptability in a dynamic market, guiding us as we chart our future. I extend my sincere gratitude to my fellow Board members for their invaluable wisdom and guidance in setting our strategic direction.

I would also like to express my deep appreciation to our dedicated management team and staff for their unwavering hard work and commitment. Your efforts are crucial to the continued success and growth of the Group as we move forward on our charted path.

Finally, on behalf of the Board, I would like to thank our valued customers, vendors, business partners, and shareholders for their continued support and confidence in HGH. We are excited to embark on the next phase of the Group's growth journey in the years to come and look forward to sharing our progress with you as we continue to chart our future together.

NG CHUAN HENG

Executive Chairman



OPERATIONS REVIEW AND FINANCIAL HIGHLIGHTS

GROUP'S FINANCIAL PERFORMANCE

	FY2024 S\$'000	FY2023 S\$'000	% Change
Revenue			
Leasing and service income	10,117	8,736	15.8%
Supply of precast concrete products	2,159	2,082	3.7%
Supply and manufacturing of ready-mix concrete products	5,293	6,848	(22.7%)
Provision of underground cable installation and road reinstatements	3,749	2,368	58.3%
Total Revenue	21,318	20,034	6.4%
Cost of sales	(15,241)	(16,253)	(6.2%)
Gross profit	6,077	3,781	60.7%
Other income	304	1,198	(74.6%)
Distribution costs	(680)	(798)	(14.8%)
Administrative cost	(5,306)	(4,695)	13.0%
Other expenses	(159)	(53)	n.m.
(Provision for)/ Reversal of impairment loss on financial assets, net	(286)	121	n.m.
Finance costs	(282)	(160)	76.3%
Loss before income tax	(332)	(606)	(45.2%)
Income tax credit	99	282	(64.9%)
Total loss for the year	(233)	(324)	(28.1%)
Other comprehensive (loss)/income, net of income tax			
- Exchange differences on translation of foreign operations	(49)	46	n.m.
Total comprehensive loss for the year	(282)	(278)	1.4%

*n.m. - not meaningful

OPERATIONS REVIEW AND FINANCIAL HIGHLIGHTS

The Group's core operations during the financial year remained focused on: (a) PC, specialising in the supply and manufacturing of ready-mix concrete products; (b) WPP and WPP(M), dedicated to the supply of precast concrete products; (c) EMS and Germaxco, providing comprehensive general warehousing and logistics services, along with industrial and office spaces suitable for engineering, manufacturing, industrial training, and workers' dormitory facilities; and (d) PHH, offering essential underground cable installation and road reinstatement services.

FINANCIAL PERFORMANCE

In FY2024, the Group revenue reached S\$21.32 million, representing a growth of S\$1.29 million from S\$20.03 million in FY2023. This improvement was driven by higher revenue contributions from EMS, PHH, and WPP, amounting to S\$1.38 million, S\$1.38 million, and S\$0.08 million respectively. These increases were partially offset by a decrease in revenue from PC of S\$1.56 million, which was attributed to the construction of a new plant during the year. Overall, the growth in revenue from PHH was due to the completion of more projects, while EMS benefited from revised rental rates.

Meanwhile, cost of sales and services for FY2024 totalled S\$15.24 million, representing a decrease of S\$1.01 million from S\$16.25 million in FY2023.

As a result of the revenue growth and reduced cost of sales and services, the Group's gross profit and gross profit margin improved for FY2024. Gross profit for the year was S\$6.08 million, an increase of S\$2.30 million compared to the S\$3.78 million in FY2023. The gross profit margin improved to 28.5% from 18.9%. This enhanced profitability was mainly driven by strong performances from EMS and PHH, partially offset by a decrease in the gross profit margin of PC.

The Group's other operating income experienced a decrease compared to FY2023. This was primarily due to a reduced contribution from government grants received and the absence of the written off of deposit received in the prior year.

In terms of operational expenses, distribution costs for FY2024 was S\$0.12 million lower than the previous year, mainly due to reduced expenses in the PC segment, aligning with the decrease in its revenue.

Administrative expenses for the Group increased by S\$0.61 million in FY2024. This was mainly attributable to higher staff costs in the PC and PHH segments along with an overall increase in other administrative costs.

Other expenses for the Group saw an increase of S\$0.11 million in FY2024, primarily due to impairment loss of right-of-use assets by WPP (M).

For the year under review, the Group recorded a net impairment loss of S\$0.29 million on its financial assets, mainly due to the impairment of receivables in PC, contrasting with the reversal of impairment loss recorded in the previous year.

Finance income for the Group softened by S\$0.06 million due to lower interest income from fixed deposits. Conversely, finance costs increased, mainly attributed to interest arising from lease liabilities in PC which amounted to S\$0.12 million.

The Group recorded an income tax credit for FY2024, primarily due to deferred tax assets arising from the fair value adjustment for the investment property of EMS.



OPERATIONS REVIEW AND FINANCIAL HIGHLIGHTS

GROUP FINANCIAL POSITION

	As at 31 December 2024 S\$'000	As at 31 December 2023 S\$'000	Change %
ASSETS			
Non-current assets			
Property, plant and equipment	9,855	3,706	n.m.
Investment properties	44,180	47,290	(6.6%)
Right-of-use assets	1,701	12	n.m.
Intangible assets	45	41	(9.8%)
	55,781	51,049	9.3%
Current assets			
Inventories	300	211	42.2%
Trade and other receivables	4,575	3,569	28.2%
Other current assets	666	683	(2.5%)
Contract assets	2,806	144	n.m.
Cash and cash equivalents	5,118	8,781	(41.7%)
	13,465	13,388	0.6%
Total Assets	69,246	64,437	7.5%
LIABILITIES			
Non-current liabilities			
Lease liabilities with financial institutions	957	455	n.m.
Lease liabilities	6,017	4,770	26.1%
Deferred tax liabilities	6,743	7,128	(5.4%)
Other liabilities	674	867	(22.3%)
	14,391	13,220	8.9%
Current liabilities			
Trade payables and other payables	7,404	4,167	77.7%
Lease liabilities with financial institutions	403	219	84.0%
Lease liabilities	644	303	n.m.
Provision for defect liability	63	50	26.0%
Income tax payable	410	266	54.1%
	8,924	5,005	78.3%
Total Liabilities	23,315	18,225	27.9%
CAPITAL AND RESERVES			
Share capital	35,225	35,225	n.m.
Reserves	10,806	11,054	(2.3%)
Equity attributable to owners of the Company	46,031	46,279	(0.5%)
Non-controlling interests	(100)	(67)	49.3%
Total Equity	45,931	46,212	(0.6%)
TOTAL LIABILITIES AND EQUITY	69,246	64,437	7.5%

*n.m. - not meaningful

OPERATIONS REVIEW AND FINANCIAL HIGHLIGHTS

GROUP FINANCIAL POSITION

As at 31 December 2024, the net book value of the Group's property, plant, and equipment significantly increased to S\$9.85 million, constituting 17.7% of the Group's non-current assets. This increase of S\$6.14 million from S\$3.71 million as at 31 December 2023 was mainly due to the acquisition of plants and equipment amounting to S\$6.69 million, partially offset by depreciation of S\$0.54 million.

The Group's investment properties decreased to S\$44.18 million as at 31 December 2024 from S\$47.29 million as at 31 December 2023, primarily due to depreciation on the leasehold building of EMS. Investment properties constituted 79.2% of the Group's non-current assets as at 31 December 2024.

The Group's right-of-use assets increased due to the renewal of a concrete batching plant amounting to S\$2.02 million, partially offset by depreciation amounting to S\$0.41 million.

Intangible assets saw a slight increase due to the addition of software, offset by amortisation.

Trade and other receivables increased by S\$1.01 million, mainly due to construction contracts billed by PHH, offset by the impairment loss on financial assets. Other current assets increased by S\$0.02 million, primarily due to additional prepayments by PC. Contract assets increased by S\$2.66 million due to increase in unbilled contracts by PHH.

Trade and other payables, constituting 83.0% of the Group's current liabilities, increased by S\$3.24 million due to increased project activities by PHH and PC near the year end.

Lease liabilities from financial institutions increased by S\$0.69 million due to the acquisition of additional equipment. Similarly, other lease liabilities increased by S\$1.59 million due to the additional lease of a concrete batching plant. Income tax payable arose mainly from the net chargeable income generated by EMS. Deferred tax liabilities reduced due to deferred tax assets arising from the fair value adjustment for EMS's investment property.

The net decrease in the Group's cash and cash equivalents of S\$5.12 million was mainly due to net cash used in investing activities of S\$5.98 million mainly for the addition of plants and equipment and net cash used in financing activities of S\$1.72 million mainly for the repayment of lease liabilities, partially offset by net cash generated from operating activities of S\$3.47 million.



BOARD OF DIRECTORS



NG CHUAN HENG
Executive Chairman

Mr Ng Chuan Heng (“**Mr Ng**”) came on board as Non-Executive Non-Independent Chairman on 17 December 2018, and was re-designated to Executive Chairman and Executive Director on 1 August 2020. He is responsible for leading and ensuring the effectiveness of the Board, including promoting a culture of openness and debate at the Board and facilitating the effective contribution of all directors. Mr Ng has over four decades of experience in the construction industry, having started off as an apprentice construction worker in the 1970s. Mr Ng’s expertise lies in handling the operational aspects of the construction business, having been closely involved (at both his past and present companies) in all the day-to-day activities such as logistics, managing of workers and supervising at the construction sites.



TAN POH GUAN
Chief Executive Officer

Mr Tan Poh Guan (“**Mr Tan**”) came on board as Executive Director on 17 December 2018, and was re-designated as Chief Executive Officer on 1 July 2020. He is responsible for the overall business development and general management of the Group. Mr Tan has extensive experience in the construction business, having handled various aspects such as planning, operations, overseeing the finances and tendering for projects. He graduated from Ngee Ann Polytechnic with a Diploma in Electrical Engineering and has completed a course on Basic Concept in Construction Productivity Enhancement offered by the Building and Construction Authority (BCA) Academy. In addition to attending the BizSAFE Workshop for CEO/ Top Management, he has obtained various certifications relevant to his directorship roles (e.g. on directors’ duties and finance for directors).



NG SER CHIANG
Lead Independent Director

Mr Ng Ser Chiang (“**Mr David**”) joined our Company as an Independent Director on 15 June 2016 and was subsequently re-designated as Lead Independent Director on 31 January 2024. Mr David is the Chairman of the Nominating Committee and member of the Audit Committee and the Remuneration Committee. Currently, he is a Partner of Elitaire Law LLP, an advocates and solicitors firm in Singapore. He was previously a managing partner of Hameed & Company since February 2002 and a sole proprietor of the same company from 2004 to 2010. He graduated from the University of Wolverhampton with a Bachelor of Law in 1997 and was admitted as an advocate and solicitor of the Supreme Court of Singapore in 2000. His main area of practice is in civil and criminal litigation, corporate law as well as conveyancing. He is also a director of three other Singapore incorporated private companies.

Mr David is due for re-appointment as Director at the forthcoming annual general meeting (“**AGM**”).

BOARD OF DIRECTORS



ANDREW BEK
Independent Director

Mr Andrew Bek (“**Mr Bek**”) is our Independent Director and was appointed to our Group on 3 January 2020. Mr Bek is the Chairman of the Remuneration Committee, member of the Audit Committee and the Nominating Committee. Mr Bek started his career in Arthur Andersen & Co and was there from 1988 to 1997. He later joined a manufacturing company from 1997 to 1998 overseeing the accounts and finance department. He was with Ernst & Young from 1999 to 2007. He was an Investment Director at OneEquity SG Private Limited from July 2007 to January 2020. He formerly served as Independent Director of a Mainboard company listed on the SGX-ST. He formerly served as executive director of two other listed companies, both the Mainboard and Catalist board of SGX-ST.

Mr Bek is due for re-appointment as Director at the forthcoming AGM.



EDDY LIM SEOK BOON
Independent Director

Mr Eddy Lim Seok Boon (“**Mr Eddy Lim**”) was appointed as an Independent Director on 29 April 2024 and serves as the Chairman of the Audit Committee, the Nominating Committee and the Remuneration Committee. He currently serves as a Director for H&W Group, a financial software support company in Singapore and function as a Senior Board Advisor of RiskTaker SG Pte. Ltd., a private PE/VC investment vehicle backed by Japanese UBO. He started his career as a trader for Bankers Trust and subsequently joined global Exchanges like the Singapore Exchange (SGX), CME (Dow Jones Index unit) and Korea Exchange (KRX). Prior to joining HGH Holdings Ltd., Mr Eddy Lim was an Independent Director on the Board of Mainboard listed REENOVA Investment Holding Limited and also held a Directorship with EMRHILL VCC (Hedge Fund). He was the Group CEO of a Chinese State-Owned Enterprise, ZHONGTAI International Holdings SG, managed 3 subsidiaries of MAS licensed activities namely in Fund Management, Securities Dealing and Corporate Finance.

Mr Eddy Lim is due for re-appointment as Director at the forthcoming AGM.

KEY MANAGEMENT PERSONNEL

ERIC SEAN KOO KONG CHEW

Mr Eric Sean Koo Kong Chew is a Director of W&P Precast Pte. Ltd. and W&P Precast Sdn. Bhd.. He is responsible for the overall operations, sales and administrative matters of the companies. He graduated from the University of Bradford with a Bachelor of Business & Management (Honours) and also obtained a Graduate Diploma in Marketing from the Chartered Institute of Marketing in United Kingdom (CIMUK). He is currently a grassroots leader holding a Secretary post in Jalan Besar Neighbourhood Council in Kampong Glam (JBNC).

ALOYSIUS SENG BOCK KIM

Mr Aloysius Seng Bock Kim is a Director of Premium Concrete Pte. Ltd..

He oversees overall business activities including operation, sales, strategic planning, and administrative matters of the business with more than 10 years of experience in the construction industry.

His work experience covers the ready-mixed concrete industry as well as the asphalt premix industry. Prior to joining the Premium Concrete Pte. Ltd., he was working as a General Manager in a construction company.

He holds a Diploma in Electronic Computer Communication Engineering from Nanyang Polytechnic.

TAN JUN HAO

Mr Tan Jun Hao is the Operations Director of Poh Huat Heng Corporation Pte. Ltd. (“**PHH**”). He is responsible for liaising with and coordinating the work between internal and external parties in order to ensure that PHH meets all the relevant deadlines for each of its site projects. He obtained a Diploma in Management Studies from SIM University in 2010.

LAI CHOONG HON

Mr Lai Choong Hon was re-designated from the role of Executive Director (since 18 January 2018) and Financial Controller of HGH Holdings Ltd. to Financial Controller of the Group on 1 August 2020 and is responsible for all finance, treasury, reporting and accounting functions. He joined Engineering Manufacturing Services (S) Pte. Ltd. in 2004 as the Finance Director. Prior to this, he was the Group Financial Controller of HongGuan Technologies (S) Pte Ltd and General Manager of Inventit Technology Pte. Ltd. (f.k.a. HongGuan System (S) Pte. Ltd.). His stint before that was the Finance Manger of Globalfoundries Singapore Pte. Ltd. (f.k.a. Chartered Semiconductor Manufacturing Pte. Ltd.). He is a member of the Institute of Singapore Chartered Accountants (ISCA) and obtained his degree from the Chartered Institute of Management Accountants (UK) in 1990.

BOARD OF DIRECTORS

Ng Chuan Heng
Executive Chairman and Executive Director

Tan Poh Guan
Chief Executive Officer and Executive Director

Ng Ser Chiang
Lead Independent Director

Andrew Bek
Independent Director

Eddy Lim Seok Boon
Independent Director

SHARE REGISTRAR

**Boardroom Corporate
& Advisory Services Pte. Ltd.**
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Tel: +65 6536 5355
Fax: +65 6438 8710

SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-01 AIA Tower
Singapore 048542
Tel: +65 6232 3210

PRINCIPAL BANKER

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

**Oversea-Chinese Banking
Corporation Limited**
65 Chulia Street
OCBC Centre
Singapore 049513

Maybank Singapore Limited
2 Battery Road
Maybank Tower
Singapore 049907

AUDIT COMMITTEE

Eddy Lim Seok Boon (Chairman)
Ng Ser Chiang
Andrew Bek

NOMINATING COMMITTEE

Ng Ser Chiang (Chairman)
Andrew Bek
Eddy Lim Seok Boon

REMUNERATION COMMITTEE

Andrew Bek (Chairman)
Ng Ser Chiang
Eddy Lim Seok Boon

COMPANY SECRETARY

Thum Sook Fun

REGISTERED OFFICE

60 Benoi Road
#03-02
Singapore 629906
Tel: +65 6268 7111

AUDITORS

Crowe Horwath First Trust LLP
Certified Public Accountants
9 Raffles Place
#19-20 Republic Plaza Tower 2
Singapore 048619
Date of Appointment: 21 November 2018
Partner-in-Charge: Kow Wei-Jue, Duncan
(since financial year ended 31 December 2023)

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “Board”) of HGH Holdings Ltd. (the “Company”, together with its subsidiaries, the “Group”) continue to be committed to upholding high standards of corporate governance to ensure greater transparency and accountability. The Board believes that good corporate governance provides the framework for an ethical and accountable corporate environment, which will protect the interests of the Company’s various stakeholders, including employees, suppliers, customers, shareholders, as well as society at large. It will also promote stakeholders’ confidence and maximise long-term value and returns for its shareholders.

This corporate governance report (“Report”) outlines the Company’s corporate governance practices and structures in the financial year ended 31 December 2024 (“FY2024”) with specific reference made to each of the principles of the Code of Corporate Governance 2018 (the “Code”) and accompanying Practice Guidance (the “Practice Guidance”), which forms part of the continuing obligations of the Listings Manual Section B: Rules of Catalist (the “Catalist Rules”) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Code aims to promote high levels of corporate governance by putting forth Principles of good corporate governance and Provisions with which companies are expected to comply. The Practice Guidance complements the Code by providing guidance on the application of the Principles and Provisions and setting out best practices for companies.

Pursuant to Rule 710 of the Catalist Rules, the Board confirms that the Company and Group, have complied with the Principles as set out in the Code for FY2024. Where there are any deviations from the Provisions, reasons and explanations on how Company’s practices adopted are consistent with the intent of the relevant principle have been provided, where appropriate.

BOARD MATTERS

The Board’s conduct of its affairs

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

Provisions of the Code	Corporate Governance Report
<p>1.1 Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.</p>	<p>The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group. The Board as a whole, brings a wide range of business, financial and legal experience relevant to the Group.</p> <p>The principal functions of the Board, apart from its statutory responsibilities, are to:</p> <ul style="list-style-type: none"> ● set and direct the long-term vision and strategic direction of the Group which include appropriate focus on value creation, innovation and sustainability; ● review and approve the corporate policies, strategies, budgets and financial plans of the Company; ● monitor financial performance, including approval of the half yearly financial reports of the Company; ● oversee the business and affairs of the Company, establish, with the Management, the strategic and financial objectives to be implemented by the Management and monitor the performance of the Management, including ensuring that the required financial and human resources are available for the Group to meet its objectives; ● review and approve major funding proposals, material interested party transactions and all strategic matters such as investments and divestment proposals, if applicable; ● review the process of evaluating the adequacy of internal controls, risk management and compliance; ● identify the key stakeholder groups and recognise how their perceptions affect the Company’s reputation;

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<ul style="list-style-type: none"> • set the Company’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and • consider sustainability issues, including the integration of sustainability-related matters and the monitoring of sustainability related risks and opportunities, as part of its long-term strategy formulation. <p>All Directors are fiduciaries who exercise due diligence and independent judgement in dealing with the business affairs of the Group and make decisions in the best interest of the Group at all times in the course of their independent judgement as well as discharge their duties and responsibilities. The Board assumes responsibility for setting the right “tone at the top” in its policies and decisions to ensure the Company’s corporate values are observed and there is proper accountability through the Group.</p> <p>Each Director is required to promptly declare any actual, potential and perceived conflict of interest, in relation to a transaction or proposed transaction at a Board meeting or by written notification to the company secretary (the “Company Secretary”). In addition, the Company has in place procedures for Directors to give general notice of any interests in any corporation or firm, in order to anticipate possible conflicts of interest between the Director and the Group. This procedure is conducted upon appointment and annually, prompting Directors to update any change in interests and/or confirm its previous disclosures.</p> <p>Directors who are in conflict of interest with the Company, whether actual or potential, are required to recuse themselves from discussions and abstain from voting on the matter.</p>
<p>1.2 Directors understand the company’s business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company’s expense. The induction, training and development provided to new and existing directors are disclosed in the company’s annual report.</p>	<p>Newly appointed Directors are provided with background information about the Company to help them familiarise themselves with the business and organisational structure of the Group. Director who does not have prior experience as a director of a public listed company in Singapore or is not familiar with the duties and obligations required of a director of a listed company will undergo the necessary training and briefing as prescribed by the SGX-ST. In addition, a formal letter will be sent to each new Director, upon his/her appointment, setting out the director’s statutory duties and obligations.</p> <p>To enable the Directors to gain a better understanding of the Group’s business, the Directors are encouraged to request for further explanations, briefings or informal discussion on the Company’s operations or business with the Management. Directors are also given opportunity to visit the Group’s operational facilities and meet with management staff.</p> <p>As part of their continuing education, the Directors may attend relevant training seminars or informative talks, to apprise themselves of legal, financial and other regulatory developments, at the Company’s expenses. To keep pace with the regulatory changes, where these changes have an important bearing on the Company’s or Director’s disclosure obligations, the Directors are updated on the requirements of the SGX-ST and other statutory and regulatory requirements from time to time, to enable them to make well-informed decisions and to ensure that they are competent in carrying out their expected roles and responsibilities.</p> <p>The Company is responsible for arranging and funding the training of Directors. The Company will arrange for the Directors to attend seminars and receive training to improve themselves in the discharge of their duties as directors. The Company also works closely with professionals to provide its directors with updates or changes to relevant laws, regulations and accounting standards.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<p>Pursuant to Rule 406(3)(a) of the Catalist Rules, the Company will arrange newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore (“First-time Directors”) to attend SGXST’s prescribed training courses conducted by a training provider as specified in Practice Note 4D on the roles and responsibilities of a director of a listed company within one (1) year from their appointment dates. This does not apply to the newly appointed Director, Eddy Lim Seok Boon as he is not a First-time Director.</p> <p>Pursuant to Rule 720(6) of the Catalist Rules, all Directors (including the newly appointed Director, Eddy Lim Seok Boon) have undergone training on sustainability matters as prescribed by the SGX-ST. Propose to disclose the courses/trainings attended by the directors in FY2024 (if any).</p>
<p>1.3 The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company’s annual report.</p>	<p>While matters relating to the Group’s strategies and policies require the Board’s decision and approval, the Management is responsible for the day-to-day operations and administration of the Group. The Company has internal guidelines and approval limits for operational, financial and capital expenditure requirements. Under these guidelines, the matters which specifically require the Board’s decision or approval are those involving (but not limited to):</p> <ul style="list-style-type: none"> • corporate strategy and business plan; • funding decisions of the Group; • nomination of Director(s) comprising the Board and appointment of key management personnel; • half year and full year financial results for announcements; • any matters relating the Company’s Annual or Extraordinary General Meeting; • shares issuance or change in the capital of the Company; • material acquisitions and disposal of assets; • all matters of strategic importance such as divestments, joint ventures or investments or other matters as prescribed under the relevant legislations and regulations, as well as the provision of the Constitution of the Company (where applicable); and • interested person transactions (as defined under Chapter 9 of the Catalist Rules.
<p>1.4 Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board’s authority to make decisions, and a summary of each committee’s activities, are disclosed in the company’s annual report.</p>	<p>To facilitate effective management, provide strategic oversight over the Company and discharge its responsibilities, the Board delegates specific functions to three board committees (the “Board Committees”), namely Audit Committee (“AC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”) (each “Board Committee”, and collectively, “Board Committees”). Committees or subcommittees may be formed from time to time to address specific areas as and when the need arises.</p> <p>Each Board Committee operates within clearly defined terms of reference, which includes the terms, composition, responsibilities and functional procedures of each committee. Each of these committees reports its activities regularly to the Board so that other Directors are kept updated as to the proceedings and matters discussed during such meetings. For specific agendas mandated to the Board Committees, the Board Committees will make recommendations to the Board for its approval and adoption at the Board level.</p> <p>For further information on the duties and function as well as the composition for the respective Board Committees, please refer to the various Principles in this report.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report																																														
<p>1.5 Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.</p>	<p>The Board meets regularly on a half-yearly basis and additional ad-hoc meetings may be held where circumstances require. The Company's constitution (the "Constitution") provides for meetings of the Directors to be held via telephone conference, video conference or similar communication equipment. The Board also approves resolutions by way of written resolutions, which are circulated to the Board together with all relevant information regarding the proposed matter. Minutes of the Board Committees meetings are made available to all Board members, if requested and in the absence of any conflict.</p> <p>Dates of Board and Board Committees' meetings are scheduled in advance in consultation with all of the Directors. The number of Board and Board Committees' meetings held and the record of attendance of each Director during FY2024 are set out in the table below:</p> <table border="1" data-bbox="608 831 1445 1290"> <thead> <tr> <th rowspan="2">Name</th> <th rowspan="2">Position</th> <th colspan="4">Number of meetings attended / Number of meetings held</th> </tr> <tr> <th>Board</th> <th>AC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td>Ng Chuan Heng</td> <td>Executive Chairman</td> <td>2/2</td> <td>2/2*</td> <td>1/1*</td> <td>1/1*</td> </tr> <tr> <td>Tan Poh Guan</td> <td>Executive Director and Chief Executive Officer</td> <td>2/2</td> <td>2/2*</td> <td>1/1*</td> <td>1/1*</td> </tr> <tr> <td>Ng Ser Chiang</td> <td>Lead Independent Director</td> <td>2/2</td> <td>2/2</td> <td>1/1</td> <td>1/1</td> </tr> <tr> <td>Andrew Bek</td> <td>Independent Director</td> <td>2/2</td> <td>2/2</td> <td>1/1</td> <td>1/1</td> </tr> <tr> <td>Eddy Lim Seok Boon <small>(Note 1)</small></td> <td>Independent Director</td> <td>1/1</td> <td>1/1</td> <td>-</td> <td>-</td> </tr> <tr> <td>Amelia Vincent <small>(Note 2)</small></td> <td>Lead Independent Director</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>* By invitation</p> <p>Note 1: Mr. Eddy Lim Seok Boon was appointed as an Independent Director of the Company and a member of each of the AC, RC and NC with effect from 29 April 2024. He was re-designated as the Chairman of the AC with effect from 24 February 2025.</p> <p>Note 2: Ms. Amelia Vincent resigned as the Lead Independent Director of the Company, the Chairman of AC, a member of NC and RC on 31 January 2024.</p> <p>For the multiple board representation of the Company, please refer to Provision 4.5 set out below.</p>	Name	Position	Number of meetings attended / Number of meetings held				Board	AC	NC	RC	Ng Chuan Heng	Executive Chairman	2/2	2/2*	1/1*	1/1*	Tan Poh Guan	Executive Director and Chief Executive Officer	2/2	2/2*	1/1*	1/1*	Ng Ser Chiang	Lead Independent Director	2/2	2/2	1/1	1/1	Andrew Bek	Independent Director	2/2	2/2	1/1	1/1	Eddy Lim Seok Boon <small>(Note 1)</small>	Independent Director	1/1	1/1	-	-	Amelia Vincent <small>(Note 2)</small>	Lead Independent Director	-	-	-	-
Name	Position			Number of meetings attended / Number of meetings held																																											
		Board	AC	NC	RC																																										
Ng Chuan Heng	Executive Chairman	2/2	2/2*	1/1*	1/1*																																										
Tan Poh Guan	Executive Director and Chief Executive Officer	2/2	2/2*	1/1*	1/1*																																										
Ng Ser Chiang	Lead Independent Director	2/2	2/2	1/1	1/1																																										
Andrew Bek	Independent Director	2/2	2/2	1/1	1/1																																										
Eddy Lim Seok Boon <small>(Note 1)</small>	Independent Director	1/1	1/1	-	-																																										
Amelia Vincent <small>(Note 2)</small>	Lead Independent Director	-	-	-	-																																										
<p>1.6 Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.</p>	<p>The Board is provided with timely, complete and adequate information prior to Board meetings and as and when the need arises. The Board is kept updated on the Group's operations and performance on an on-going basis, through board papers, resolutions in writing, electronic communications, or informal discussions.</p> <p>The Company also recognises the importance of the flow of information for the Board to discharge its duties effectively.</p> <p>Prior to Board meetings involving any special business to be discussed, Management will provide detailed board papers together with related materials and background or explanatory information. This may include financial statements, budgets, forecasts and progress reports of the Group's business operations, for the Board to comprehensively understand the issues to be deliberated upon and make informed decisions thereon.</p>																																														

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<p>During the Board’s half year meetings, Management will provide half-year financial statements of the Group. Any material variance between the actual results and the budgets will be explained by the Management to the Board for their information and deliberation.</p> <p>The Board sets aside time for discussion without the presence of Management, Directors have separate and independent access to Management, Company Secretary and external advisers (where necessary) at the Company’s expense.</p>
<p>1.7 Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company’s expense. The appointment and removal of the company secretary is a decision of the Board as a whole.</p>	<p>The Company provides for Directors, individually or as a group, to have separate and independent access to the Management, the Company Secretary and/or engage an independent professional advisory, where necessary at the expense of the Company, to enable them to discharge their duties with adequate knowledge and on advice on the matter being deliberated.</p> <p>The role of the Company Secretary is clearly defined which includes, inter alia, advising the Board on all matters regarding the proper functioning of the Board, compliance with the Constitution, the Companies Act 1967 (the “Companies Act”), relevant provisions of the Securities and Futures Act 2001 and the Catalist Rules. The Company Secretary also assists on governance matters from time to time, especially when there are changes to the Board composition.</p> <p>The Company Secretary facilitates information flows within the Board and between the Management and Non-Executive Directors. The Company Secretary attends all Board and Board Committees’ meetings and after every such meeting, minutes of meetings are circulated to Directors and Management to keep them informed of matters discussed at each meeting. In between Board meetings, the Company Secretary is responsible for the circulation of Board resolutions in writing, board papers and other information and/or documents within the Board and between Management and Non-Executive Directors, if so required.</p> <p>The appointment and the removal of the Company Secretary are subject to the approval of the Board as a whole.</p>

Board Composition and Guidance

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

Provisions of the Code	Corporate Governance Report
<p>2.1 An “independent” director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the company.</p>	<p>On an annual basis, the NC will determine the independence of each Director, taking into consideration the Catalist Rules, as well as whether there is any circumstance or relationship that might impact the Director’s independence or perception of independence. An independent director is one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement with a view to the best interests of the Company.</p> <p>The NC conducted its annual review of the Directors’ independence and was satisfied that the Company had complied with the guidelines of the Code which provide that majority of the Board is made up of Non-Executive Directors during FY2024. The proportion of Non-Executive Directors avoids the undue influence of Management over the Board and ensures that appropriate checks and balances are in place. The Company also complies with Rule 406(3)(c) of the Catalist Rules, which requires independent directors to comprise at least one-third of the Board.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<p>The NC and the Board take into account the existence of relationships or circumstances, including those identified by the Rule 406(3)(d) of the Catalist Rules and the Practice Guidance, that are relevant in determining a director's independence.</p> <p>Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code. The Independent Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. The results of the self-assessment are then collated by the Company Secretary and reported to the Board.</p> <p>The Board, with the concurrence of the NC, has reviewed the respective confirmations and declarations of the Independent Directors for FY2024, namely Mr. Ng Ser Chiang, Mr. Andrew Bek and Mr. Eddy Lim Seok Boon, and after taking into account of their respective working experience and contributions, the Board is satisfied that each of them is independent in character and judgement.</p> <p>Given their independence, respective wealth of business and working experience and professionalism in carrying out their duties, the NC had found each of Mr. Ng Ser Chiang, Mr. Andrew Bek and Mr. Eddy Lim Seok Boon suitable to continue to act as Independent Directors of the Company.</p> <p>The Board has accepted the NC's recommendation that each of Mr. Ng Ser Chiang, Mr. Andrew Bek and Mr. Eddy Lim Seok Boon be considered independent. Each of Mr. Ng Ser Chiang, Mr. Andrew Bek and Mr. Eddy Lim Seok Boon have abstained from deliberating on their respective independence. Each Independent Director has recused himself in the determination of his own independence.</p> <p>Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, none of the Independent Directors has served the Company for more than nine (9) years from his date of first appointment to the Board.</p>
<p>2.2 Independent directors make up a majority of the Board where the Chairman is not independent.</p>	<p>Provision 2.2 of the Code requires independent directors to make up a majority of the Board where the Chairman of the Board is not independent.</p> <p>Although the Executive Chairman of the Company, Mr. Ng Chuan Heng, is not independent in accordance with the definition of the Code, but majority of the Board members were made up of Independent Directors which is in compliance with Provision 2.2 of the Code during FY2024.</p> <p>The NC is of the view that the current Board composition is of an appropriate size, and comprise Directors who as a group, provide the appropriate balance and mix of skills, knowledge, experience, and are sufficiently diverse so as to foster constructive debate. No individual or small group of individuals dominates the Board's decision making.</p> <p>Therefore, the NC was of the view that the Board has sufficient independent element, and its composition is appropriate to facilitate effective decision-making.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
<p>2.3 Non-executive directors make up a majority of the Board</p>	<p>As at the date of this report, the Board comprises five (5) Directors: one (1) Executive Chairman, one (1) Executive Director and three (3) Independent Directors, details are as follows:</p> <p>Chairman of the Board Ng Chuan Heng Executive Chairman</p> <p>Executive Director Tan Poh Guan Executive Director cum Chief Executive Officer</p> <p>Independent Directors Ng Ser Chiang Lead Independent Director Andrew Bek Independent Director Eddy Lim Seok Boon ^(Note 1) Independent Director</p> <p><i>Note 1: Mr. Eddy Lim Seok Boon was appointed as an Independent Director of the Company with effect from 29 April 2024.</i></p> <p>For FY2024, the Company has complied with Provision 2.3 as majority of the Board members are Non-Executive Directors.</p>
<p>2.4 The Board and board committees are of an appropriate size and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.</p>	<p>For FY2024, the composition of the Board consists of three (3) out of five (5) members are Independent Directors and believe there is a strong and independent element on the Board capable of exercising objective judgement on corporate affairs of the Group. To further strengthen good corporate governance, as the Chairman is not independent, a Lead Independent Director is appointed. Currently, Mr. Ng Ser Chiang has been appointed as the Lead Independent Director of the Company.</p> <p>The size and composition of the Board are reviewed at least annually to ensure that the Board has the appropriate mix of expertise, skills, knowledge and experience diversity for effective decision-making. The Board, in concurrence with the NC, is of the view that the current Board's composition is appropriate and effective, taking into consideration the scope and nature of the Group's operations. No individual or small group of individuals dominate the Board's decision-making.</p> <p>The Board's objective in its composition is to achieve a good mix of directors with diverse and appropriate professional background and experience to facilitate a robust decision-making process in the best interests of the Company and the Group.</p> <p>The Company recognises and embrace the benefits of diversity of experience, age, skill sets, gender and ethnics on the Board ("Board Diversity") and views Board Diversity as an essential element to support the attainment of its strategic objectives and sustainable development.</p> <p>The Directors are from a diverse age group ranging from 50 to 70, and possess the appropriate balance and mix of skills, knowledge and experience (such as legal, corporate finance and industrial) to guide and assist the Board in its endeavours.</p> <p>The current Board composition provides a diversity of skills, experience, and knowledge of the Company and their core competencies include relevant industry knowledge or experience, accounting, finance, business or management experience, and strategic planning aspects including gender and age. This diversity facilitates constructive debate on the business activities of the Company and enables Management to benefit from a diverse and objective set of perspectives on issues that are brought before the Board.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<p>The Board, in concurrence of the NC, is of the view that the current Directors possess the necessary competencies to provide the Management with a diverse and objective perspective on issues so as to lead and govern the Company effectively.</p> <p>The Board has also put in place a Board Diversity Policy and is of the view that, while it is important to promote boardroom diversity would enables the Board to avoid groupthink, foster constructive debate and make decision in the best interests of the Group. The NC will continue to review its targets for diversity from time to time and may recommend changes or additional targets to achieve greater diversity. In addition, the NC reviews the Company's Board Diversity Policy from time to time, as appropriate, to ensure its continued effectiveness and relevance, and any revisions, where necessary, will be recommended to the Board for approval as well as any further progress made towards the said policy will be disclosed in future Reports, as appropriate.</p> <p>The policy also available at the Company's website via https://www.hghholdings.com.sg/others/.</p> <p>The Company embraces diversity and will consider the benefits of various aspects of diversity, including skills, experience, background, gender, age and other relevant factors in identifying Director nominees.</p> <p>The Board's policy in identifying directors is primarily to have an appropriate mix and diversity of members with complementary skills, core competencies and experience that could effectively contribute to the Group.</p> <p>Following the resignation of Ms. Amelia Vincent with effect from 31 January 2024, the Company appointed Mr. Eddy Lim Seok Boon as an Independent Director of the Company with effect from 29 April 2024. As a result, the Board size comprises only five (5) male Directors. The Board carefully considered Mr. Eddy Lim Seok Boon's appointment based on the strength of his credentials, skills, experience and potential to contribute to the Company and its businesses. Nonetheless, the Board is of the view that gender is but one of many aspects of diversity and the Board will continue select potential candidates for future appointment based on the various aspects of diversity, including his/her skills, experience, background, age and relevance to the Board but not limited to gender solely. In view of thereof, the NC has not set diversity targets as at the date of this report.</p> <p>Further, there is no age limit for the Directors as weight should be given to suitable candidates with reputed and experience regardless of age. Nonetheless, the Company will endeavour to promote age diversity when considering the composition of board for any appointment. At the same time, the Company continues to value the contribution of its members regardless of age.</p> <p>Accordingly, our current plan is to monitor and assess, alongside developments in our Group's operations, whether the current Board composition presents a satisfactory level of diversity and allows for effective collaboration between and contribution by the Directors.</p> <p>The Board takes the following steps to maintain or enhance the efficacy of its composition:</p> <ul style="list-style-type: none"> (a) annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and (b) annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the potential gaps in the areas of expertise and competencies of the Board.

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<p>The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.</p> <p>As the Group's activities continue to grow, the NC will continuously review the composition of the Board so that it will have the necessary competency to be effective. The NC will further consider other aspects of diversity such as professional and commercial experience, gender, age and other relevant qualities.</p> <p>The Board is of the view that the present Board has an appropriate level of independence and diversity of thought and background to enable it to make decisions in the best interests of the Group.</p> <p>The Board believes that the practices adopted above are consistent with the intent of Provision 2.4 of the Code.</p>
<p>2.5 Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.</p>	<p>The Independent Directors will constructively challenge and assist in the development of proposals on strategy and assist the Board in reviewing the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. Their views and opinions will provide alternative perspectives to the Group's business. When challenging the Management proposals or decisions, they bring independent judgment to bear on business activities and transactions involving conflicts of interest and other complexities.</p> <p>When necessary or appropriate and at least once a year, the Independent Directors will have discussions among themselves without the presence of Management and provide feedback to the Board and Management after such meetings, where appropriate.</p> <p>During FY2024, our Independent Directors met once without the presence of Management, to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes as well as leadership development and the remuneration of the Executive Directors (where applicable) as well as to review any other matters that must be raised privately.</p>

Chairman and Chief Executive Officer

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

Provisions of the Code	Corporate Governance Report
<p>3.1 The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.</p>	<p>Presently, Mr. Ng Chuan Heng is Executive Chairman of the Board and Mr. Tan Poh Guan is Executive Director cum CEO of the Company.</p> <p>The Chairman and the CEO are separate persons and are not related, which allows for greater balance of power, accountability and capacity for independent decision making.</p> <p>The Board is of the view that there is a strong independent element on the Board to enable exercise of objective judgment of corporate affairs of the Group by members of the Board, taking into account factors such as the number of Independent Directors on the Board, as well as the size and scope of the Group's affairs and operations.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
<p>3.2 The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.</p>	<p>The Executive Chairman's responsibilities include managing the overall business development, operations, business expansion, exploring new business opportunities and general management of the Group.</p> <p>Prior to each Board meeting, the Chairman, in consultation with the Management and the Company Secretary, sets the agenda for the meeting and ensures that Board members are provided with adequate and timely information. As a general rule, board papers are sent to the Directors in advance in order for the Directors to be adequately prepared for the meetings. The Chairman leads the meetings and ensures full discussion of each agenda. He also ensures that Board members are able to engage Management in constructive debate on various matters including strategic issues. Members of the Management team with proposals or who can provide insights into the discussion matters are invited to participate in the meetings.</p> <p>At each general meeting of shareholders, the Chairman plays a pivotal role in fostering constructive dialogue between the shareholders, the Board and the Management.</p> <p>The CEO's responsibilities, in addition to setting the strategic direction, expansion plans and business development, include managing the day-to-day business activities of the Group, executing the strategies and policies approved by the Board, reporting to the Board on the performance of the Group, providing guidance to the Group's employees, and encouraging constructive relations between the Management and the Board.</p>
<p>3.3 The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. 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.</p>	<p>For good corporate governance, a Lead Independent Director had been appointed to provide leadership in situations where the Chairman is conflicted. The Lead Independent Director is available to the shareholders when they have concerns when contact through the normal channels to the Chairman and CEO has failed to resolve or for when such contact is inappropriate.</p> <p>In accordance with the Code, Mr. Ng Ser Chiang has been appointed as the Lead Independent Director of the Company with effect from 31 January 2024, and he is available to shareholders when they have concerns, and for which contact through the normal channels of the Executive Chairman or CEO has failed to resolve or where such is inappropriate or inadequate.</p>

CORPORATE GOVERNANCE REPORT

Board Membership

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

Provisions of the Code	Corporate Governance Report						
<p>4.1 The Board establishes a Nominating Committee (“NC”) to make recommendations to the Board on relevant matters relating to:</p> <p>(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;</p> <p>(b) the process and criteria for evaluation of the performance of the Board its board committees and directors;</p> <p>(c) the review of training and professional development programme for the Board and its directors; and</p> <p>(d) the appointment and re-appointment of directors (including alternate directors, if any).</p>	<p>As at the date of this report, the NC comprises the following members, all of whom are Independent Directors:</p> <table data-bbox="603 622 997 716"> <tr> <td>Ng Ser Chiang</td> <td>Chairman</td> </tr> <tr> <td>Andrew Bek</td> <td>Member</td> </tr> <tr> <td>Eddy Lim Seok Boon</td> <td>Member</td> </tr> </table> <p>The NC is guided by its written terms of reference which stipulates its principal roles as follows:</p> <ul data-bbox="603 828 1449 1467" style="list-style-type: none"> to review nominations for the appointment and re-appointment to the Board and the various committees, having regard to the Director’s competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including as an Independent Director; to decide on how the Board’s performance may be evaluated, and propose objective performance criteria to assess effectiveness of the Board as a whole and its Board Committees, and the contribution of each individual Director; to decide, where a director has multiple board representations and other principal commitments, whether the Director is able to and has been adequately carrying out his duties as Director of the Company; to ensure that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years; to determine on an annual basis whether or not a director is independent; to review of Board succession plans for Directors; and to review of training and professional development programmes for the Board. <p>The Board provides for appointment of alternate director only in exceptional cases such as when a director has a medical emergency. Currently, there is no alternate Director on the Board.</p>	Ng Ser Chiang	Chairman	Andrew Bek	Member	Eddy Lim Seok Boon	Member
Ng Ser Chiang	Chairman						
Andrew Bek	Member						
Eddy Lim Seok Boon	Member						
<p>4.2 The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.</p>	<p>Please refer to Provision 4.1 above on the name of the members and composition of the NC.</p> <p>As at the date of this report, the NC comprises of three (3) Independent Directors, where Mr. Ng Ser Chiang, the Lead Independent Director of the Company, is the Chairman of the NC.</p>						

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
<p>4.3 The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.</p>	<p>New Directors are at present appointed by way of a Board resolution, after the NC approves their appointment.</p> <p>The NC does not usually but may consider engaging the services of search consultants to identify prospective Board candidates if the need so arises. The NC currently considers recommendations and referrals from other sources, provided the prospective candidates meet the qualification criteria established for the particular appointment. The potential candidate may be proposed by existing Directors, substantial shareholders, Management, business associations or through third party referrals. Subsequent to the review of their curriculum vitae, qualifications and experience and expertise, selected candidates will be recommended to the Board for approval.</p> <p>In considering the appointment of any new Director, the NC ensures that the new Director is aligned with Group's strategic directions and possesses the necessary skills, knowledge and experience that could facilitate the Board in making sound and well-considered decisions. The selection criterion includes integrity, diversity of competencies, expertise, industry experience and financial literacy.</p> <p>In evaluating candidates, the NC applies strictly the concept of meritocracy, with no specific targets towards, nor discrimination against, any age group, ethnic groups or gender although these attributes are taken into consideration in deriving a decision. NC will make its final recommendation to the Board and the Board will make a final decision on the appointment of new Director.</p> <p><u>Process of re-appointment of directors</u></p> <p>The NC also ensures compliance with the provisions of the Constitution which stipulates that at each AGM, one-third of the directors shall retire from office by rotation at least once every three (3) years. The Constitution also stipulates that new directors appointed by the Board without shareholders' approval shall be re-elected at the next AGM following their appointment. In recommending a director for re-appointment to the Board, the NC considers each of their contribution and performance of duties, including attendance and participation at Board and Board Committees' meetings and the time and efforts accorded to the Group's business and affairs.</p> <p>Each NC member will abstain from voting on any resolution in respect of the assessment of his performance and contribution for re-nomination as a Director of the Company. Any recommendation relating to the nomination or re-nomination of Director will be first reviewed and considered by the NC before recommending to the Board for consideration.</p> <p>Regulation 107 of the Company's Constitution requires at least one-third of the Directors (or nearest to but not less than one-third) to retire from office at each AGM of the Company and all Directors to retire from office at least once every three (3) years. Also, Regulation 117 of the Company's Constitution requires the Director who fills as casual vacancy or as an addition to the Board, shall hold office until the next AGM of the Company, but is eligible for re-election.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report																		
	<p>The table below provides the date of first appointment and last re-appointment for each of the Directors:</p> <table border="1" data-bbox="608 488 1449 757"> <thead> <tr> <th data-bbox="608 488 963 555">Name</th> <th data-bbox="963 488 1206 555">Date of initial appointment</th> <th data-bbox="1206 488 1449 555">Date of last re-appointment</th> </tr> </thead> <tbody> <tr> <td data-bbox="608 555 963 600">Andrew Bek</td> <td data-bbox="963 555 1206 600">3 January 2020</td> <td data-bbox="1206 555 1449 600">27 April 2023</td> </tr> <tr> <td data-bbox="608 600 963 645">Ng Ser Chiang</td> <td data-bbox="963 600 1206 645">15 June 2016</td> <td data-bbox="1206 600 1449 645">27 April 2023</td> </tr> <tr> <td data-bbox="608 645 963 689">Ng Chuan Heng</td> <td data-bbox="963 645 1206 689">17 December 2018</td> <td data-bbox="1206 645 1449 689">28 April 2024</td> </tr> <tr> <td data-bbox="608 689 963 734">Tan Poh Guan</td> <td data-bbox="963 689 1206 734">17 December 2018</td> <td data-bbox="1206 689 1449 734">28 April 2024</td> </tr> <tr> <td data-bbox="608 734 963 757">Eddy Lim Seok Boon ^(Note 1)</td> <td data-bbox="963 734 1206 757">29 April 2024</td> <td data-bbox="1206 734 1449 757">Not applicable</td> </tr> </tbody> </table> <p data-bbox="608 779 1449 835"><i>Note 1: Mr. Eddy Lim Seok Boon was appointed as an Independent Director of the Company with effect from 29 April 2024.</i></p> <p data-bbox="608 857 1449 1149">At the forthcoming AGM, both Mr. Andrew Bek and Mr. Ng Ser Chiang will be submitting themselves for re-election at the forthcoming AGM pursuant to the Regulation 107 of the Company's Constitution, while Mr. Eddy Lim Seok Boon will be submitting himself for re-election at the forthcoming AGM pursuant to Regulation 117 of the Company's Constitution (collectively known as "Retiring Directors"). The NC, having considered the attendance and participation of these Directors at Board meetings and their contributions to the business and operations of the Company, has recommended to the Board the re-election of the Retiring Directors. The Board has endorsed the re-election, based on recommendations of the NC.</p> <p data-bbox="608 1171 1449 1294">Each of these Retiring Directors has given their consent to stand for re-election and abstained from participating in discussion, voting, or making any recommendation in respect of their own re-election as Director of the Company.</p> <p data-bbox="608 1317 1449 1518">Upon the shareholders' approval on the re-election of the Retiring Directors at the forthcoming AGM, each of these Retiring Directors will be considered as Independent Director of the Company and Mr. Andrew Bek will, remain as the Chairman of the RC and a member of each of the AC and NC; Mr. Ng Ser Chiang will, remain as the Chairman of the NC and a member of each of the AC and RC and Mr. Eddy Lim Seok Boon will, remain as the Chairman of the AC and a member of each of the NC and RC.</p> <p data-bbox="608 1541 1449 1662">Detailed information on the Retiring Directors (including information as set out in Appendix 7F of the Catalist Rules) can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-Election" in this Annual Report.</p>	Name	Date of initial appointment	Date of last re-appointment	Andrew Bek	3 January 2020	27 April 2023	Ng Ser Chiang	15 June 2016	27 April 2023	Ng Chuan Heng	17 December 2018	28 April 2024	Tan Poh Guan	17 December 2018	28 April 2024	Eddy Lim Seok Boon ^(Note 1)	29 April 2024	Not applicable
Name	Date of initial appointment	Date of last re-appointment																	
Andrew Bek	3 January 2020	27 April 2023																	
Ng Ser Chiang	15 June 2016	27 April 2023																	
Ng Chuan Heng	17 December 2018	28 April 2024																	
Tan Poh Guan	17 December 2018	28 April 2024																	
Eddy Lim Seok Boon ^(Note 1)	29 April 2024	Not applicable																	

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
<p>4.4 The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.</p>	<p>Each Independent Director of the Company will confirm his independence (or otherwise) based on a checklist annually. The checklist is drawn up based on the guidelines provided under the Code. In FY2024, the NC has reviewed the independence of the Independent Directors, having regard to the circumstances set forth in Provision 2.1 of the Code, its Practice Guidance and the Catalist Rules.</p> <p>Details of the review process are set out under Provision 2.1 of this report.</p> <p>The NC is also committed to reassess the independence of each Independent Director as and when warranted.</p>
<p>4.5 The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.</p>	<p>When a Director has multiple board representations and other principal commitments, the NC considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The NC has determined that as a general rule, the maximum listed company board representation that an Independent Director can hold, whether the company is listed in Singapore or elsewhere, is five (5) or any other number as determined by the NC on a case-by-case basis.</p> <p>As at the date of this report, none of the Directors holds more than five (5) listed company board representations. The NC is of the opinion that the multiple board representations held by Directors of the Company do not impede their performance in carrying out their duties to the Company.</p> <p>In arriving at the aforesaid conclusion, the NC had taken into account, inter alia, the contributions by the Directors during the meetings and attendance at such meetings, satisfied that the respective Directors have objectively discharged their duties and responsibilities at all times as a fiduciary in the interest of the Company.</p> <p>Please refer to pages 8 and 9 under the "Board of Directors" section in this Annual Report for the listed company directorships and other principal commitments of the Directors.</p>

CORPORATE GOVERNANCE REPORT

Board Performance

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

Provisions of the Code	Corporate Governance Report
<p>5.1 The NC 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.</p>	<p>The Board has adopted the process and objective performance criteria proposed by the NC, to implement an annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each individual Director to the effectiveness of the Board.</p> <p>The assessment is generally conducted by requesting each individual Director to complete evaluation questionnaires. Each individual Director completes an evaluation questionnaire assessing the Board as a whole and the individual Directors as well as the Chairman. In addition, Directors who are also Board Committee members are required to complete the relevant evaluation questionnaire for each committee that they are a member of. The Chairman of the NC collates the results of these evaluation forms and discusses the results collectively with other NC members to address any areas for improvement and, where appropriate, obtain approval from the Board for implementation.</p> <p>For FY2024, all Directors were requested to complete a Board performance checklist including individual Director Peer Performance and the Chairman which assessed the effectiveness of the Board, the Directors and the Board Chairman. In addition, each Director was also requested to complete a Board Committees' performance checklist which assessed the performance of the respective Board Committees. The Board performance checklist included assessment criteria such as the size of the Board; the degree of independence of the Board; information flow from management; and adequacy of the Board and Board Committees' meetings held to enable proper consideration of issues.</p> <p>The findings of such performance evaluation exercise were analysed with a view to further enhance the effectiveness of the Board. This evaluation exercise provides an opportunity to obtain feedback from each Director on whether the Board's procedures and processes have allowed him to discharge his duties and to propose changes to enhance Board's effectiveness.</p> <p>To ensure confidentiality, all Director are required to complete the evaluation forms to the Company Secretary for collation. The results of the performance evaluation were presented first to the NC annually for review and discussion and then presented to the Board. The Board was satisfied with the results of the annual evaluation assessment for FY2024.</p>
<p>5.2 The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.</p>	<p>The NC decides on how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which addresses the level of participation, attendance at Board and Board committees' meetings, the individual Director's functional expertise, and how the Board has enhanced long-term shareholders' value.</p> <p>The performance criteria approved by the Board addresses how the Board has enhanced long term shareholders value and are not changed from year to year. If circumstances deem it necessary for any of the criteria to be changed, the Board will have to propose the changes and justify its decisions.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<p>The Board evaluation criteria carried out for FY2024 covers the following areas (but not limited to):</p> <ul style="list-style-type: none"> i) Board size and composition; ii) Board independence; iii) Board process; iv) Board information and accountability; and v) Standard of Conduct. <p>The evaluation of the Chairman by all the Board members and the results are reviewed by the Board. The assessment of the Chairman based on his ability and duties, facilitate open communication and discussion and decision making as well his knowledge and ethics.</p> <p>Individual Director evaluation is evaluated annually by every one of the Director of the Company. Some of the factors are taken into consideration include the value of contribution to the strategy, attendance and availability at board meetings, interactive skills, industry knowledge and its experience.</p> <p>The NC has reviewed the overall performance of the Board and Board Committees in terms of their role and responsibilities and the conduct of their affairs, based on the performance evaluation exercise carried out for FY2024.</p> <p>Through the evaluation exercise and assessment of each Director's contribution, the NC is of the view that the performance of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board has been satisfactory.</p> <p>Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.</p> <p>In FY2024, the Board did not engage an independent external facilitator to facilitate the annual review of the performance of the Board and the Board Committees.</p>

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Provisions of the Code	Corporate Governance Report						
<p>6.1 The Board established a Remuneration Committee (“RC”) to review and make recommendations to the Board on:</p> <p>(a) a framework of remuneration for the Board and key management personnel; and</p> <p>(b) the specific remuneration packages for each director as well as for the key management personnel.</p>	<p>As at the date of this report, the RC comprises entirely Independent Directors and the members of the RC are:</p> <table border="0" data-bbox="603 719 995 808"> <tr> <td>Andrew Bek</td> <td>Chairman</td> </tr> <tr> <td>Ng Ser Chiang</td> <td>Member</td> </tr> <tr> <td>Eddy Lim Seok Boon</td> <td>Member</td> </tr> </table> <p>The RC is guided by its written terms of reference, which stipulates its principal responsibilities as follows:</p> <ul style="list-style-type: none"> • to recommend to the Board a general framework of remuneration for Board members and key management personnel; • to determine specific remuneration packages for each Director as well as for the key management personnel. The RC’s recommendations are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors’ and senior management’s fees, salaries, allowances, bonuses, options, share-based incentives, awards and benefits in kind are covered by the RC; • to determine the appropriateness of the remuneration of Non-Executive Directors taking into account factors such as effort and time spent, and their responsibilities; • to review and recommend to the Board the terms of renewal of the service agreements of Executive Directors; • to consider the disclosure requirements for Directors’ and key executives’ remuneration as required by the SGX-ST; • to review and recommend the level and structure of remuneration to align with the long-term interest and risk policies of the Company in order to attract, retain and motivate the Directors and key management personnel; • to review the Company’s obligations arising in the event of termination of the employment of Directors and key management personnel; and • to carry out such other duties as may be agreed to by the RC and the Board. <p>The RC is established for the purpose of ensuring that there is a formal and transparent procedure for fixing the remuneration packages of individual Directors and key management personnel. The overriding principle is that no Director should be involved in deciding his own remuneration.</p> <p>The RC recommends to the Board for endorsement, a framework of compensation that covers aspects of remuneration including Directors’ fees, salaries, allowances, bonuses, benefits-in-kind and specific remuneration packages for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate senior management to run the Company successfully in order to maximise Shareholder value.</p>	Andrew Bek	Chairman	Ng Ser Chiang	Member	Eddy Lim Seok Boon	Member
Andrew Bek	Chairman						
Ng Ser Chiang	Member						
Eddy Lim Seok Boon	Member						

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
6.2 The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.	Please refer to Provision 6.1 above on the name of the members and composition of the RC.
6.3 The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.	In reviewing the service agreements of the Executive Director and key management personnel of the Company, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.
6.4 The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.	In reviewing the remuneration packages, the RC takes into account the current market circumstances and the need to attract and retain Directors of experience and good standing. The RC has full authority to obtain external professional advice on matters relating to remuneration should the need arise. During FY2024, the RC did not engage the services of an external remuneration consultant. Nevertheless, the RC has explicit authority to investigate any matter within its terms of reference and to seek external professional advice should such need arise, at the Company's expense.

Level and Mix of Remuneration

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

Provisions of the Code	Corporate Governance Report
7.1 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. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.	The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. In setting remuneration packages, the RC ensures that the Executive Directors and key management personnel are adequately but not excessively remunerated as compared to the industry and comparable companies. The Company has a remuneration policy which comprises of a fixed component and a variable component. The fixed component comprises of basic salary, transport allowance and director's fees (if applicable), and the variable component comprises of bonuses and other benefits that are linked to the performance of the Company and the individual. The remuneration packages of the Executive Directors and key management personnel are reviewed by the RC to ensure that their interests are aligned with the interests of the shareholders and to ensure that the remuneration is commensurate with their performance and the performance of the Company.
7.2 The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.	No Director is involved in deciding his own remuneration. Independent Directors are paid Directors' fees annually on a standard fee basis. The RC takes into consideration the level of contribution, effort and time spent, and scope of responsibilities in determining the remuneration of Non-Executive Directors.

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<p>Each of the Non-Executive Directors is entitled to Director's fees, subject to review by the RC and the Board at the Board meeting and approval by the shareholders at each AGM. The Non-Executive Directors shall abstain from reviewing and approving his own Director's fees. The Independent Directors have not been over-compensated to the extent that their independent is compromised.</p> <p>Save for the Director's fees as disclosed, the Independent Directors of the Company did not receive any other remuneration from the Company during FY2024.</p>
<p>7.3 Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.</p>	<p>As at the date of this report, the Company does not use contractual provisions to allow the Group to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company. The Executive Directors owe fiduciary duties to the Company and the Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.</p> <p>The Company had no long-term incentive schemes in place during FY2024.</p>

Disclosure on Remuneration

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

Provisions of the Code	Corporate Governance Report
<p>8.1 The company disclose in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:</p> <p>(a) each individual director and the CEO; and</p> <p>(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.</p>	<p>The RC recommends to the Board a framework of remuneration for the Directors and key management personnel taking into account employment conditions within the industry and the Group's performance to ensure that the package is competitive and sufficient to attract, retain and motivate them to run the Group successfully in order to maximise shareholders' value. Each of the RC member shall abstain from the decision-making process concerning his own remuneration.</p> <p>The Company advocates a performance-based remuneration system for Executive Director and key management personnel that is flexible and responsive to the market, comprising a base salary and other fixed allowances, as well as variable performance bonus which is based on the Group's performance and the individual's performance, such as management skills, process skills, people skills and business planning skills. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.</p> <p>In view of the above, the Company has made disclosure in relation to the name, exact amounts and breakdown of remuneration paid pursuant to Rule 1204(10D) of the Catalist Rules.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report																																																																																									
	<p>Remuneration of Directors in FY2024</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 30%;">Name</th> <th style="width: 15%;">Base Salary (S\$)</th> <th style="width: 15%;">Bonus (S\$)</th> <th style="width: 15%;">Director's Fees (S\$)</th> <th style="width: 15%;">Others* (S\$)</th> <th style="width: 10%;">Total (S\$)</th> </tr> </thead> <tbody> <tr> <td colspan="6">Executive Director (Above S\$500,000 and below S\$750,000)</td> </tr> <tr> <td>Ng Chuan Heng</td> <td>576,000 (79%)</td> <td>96,000 (13%)</td> <td style="text-align: center;">–</td> <td>57,316 (8%)</td> <td>729,316 (100%)</td> </tr> <tr> <td>Tan Poh Guan</td> <td>396,000 (79%)</td> <td>66,000 (13%)</td> <td style="text-align: center;">–</td> <td>41,476 (8%)</td> <td>503,476 (100%)</td> </tr> <tr> <td colspan="6">Non-Executive Director (Below S\$250,000)</td> </tr> <tr> <td>Amelia Vincent ^(Note 1)</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td>3,333.33 (100%)</td> <td style="text-align: center;">–</td> <td>3,333.33 (100%)</td> </tr> <tr> <td>Ng Ser Chiang</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td>40,000 (100%)</td> <td style="text-align: center;">–</td> <td>40,000 (100%)</td> </tr> <tr> <td>Andrew Bek</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td>40,000 (100%)</td> <td style="text-align: center;">–</td> <td>40,000 (100%)</td> </tr> <tr> <td>Eddy Lim Seok Boon ^(Note 2)</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td>26,700 (100%)</td> <td style="text-align: center;">–</td> <td>26,700 (100%)</td> </tr> </tbody> </table> <p><i>*Including transport allowance and Employer's CPF</i></p> <p><i>Note 1: Ms. Amelia resigned as the Lead Independent Director of the Company with effect from 31 January 2024.</i></p> <p><i>Note 2: Mr. Eddy Lim Seok Boon was appointed as an Independent Director of the Company with effect from 29 April 2024.</i></p> <p>The Board supports and is aware of the need for transparency. However, after deliberation, the Board is of the view that as the remuneration packages are confidential and sensitive in nature, full disclosure of the specific remuneration of the Group's key management personnel (who are not Directors) may be prejudicial to its business interests given the highly competitive environment it is operating in. The RC has reviewed the industry practice in weighing the advantages and disadvantages of such disclosure. Inter alia, the Board has taken into account the sensitive nature of the matter, the relative size of the Group, the highly competitive business environment the Group operates in, the competitive pressures in the talent market and the irrevocable negative impact such disclosure may have on the Group, which could place the Group in a competitively disadvantageous position. Hence, non-disclosures maintain confidentiality of remuneration, prevent poaching and internal comparison, and maintain morale.</p> <p>Remuneration of Key Management Personnel in FY2024</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 50%;">Name</th> <th style="width: 10%;">Base Salary</th> <th style="width: 10%;">Bonus</th> <th style="width: 10%;">Other</th> <th style="width: 10%;">Total</th> </tr> </thead> <tbody> <tr> <td colspan="5">S\$250,000 to S\$500,000</td> </tr> <tr> <td>Tan Jun Hao</td> <td style="text-align: center;">81%</td> <td style="text-align: center;">13%</td> <td style="text-align: center;">6%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Seng Bock Kim, Aloysius</td> <td style="text-align: center;">57%</td> <td style="text-align: center;">26%</td> <td style="text-align: center;">17%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td colspan="5">Below S\$250,000</td> </tr> <tr> <td>Lai Choong Hon</td> <td style="text-align: center;">72%</td> <td style="text-align: center;">12%</td> <td style="text-align: center;">16%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Eric Sean Koo Kong Chew</td> <td style="text-align: center;">81%</td> <td style="text-align: center;">9%</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> <p>The aggregate remuneration paid to key management personnel (who are not Directors or CEO) for FY2024 was S\$1,154,425.</p> <p>There are no termination, retirement or post-employment benefits that are granted to the Directors and the key management personnel of the Group.</p>	Name	Base Salary (S\$)	Bonus (S\$)	Director's Fees (S\$)	Others* (S\$)	Total (S\$)	Executive Director (Above S\$500,000 and below S\$750,000)						Ng Chuan Heng	576,000 (79%)	96,000 (13%)	–	57,316 (8%)	729,316 (100%)	Tan Poh Guan	396,000 (79%)	66,000 (13%)	–	41,476 (8%)	503,476 (100%)	Non-Executive Director (Below S\$250,000)						Amelia Vincent ^(Note 1)	–	–	3,333.33 (100%)	–	3,333.33 (100%)	Ng Ser Chiang	–	–	40,000 (100%)	–	40,000 (100%)	Andrew Bek	–	–	40,000 (100%)	–	40,000 (100%)	Eddy Lim Seok Boon ^(Note 2)	–	–	26,700 (100%)	–	26,700 (100%)	Name	Base Salary	Bonus	Other	Total	S\$250,000 to S\$500,000					Tan Jun Hao	81%	13%	6%	100%	Seng Bock Kim, Aloysius	57%	26%	17%	100%	Below S\$250,000					Lai Choong Hon	72%	12%	16%	100%	Eric Sean Koo Kong Chew	81%	9%	10%	100%
Name	Base Salary (S\$)	Bonus (S\$)	Director's Fees (S\$)	Others* (S\$)	Total (S\$)																																																																																					
Executive Director (Above S\$500,000 and below S\$750,000)																																																																																										
Ng Chuan Heng	576,000 (79%)	96,000 (13%)	–	57,316 (8%)	729,316 (100%)																																																																																					
Tan Poh Guan	396,000 (79%)	66,000 (13%)	–	41,476 (8%)	503,476 (100%)																																																																																					
Non-Executive Director (Below S\$250,000)																																																																																										
Amelia Vincent ^(Note 1)	–	–	3,333.33 (100%)	–	3,333.33 (100%)																																																																																					
Ng Ser Chiang	–	–	40,000 (100%)	–	40,000 (100%)																																																																																					
Andrew Bek	–	–	40,000 (100%)	–	40,000 (100%)																																																																																					
Eddy Lim Seok Boon ^(Note 2)	–	–	26,700 (100%)	–	26,700 (100%)																																																																																					
Name	Base Salary	Bonus	Other	Total																																																																																						
S\$250,000 to S\$500,000																																																																																										
Tan Jun Hao	81%	13%	6%	100%																																																																																						
Seng Bock Kim, Aloysius	57%	26%	17%	100%																																																																																						
Below S\$250,000																																																																																										
Lai Choong Hon	72%	12%	16%	100%																																																																																						
Eric Sean Koo Kong Chew	81%	9%	10%	100%																																																																																						

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report															
<p>8.2 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 S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.</p>	<p>Save for Mr. Tan Jun Hao and Mr. Tan Poh Guan (Executive Director cum CEO) who are relatives, there were no employees who are the substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company whose remuneration exceeded S\$100,000 during FY2024.</p> <p>Remuneration of Mr. Tan Jun Hao in FY2024</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Base Salary</th> <th>Bonus</th> <th>Other</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td colspan="5">S\$400,000 to S\$500,000</td> </tr> <tr> <td>Tan Jun Hao</td> <td>81%</td> <td>13%</td> <td>6%</td> <td>100%</td> </tr> </tbody> </table>	Name	Base Salary	Bonus	Other	Total	S\$400,000 to S\$500,000					Tan Jun Hao	81%	13%	6%	100%
Name	Base Salary	Bonus	Other	Total												
S\$400,000 to S\$500,000																
Tan Jun Hao	81%	13%	6%	100%												
<p>8.3 The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.</p>	<p>Please refer to the Provision 8.1 on Remuneration of Directors and key management personnel above.</p> <p>Currently, the Company do not implement any employee share scheme.</p> <p>During FY2024, there was no termination, retirement or post-employment benefits to any Director or key management personnel.</p>															

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

Provisions of the Code	Corporate Governance Report
<p>9.1 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 Board sets up a Board Risk Committee to specifically address this, if appropriate.</p>	<p>The Board as a whole is responsible for risk management and no separate risk committee has been established. The Management regularly reviews the Company's business and operational activities and control policies and procedures, and highlights areas of significant risks to the Board. The Board then determines the Company's levels of risk tolerance and risk policies, and oversees the Management in the design, implementation and monitoring of the Group's risk management and internal control systems.</p> <p>The Group has also considered the various financial risks, details of which are disclosed in the notes to the accompanying audited financial statements. The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets. Procedures are in place to identify major business risks and evaluate potential financial consequences, as well as for the authorisation of capital expenditures and investments. Comprehensive budgeting systems are in place to develop annual budgets covering key aspects of the business of the Group. Actual performance is compared against budgets and periodical revised forecasts for the year.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<p>The Board, together with the AC, reviews annually the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. Such review is carried out internally and with the assistance of the internal and external auditors. Any material non-compliance or lapses in internal controls, together with recommendations for improvement from the internal and external auditors are reported to the AC. The AC reviews the internal and external auditor's comments to ensure that there are adequate internal controls in the Group.</p> <p>The Board, with the concurrence of the AC, is satisfied with the adequacy and effectiveness of the Group's internal controls addressing financial, operational, compliance, information technology controls and risk management to which the Group is exposed in its current business environment as at 31 December 2024.</p> <p>No material internal control weaknesses had been raised by the internal auditors in the course of their audits for FY2024. This is based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by Management and the Board.</p>
<p>9.2 The Board requires and discloses in the company's annual report that it has received assurance from:</p> <p>(a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and</p> <p>(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.</p>	<p>In FY2024, based on the management representation, enquiries made thereof and in accordance with the requirements of the Catalist Rules of SGX-ST, the Board issued negative assurance statements in its half-yearly financial results announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.</p> <p>The CEO and the Financial Controller of the Group have given assurance to the Board that as at the end of FY2024, the financial records have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances. Also, the CEO and key management personnel have also provided their assurance to the Board that the Group's risk management and internal control systems are adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations as at 31 December 2024.</p> <p>Based on the assurance from the CEO, Financial Controller and key management personnel referred to in the preceding paragraph, the various internal controls put in place by the Group, the works performed and reports submitted by the external and internal auditors of the Group and the reviews carried out by the Board and the AC, the Board, with the concurrence of the AC, is satisfied with the adequacy and effectiveness of the Group's the risk management and internal control systems (including financial, operational, compliance and information technology controls and risk management systems) as at 31 December 2024.</p>

CORPORATE GOVERNANCE REPORT

Audit Committee

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

Provisions of the Code	Corporate Governance Report
<p>10.1 The duties of the AC include:</p> <p>(a) 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;</p> <p>(b) reviewing at least annually the adequacy and effectiveness of the company’s internal controls and risk management systems;</p> <p>(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;</p> <p>(d) 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;</p> <p>(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company’s internal audit function; and</p> <p>(f) 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. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.</p>	<p>The AC is authorised to investigate any matter falling within its written terms of reference and has full access to and co-operation of the Management. The AC has full discretion to invite any Director or key management personnel to attend its meetings, as well as reasonable resources to enable it to discharge its functions properly. In performing its functions, the AC also reviews the assistance given by the Company’s officers to the external auditors and internal auditors.</p> <p>Further to the above, the AC has an explicit authority to investigate any matter within its terms of reference and is authorised to obtain independent professional advice. It has full access to and co-operation of the Management and reasonable resources to enable it to discharge its duties properly. It also has full discretion to invite any Director or executive officer or any other person to attend its meetings.</p> <p>In the event that a member of the AC is interested in any matter being considered by the AC, he/she shall abstain from reviewing that particular transaction or voting on that particular resolution.</p> <p>The AC is regulated under its written terms of reference. The principal functions of the AC include:</p> <ul style="list-style-type: none"> • reviewing the adequacy and effectiveness of the Group’s internal controls, including financial, operational, compliance and information technology controls and reporting to the Board annually; • reviewing the adequacy and effectiveness of the internal audit function; • reviewing the internal and external auditors’ annual audit plan; • reviewing the internal and external auditors’ reports and the independence and objectivity of the external auditors; • reviewing the co-operation given by the Company’s officers to the internal and external auditors; • ensuring the integrity of the financial statements of the Group before submission to the Board for approval of release of the results announcement on SGXNet; • nominating external auditors for appointment and re-appointment and approving the remuneration and terms of engagement of the external auditors; • meeting with the internal auditors and external auditors without the presence of the management at least once a year; • reviewing internal control procedures; and • reviewing and ratify all interested person transactions, if any, to ensure that they comply with the approved internal control procedures and have been conducted on an arm’s length basis. <p>In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the Management, the external auditors and the internal auditors on changes to the accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group’s business and financial statements.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report				
	<p>Activities of the AC</p> <p>The AC met once in FY2024. Details of the members' attendance at the meetings are set out at page 15 in this Annual Report. The meeting materials are circulated to the Directors by the Company Secretary. The Financial Controller, Company Secretary, internal auditors and external auditors are invited to these meetings.</p> <p>During the FY2024, the AC has reviewed the internal audit plans for FY2024 presented by the internal auditors. The AC has also reviewed the half-yearly and yearly financial statements together with the Management, the Financial Controller and the external auditors regarding the significant accounting policies, judgment and estimates applied by the management in preparing the annual financial statements. Following the review and discussions, the AC then recommended to the Board for further review and approval of the audited annual financial statements.</p> <p>Apart from the above, the AC commissions and reviews the findings of internal investigations into matters where there is suspicion of fraud or irregularity, failure of internal controls or infringement of any Singapore law, rule or regulation, which has or is likely to have a material impact on the Company's operational results and/or financial position.</p> <p>Evaluation of external auditors</p> <p>During FY2024, the AC reviewed the Audit Planning Memorandum prepared by Group's external auditors. The AC discussed with the Group's external auditors on their terms of engagement, materiality level of their work, significant risks assessment, areas of audit focus and audit quality indicators, before the commencement of their audit work.</p> <p>The AC undertook a review of the independence and objectivity of the external auditors annually, taking into consideration the nature and extent of any non-audit services provided to the Company by the external auditors, and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.</p> <p>The external auditors also provide regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.</p> <p>Significant matters that were discussed with the Management and the external auditors have been included as key audit matters in the Independent Auditor's Report for FY2024 on page 49 of this Annual Report.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Key audit matters</th> <th style="text-align: left;">How does the AC address the matter</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Impairment assessment of non-financial assets</td> <td style="vertical-align: top;">The AC has reviewed the Management's approach as well as the reasonableness of the estimates and key assumptions used in determining the value for the goodwill which includes (a) budgeted gross margin; (b) growth rate and perpetual growth rate; and (c) discount rate by comparing to the CGU's historical financial performance and the market conditions to assess the likely achievability of the cash flow forecasts.</td> </tr> </tbody> </table>	Key audit matters	How does the AC address the matter	Impairment assessment of non-financial assets	The AC has reviewed the Management's approach as well as the reasonableness of the estimates and key assumptions used in determining the value for the goodwill which includes (a) budgeted gross margin; (b) growth rate and perpetual growth rate; and (c) discount rate by comparing to the CGU's historical financial performance and the market conditions to assess the likely achievability of the cash flow forecasts.
Key audit matters	How does the AC address the matter				
Impairment assessment of non-financial assets	The AC has reviewed the Management's approach as well as the reasonableness of the estimates and key assumptions used in determining the value for the goodwill which includes (a) budgeted gross margin; (b) growth rate and perpetual growth rate; and (c) discount rate by comparing to the CGU's historical financial performance and the market conditions to assess the likely achievability of the cash flow forecasts.				

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report				
	<table border="1" data-bbox="646 405 1441 633"> <thead> <tr> <th data-bbox="646 405 906 439">Key audit matters</th> <th data-bbox="906 405 1441 439">How does the AC address the matter</th> </tr> </thead> <tbody> <tr> <td data-bbox="646 439 906 633"></td> <td data-bbox="906 439 1441 633"> <p>The AC was satisfied that the approach was appropriate and the key assumptions were reasonable. The external auditors have included this item as a key audit matter in the Independent Auditor's Report for the financial year ended 31 December 2024. Please refer to page 49 of this Annual Report.</p> </td> </tr> </tbody> </table> <p>The aggregate amount of audit and non-audit fees in relation to tax services paid and payable by the Group to the current external auditors, Crowe Horwath First Trust LLP, for FY2024 is approximately S\$100,000 and S\$18,000 respectively.</p> <p>In reviewing the nomination of Crowe Horwath First Trust LLP for re-appointment for the financial year ending 31 December 2025, the AC has considered and reviewed various factors including the adequacy of resources, the experience of the auditing firm and the audit engagement and taken into account the Accounting and Corporate Regulatory Authority's Audit Quality Indicators Disclosure Framework relating to the audit firm's level. Considerations were also given to the number and experience of supervisory and professional staff to be assigned to the audit, the size and complexity of the group and its business and operation.</p> <p>In view thereof, the AC is satisfied with the standard and quality of work performed by Crowe Horwath First Trust LLP and has recommended to the Board the nomination of Crowe Horwath First Trust LLP for re-appointment as External Auditors of the Company, subject to the shareholders' approval at the forthcoming AGM.</p> <p>In addition, the AC and Board are of the view that the Company has complied with Rule 712 and 715 of the Catalist Rules in relation to its External Auditors.</p> <p>Whistle-Blowing Policy</p> <p>The Company has reviewed arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or management, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action, ensures that the identification of the whistle-blower is still kept as confidential and provides assurance that whistle-blower will be protected from reprisal within the limits of the law or victimization for whistle blowing in good faith. In this regard, the AC has adopted a whistle-blowing policy in 2008 and further enhanced it during FY2021 (the "Whistle-Blowing Policy"). Since then, there was no subsequent amendment or modification made to the existing Whistle-Blowing Policy, except for the update on the re-designation of Mr. Eddy Lim Seok Boon as AC Chairman with effect from 24 February 2025.</p> <p>The AC is tasked with overseeing the administration of the Whistle-Blowing Policy. The Whistle-Blowing Policy encourages employees and external parties to raise concerns, in confidence, about possible irregularities to the Chairman of the AC, Mr. Eddy Lim Seok Boon or Lead Independent Director, Mr. Ng Ser Chiang ("Independent Parties"). The email communication for the Independent Parties was also set out in the Whistle-Blowing Policy.</p> <p>Since the adoption of the Whistle-Blowing Policy, there were no complaints, concerns or issues received by the AC via the channel set out in the Whistle-Blowing Policy.</p> <p>The policy and procedures for raising any concerns is communicated to all employees of the Group during the orientation for new employees and such Whistle-Blowing Policy has been circulated annually.</p>	Key audit matters	How does the AC address the matter		<p>The AC was satisfied that the approach was appropriate and the key assumptions were reasonable. The external auditors have included this item as a key audit matter in the Independent Auditor's Report for the financial year ended 31 December 2024. Please refer to page 49 of this Annual Report.</p>
Key audit matters	How does the AC address the matter				
	<p>The AC was satisfied that the approach was appropriate and the key assumptions were reasonable. The external auditors have included this item as a key audit matter in the Independent Auditor's Report for the financial year ended 31 December 2024. Please refer to page 49 of this Annual Report.</p>				

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report						
<p>10.2 The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.</p>	<p>As at the date of this report, the AC comprises entirely Independent Directors and the members of the AC are:</p> <table data-bbox="639 477 1050 566"> <tr> <td>Eddy Lim Seok Boon^(Note 1)</td> <td>Chairman</td> </tr> <tr> <td>Andrew Bek^(Note 2)</td> <td>Member</td> </tr> <tr> <td>Ng Ser Chiang</td> <td>Member</td> </tr> </table> <p><i>Note 1: Mr. Eddy Lim Seok Boon has been re-designated as the Chairman of AC with effect from 24 February 2025.</i></p> <p><i>Note 2: Mr. Andrew Bek has ceased to be the Interim Chairman of AC but remains as a member of AC with effect from 24 February 2025.</i></p> <p>Please refer to Provision 10.1 for the AC's key terms of reference and duties.</p> <p>The Board considers that the members of the AC are appropriately qualified to fulfil their responsibilities as the members bring with them invaluable managerial and professional expertise in the accounting and financial management.</p> <p>For more details about the AC members, kindly refer to the section of "Board of Directors" at pages 8 to 9 of Annual Report.</p>	Eddy Lim Seok Boon ^(Note 1)	Chairman	Andrew Bek ^(Note 2)	Member	Ng Ser Chiang	Member
Eddy Lim Seok Boon ^(Note 1)	Chairman						
Andrew Bek ^(Note 2)	Member						
Ng Ser Chiang	Member						
<p>10.3 The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.</p>	<p>None of the members of the AC was former partner or director of the Company's existing auditing firm within a period of two years commencing on the date of their ceasing to be a partner or director of the external auditors and none of the AC members hold any financial interest in the external auditors.</p>						
<p>10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.</p>	<p>The Board recognises the importance of maintaining a system of internal controls, procedures and processes for the Group to safeguard shareholders' investments and the Group's assets.</p> <p>The AC's responsibilities over the Group's internal controls and risk management are complemented by the work of the internal auditors.</p> <p>The primary reporting line of the internal audit function, which has been outsourced to CLA Global TS Risk Advisory Pte. Ltd.* ("CLA Global TS"), is to the AC, which also endorses the appointment, termination and remuneration of the internal auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.</p> <p><i>*CLA is an independent network member of CLA Global Limited, a leading global organization comprises independent accounting and advisory firms. CLA Global TS is a corporate member of the Institute of Internal Auditors Singapore. CLA Global TS possesses vast experience in providing internal audits, risk management services and advisory services in the region. CLA Global TS is staffed with professionals with relevant qualifications and experience. The engagement team assigned comprises of 2 staff members led by the Manager of 9 years internal audit experience and headed by Ms. Pamela Chen who has more than 17 years performing audits for listed companies.</i></p>						

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<p>Upon the recommendation by the AC, the Board has approved the re-engagement of CLA Global TS as internal auditors of the Group in the ensuing year ending 31 December 2025.</p> <p>The Company's internal audit function is independent of the external audit.</p> <p>At the beginning of each financial year, an annual internal audit plan which entails the review of the selected functions or business units of the Group is developed and agreed by the AC. The audit plan has been devised in such a way that all the major functions or business units will be internally audited within an internal audit cycle. Having reviewed the audit plan of CLA Global TS, the AC was satisfied that the Company's internal audit function was adequately resourced to perform the work for the Group.</p> <p>For FY2024, the AC had reviewed the adequacy and effectiveness of the internal audit function to ensure that internal audits were conducted effectively, and that Management provided the necessary co-operation to enable the internal auditors to perform the function. For FY2024, after having reviewed the internal audit reports and remedial actions implemented by Management, the AC was satisfied that the internal audit functions were independent, effective and adequately resourced.</p> <p>The Internal Auditors may be involved in ad-hoc assignment initiated by the Management which require the assistance of the internal controls in specific areas of concerns from time to time, if any,</p>
<p>10.5 The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.</p>	<p>The AC meets with the external and internal auditors without the presence of Management at least once a year. The AC meets with the auditors to discuss the results of their examinations and their evaluations of the systems of internal accounting controls.</p>

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and conduct of general meetings

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

Provisions of the Code	Corporate Governance Report
<p>11.1 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.</p>	<p>The Company provides timely, regular and relevant information regarding Company's strategy, performance and prospects to aid shareholders and investors in their investment decisions. The Company does not practice selective disclosure, and in the event of any inadvertent disclosure is made to a select group, the Company will make the same disclosure publicly to all others as promptly as possible.</p> <p>Information is communicated to shareholders on a timely basis. Communication may be made through:</p> <ul style="list-style-type: none"> (a) annual reports or circulars that are prepared and issued to all shareholders; (b) half yearly and full year results announcements, containing a summary of the financial information and affairs of the Company for the period reported on;

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<p>(c) notices and explanatory notes of the AGM and any Extraordinary General Meeting (“EGM”); and</p> <p>(d) other announcements and press releases that are announced via SGXNet.</p> <p>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.</p> <p>Shareholders are entitled to attend the general meetings and are given the opportunity to communicate their views and to participate effectively in and vote at the general meetings of the Company either to appoint the Chairman of the AGM or his/her/its proxy(ies) to attend.</p> <p>The Company ensures that all shareholders have equal opportunity to participate effectively in and vote at general meetings in person and held in Singapore to give the opportunity to air their views and ask Directors or the Management questions regarding the Group. Shareholders are encouraged to attend the AGMs to ensure a high level of accountability and to stay informed of the Group’s strategies and goals. The AGM is the principal forum for dialogue with shareholders.</p> <p>The rights of shareholders, including the details of the rules governing voting procedures at general meetings, are contained in the Company’s Constitution and are also set out in applicable laws including the Companies Act.</p> <p>Notices of all general meetings will be announced on SGXNet. The Company will comply with its Constitution, the Companies Act and the Catalyst Rules in respect of the requisite notice periods for convening general meetings. The notice of an AGM is accompanied by the Company’s Proxy Form and Annual Report. Any notice of an EGM will also be accompanied by a circular or letter to shareholders, providing sufficient detail on the proposals to be considered at the meeting.</p> <p>At general meetings of the Company, shareholders are given the opportunity to communicate their views and ask the Directors and Management questions regarding matters affecting the Company. The external auditor and the Management are also available at the AGM to respond to, and to assist the Directors in responding to shareholders’ queries.</p> <p>Shareholders are encouraged and invited to submit their questions for the AGM within seven (7) days upon receiving the notice of the AGM, by electronic means. Responses/answers to the questions received from the shareholders will be released to the SGXNet not less than 48 hours prior to the closing date and time for the lodgment of the proxy forms. Shareholders can also raise any question at the AGM.</p> <p>In accordance with the Company’s Constitution, each shareholder may appoint not more than two (2) proxies to attend and vote on their behalf. A proxy need not be a member of the Company.</p> <p>Pursuant to the provisions in the Constitution, shareholders who are not the relevant intermediaries (as defined under Section 181 of the Companies Act) may appoint up to two (2) proxies, during his/her absence, to attend, speak, vote on his/her behalf at general meetings. Shareholders who are relevant intermediaries such as banks, capital market services licence holders which provide custodial services for securities are allowed to appoint more than two (2) proxies. This is to facilitate indirect shareholders including CPF investors to participate in general meetings. Such indirect shareholders where so appointed as proxy, will have the same rights as direct shareholders to attend, speak and vote at general meetings.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<p>Shareholders are given the opportunity to participate effectively and vote at the general meetings of shareholders; separate resolutions are also voted on each substantially separate issue.</p> <p>The AGM of the Company for the financial year ended 31 December 2023 was held wholly in physical format on 26 April 2024 (“FY2023 AGM”).</p> <p>The Company acknowledges that voting by poll in all its general meetings is integral in the enhancement of corporate governance and also is in line with Rule 730A(2) of Catalist Rule. The Company adheres to the requirements of the Catalist Rules and the Code. All resolutions at the Company’s general meetings are put to vote by poll. The detailed results of each resolution are announced via SGXNet after the general meetings.</p> <p>The Annual Report including the Notice of AGM and Proxy Form (“AGM documents”) are available to shareholders. The AGM Documents are published through the company’s website and on the SGX-ST website at the URL: https://www.sgx.com/securities/company-announcements within the prescribed deadline prior to the AGM.</p>
<p>11.2 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.</p>	<p>The Board ensures that separate resolutions are proposed for approval on each distinct issue at general meetings. There is no bundling of the resolutions as they are not interdependent and linked to each other. Detailed explanatory notes on each item of the agenda are also provided in the Notice of AGM in this Annual Report.</p> <p>During FY2023 AGM, there was no resolution “bundled” and tabled to the shareholders of the Company for approval.</p>
<p>11.3 All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders’ queries about the conduct of audit and the preparation and content of the auditors’ report. Directors’ attendance at such meetings held during the financial year is disclosed in the company’s annual report.</p>	<p>The Chairman and members of the AC, NC and RC will be present at general meetings to address any questions the shareholders may have concern on the Group.</p> <p>All the Directors of the Company were present at the FY2023 AGM held on 26 April 2024 and the Company’s External Auditors were also present to address shareholders’ queries (if any) relating to conduct of audit and the preparation and content of the auditor’s report.</p>
<p>11.4 The company’s Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.</p>	<p>The Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the shareholders’ identities through the web is not compromised.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
11.5 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.	<p>General meetings are the principal forum for dialogue and interaction with shareholders. During these meetings, shareholders are given opportunities to voice their views and seek clarification to the Board on any matters relating to the Group's business and operations.</p> <p>The Company Secretary will prepare minutes of the general meetings held and a copy of such minutes will be made available through its announcement via SGXNet and the Company's corporate website at https://www.hghholdings.com.sg/ within one (1) month after the general meetings for the information of the shareholders.</p>
11.6 The company has a dividend policy and communicates it to shareholders.	<p>The Company does not have a fixed dividend policy. The form, frequency and amount of dividend will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Board may deem appropriate.</p> <p>The Board did not recommend final dividend for FY2024 due to the uncertainty and challenging economic ahead.</p>

Engagement with Shareholders

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

Provisions of the Code	Corporate Governance Report
12.1 The company provides avenues for communication between the Board and all shareholders and discloses in its annual report the steps taken to solicit and understand the views of shareholders.	<p>All shareholders are treated fairly and equitably to facilitate their ownership rights. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate and vote at the meetings, whether in person or by proxy.</p> <p>The Board recognises the importance of maintaining transparency and accountability to the shareholders and is mindful of the obligation to provide shareholders with information on all major developments that affect the Group in accordance with the Catalist Rules and the Companies Act. Information is communicated to shareholders on a timely basis through:</p> <ul style="list-style-type: none"> • annual reports that are despatched to all shareholders and released on the SGXNet; • announcements on half-year and full-year financial results and all major developments on the SGXNet; • press releases or media/analyst briefings to keep shareholders informed of corporate developments; and • corporate website (https://www.hghholdings.com.sg/). <p>The Company ensures that trade- and price-sensitive information is publicly released and is announced promptly and within the mandatory period as required under the Catalist Rules.</p> <p>Shareholders and potential investors with comments and queries regarding the information communicated by the Company may send their enquiries to the email address provided at the Company's website.</p>

CORPORATE GOVERNANCE REPORT

Provisions of the Code	Corporate Governance Report
	<p>Details relating to FY2023 AGM including its Notice of AGM, Proxy Form, Annual Return and Minutes had been published on the Company's website and SGXNet. There were no questions raised by the shareholders during FY2023 AGM.</p> <p>The forthcoming AGM will be held physically and for more details, kindly refer to the Notice of AGM and Proxy Form of this Annual Report which have been published via Company's Website and SGXNet accordingly.</p> <p>An independent scrutineer will be appointed to validate the proxy forms submitted by the shareholders and the votes of all such valid proxies were counted and verified. The voting results of all votes cast for or against each resolution will be presented at the meeting with respective percentages and these details will be announced during the AGM and also through SGXNet after the AGM on the same date. The Company Secretary prepares the minutes of general meeting, which incorporate substantial and relevant comments or queries from shareholders and responses from the Board and Management during the physical AGM (if any). These minutes will also be publicly made available at SGX-ST's website and the Company's website within one (1) month after the date of the AGM.</p>
<p>12.2 The company has in place 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.</p>	<p>The Company do not have a specific investor relations policy but the Board places great emphasis on investor relations. The Company strives to maintain a high standard of transparency and promote better investor communication.</p> <p>The Company believes that a high standard of disclosure is essential to raise the level of corporate governance. Interim and full year results and press releases are published on SGXNet. All information of the Company's new initiatives is first disseminated via SGXNet followed by a press release.</p> <p>If there is any inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable. The Company does not practice selective disclosure. Trade- and price- sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts.</p> <p>Shareholders may also provide any feedback that may have about the Company to the Company's email at info@hghholdings.com.sg.</p>
<p>12.3 The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.</p>	<p>The Board welcomes shareholders to attend all general meetings of the Company, which represent the principal forum for dialogue and interaction between the Board, Management and the Company, and for shareholders to share their concerns and views.</p> <p>At these meetings, shareholders are able to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters.</p>

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with stakeholders

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

Provisions of the Code	Corporate Governance Report
13.1 The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.	<p>The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations.</p> <p>Stakeholders include customers, employees, government and regulators, industry associations, shareholders and investors and suppliers.</p> <p>The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.</p>
13.2 The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	<p>Please refer to the Provisions 13.1 and 13.3 for more details.</p> <p>Nevertheless, all the trade- and price-sensitive information is announced promptly and within the mandatory period as required under the Catalist Rules.</p> <p>The Company's approach to stakeholder engagement and material assessment can be found in the "Sustainability Report" which will be published and uploaded on SGXNet and the Company's website in due course.</p>
13.3 The company maintains a current corporate website to communicate and engage with stakeholders.	<p>All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNet, press releases, or the Company's website at https://www.hghholdings.com.sg/.</p> <p>Please refer to Provision 12.1 for more details.</p>

DEALINGS IN SECURITIES

The Company has adopted policies in line with Rule 1204(19) of the Catalist Rules on the dealings in the Company's securities.

The Company has adopted an internal code on dealings in securities to govern dealings in the Shares by the Directors and the key executives of the Group, Directors and Management and officers of the Group, who have access to trade- and price- sensitive, financial or confidential information are advised not to deal in the Company's shares on short-term considerations or when they are in possession of unpublished trade- and price-sensitive information. They are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Company's half-year and full year financial results and ending on the date of the announcement of the results.

The Board confirms that for FY2024, the Company has complied with Rule 1204(19) of the Catalist Rules.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transaction with interested persons and has procedures established for the review and approval of the Company's interested person transactions. All interested person transactions will be documented and submitted to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The Company does not have a general mandate from shareholders for recurrent interested person transactions. There were no interested person transactions with a value of S\$100,000 or more during FY2024.

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS

Two of the Directors, Mr. Ng Chuan Heng and Mr. Tan Poh Guan, indirectly holds shareholding interest in Power Works Pte. Ltd. (“Power Works”), a major customer of Poh Huat Heng Corporation Pte. Ltd. (“PHH”). Each of Mr. Ng Chuan Heng and Mr. Tan Poh Guan holds 49.50% and 13.38% equity interests respectively in a company known as Benetre Pte. Ltd., which in turn holds a total of 25.00% equity interests in Power Works, and this results in each of Mr. Ng Chuan Heng and Mr. Tan Poh Guan indirectly holding 12.38% and 3.35% in the total paid up share capital of Power Works respectively. The two (2) subcontracting agreements entered into between PHH and Power Works relate to construction projects, whereby PHH is engaged as the subcontractor to Power Works to carry out civil and associated works, including the installation of cable works.

Save for the service agreements entered between the Executive Directors and the Company, there were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling shareholder of the Company during FY2024.

NON-SPONSOR FEE

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is SAC Capital Private Limited (the “Sponsor”).

In compliance with Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid to the Sponsor by the Company during FY2024.

CORPORATE SOCIAL RESPONSIBILITY

The Group has always placed emphasis on conducting its business in a responsible manner while adding value to its stakeholders. The Group believes that environmentally friendly practices complement business efficiency. The Group’s staff are encouraged to reduce, recycle and reuse and advocate corporate social responsibility towards the environment by incorporating these processes in our daily operations. The Group encourages the various practices to reduce the pollution to earth and water, such as re-using single-side paper in office, using oil traps and managing scheduled waste like contaminated rugs and gloves in our operations.

The Company acknowledges that it is important to have sustainability and to implement appropriate policies and programmes in line with the requirements of the Catalist Rules and good practice. In accordance with the SGX Sustainability Report Guide, with reference to the Global Reporting Initiative’s Sustainability Reporting Standards and to align the climate-related disclosures with the Task Force on Climate-Related Financial Disclosures (TCFD) in the four key areas of governance, strategy, risk management and metrics and target as well as to map the material environmental, social and governance (ESG) topic to United Nations Sustainable Development Goals (SDGs), the Group will issue and upload its Sustainability Report for FY2024 on SGXNet by 30 April 2025.

DIRECTORS STATEMENT

For the financial year ended 31 December 2024

The directors present their statement to the members together with the audited financial statements of HGH Holdings Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) for the financial year ended 31 December 2024 and the statement of financial position of the Company as at 31 December 2024.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 52 to 101 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; 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 of the Company in office at the date of this statement are as follows:

Andrew Bek
Ng Chuan Heng
Ng Ser Chiang
Tan Poh Guan
Eddy Lim Seok Boon (appointed on 29 April 2024)

Directors’ interests in shares or debentures

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967, none of the directors and chief executive officer holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Direct interests	
	At 1 January 2024	At 31 December 2024
Company		
Ordinary shares		
Ng Chuan Heng	427,900,000	427,900,000
Tan Poh Guan	88,461,017	88,461,017

By virtue of section 7 of the Singapore Companies Act 1967, Ng Chuan Heng, who by virtue of his interests of not less than 20% of the issued capital of the Company is deemed to have an interest in the whole of the share capital of the Company’s wholly owned subsidiaries and in ordinary shares held by the Company in the following subsidiaries that are not wholly owned by the Group:

	Deemed interests	
	At 1 January 2024	At 31 December 2024
W&P Precast Pte. Ltd.		
Ordinary shares	23,750	23,750
Germaco Pte. Ltd.		
Ordinary shares	5,100	5,100
W&P Precast Sdn. Bhd.		
Ordinary shares	1	1

- The directors’ interests in the ordinary shares of the Company and its related corporation as at 21 January 2025 were the same as those as at 31 December 2024.

DIRECTORS STATEMENT

For the financial year ended 31 December 2024

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Share options

During the financial year, no options to take up unissued shares of the Company or any subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries. There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

Audit committee

The members of the Audit Committee at the end of the financial year and the date of this statement are as follows:

Eddy Lim Seok Boon (re-designated as Chairman on 24 February 2025)
Andrew Bek
Ng Ser Chiang

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditors and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditors;
- the periodic results announcements prior to their submission to the Board for approval;
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2024 prior to their submission to the Board of Directors, as well as the independent auditors' report on the statement of financial position of the Company and the consolidated financial statements of the Group; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

The Audit Committee has recommended to the Board of Directors that the independent auditors, Crowe Horwath First Trust LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The Audit Committee has conducted an annual review of non-audit services provided by the auditors to satisfy itself that the nature and extent of such services will not affect the independence and objectivity of the external auditors before confirming their re-nomination.

In appointing the external auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Report included in the Annual Report of the Company.

DIRECTORS STATEMENT

For the financial year ended 31 December 2024

Independent auditors

The independent auditors, Crowe Horwath First Trust LLP, have expressed their willingness to accept re-appointment as auditors of the Company.

On behalf of the Board of Directors

NG CHUAN HENG
Director

TAN POH GUAN
Director

28 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HGH HOLDINGS LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HGH Holdings Ltd. (“the Company”) and its subsidiaries (“the Group”), set out on pages 52 to 101, 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, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position 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 for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year. The matter was 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 this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HGH HOLDINGS LTD.

Key Audit Matter (Continued)

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Impairment assessment of non-financial assets Refer to the following notes to the financial statements ~ Note 2.3 "Critical Accounting Estimates, Assumptions and Judgements" ~ Note 3 "Property, Plant and Equipment" ~ Note 5 "Right-of-use Assets" ~ Note 7 "Impairment of Non-financial Assets" ~ Note 8 "Subsidiaries"</p> <p>As at 31 December 2024, the Group recorded non-financial assets such as property, plant and equipment of S\$7,809,954 (2023: S\$1,813,839) and right-of-use assets of S\$1,700,893 (2023: S\$11,705) relating to segments with continuing losses. The Company also recorded net carrying amount of investment in a subsidiary at S\$600,000 (2023: S\$600,000) as at the reporting date. These non-financial assets represented 13.7% and 2.3% (2023: 2.8% and 2.3%) of total assets of the Group and Company level respectively.</p> <p>Management has determined that Poh Huat Heng Corporation Pte. Ltd. ("PHH"), and Premium Concrete Pte. Ltd. ("PC"), represent two separate cash generating units ("CGUs"), which relates to these non-financial assets. During the financial year, both PHH and PC continued to incur operating losses as the public infrastructure and constructions sector has not fully recovered as a result of challenging market conditions and labour shortages. Accordingly, the carrying amount of non-financial assets of the two CGUs were identified for impairment assessment by management.</p> <p>In addition, the Group also assessed whether there are impairment indicators and thereby estimated the recoverable amounts for other non-financial assets (including its investment properties, property, plant and equipment, right-of-use of assets other than those of PHH and PC and its investment in subsidiaries) to determine if any impairment loss should be recognised. Management estimates the value-in-use ("VIU") using discounted cash flow method to determine the recoverable amounts of the CGUs.</p> <p>The impairment review requires management's significant judgement in forecasting the cash flows and estimating the key assumptions, such as (a) revenue growth rate and perpetual growth rate; (b) gross margin; and (c) discount rate underpinning the cash flows.</p> <p>Following the impairment review, the Company did not recognise an impairment loss or made a reversal of impairment loss allowance during current financial year.</p> <p>As disclosed in Note 7 to the financial statement, due to management's significant estimation involved in the key inputs used in the cash flows projection, this is a key audit matter given changes in the key inputs in the estimation process would significantly affect the quantum of impairment (or reversal of) losses of these non-financial assets.</p>	<p>Our audit procedures focused on evaluating and challenging the key estimates used by management in determining the recoverable amounts of these assets.</p> <p>Our key procedures applied include:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's estimation process, in particular focusing on planned strategies on revenue growth, list of projects in the pipeline and cost initiatives for the CGU; • Challenged the reasonableness of key assumptions mainly: (a) budgeted gross margin, (b) revenue growth rate and perpetual growth rate and (c) discount rate, by comparing to the CGU's historical financial performance and considering market conditions to assess the likely achievability of the cash flow forecasts; • Tested the robustness of management's forecast by comparing previous forecast to actual results; • Performed sensitivity analysis in consideration of the reasonably plausible impact on the VIU by varying these key assumptions; • Checked mathematical accuracy of management's calculations including the carrying amounts of assets within the CGUs; • Independently verified the external sources and data used by management in deriving the selling price and market value of the property, plant and equipment; and • Assessed the adequacy and appropriateness of relevant disclosures in the financial statements. <p>Based on the results of the above procedures, we note that the judgements applied by management were balanced; the key assumptions and estimates used in determining the recoverable values were reasonable; and the disclosures were appropriate.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HGH HOLDINGS LTD.

Other Information

Management is responsible for the other information. Other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HGH HOLDINGS LTD.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and is therefore the key audit matter. We describe the matter in our auditor's report unless 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 auditor's report is Kow Wei-Jue Duncan.

Crowe Horwath First Trust LLP

Public Accountants and
Chartered Accountants
Singapore

28 March 2025

STATEMENTS OF FINANCIAL POSITION

For the financial year ended 31 December 2024

(Amounts in Singapore dollars (“S\$”))

	Note	Group		Company	
		2024 S\$	2023 S\$	2024 S\$	2023 S\$
ASSETS					
Non-current assets					
Property, plant and equipment	3	9,854,594	3,705,859	–	–
Investment properties	4	44,180,117	47,289,711	–	–
Right-of-use assets	5	1,700,893	11,705	–	–
Intangible assets	6	44,950	41,040	–	–
Subsidiaries	8	–	–	25,600,002	25,600,002
		<u>55,780,554</u>	<u>51,048,315</u>	<u>25,600,002</u>	<u>25,600,002</u>
Current assets					
Inventories	10	300,297	211,447	–	–
Trade and other receivables	11	4,575,241	3,569,545	–	–
Other current assets	12	665,695	683,119	26,102	7,346
Contract assets	22	2,805,806	143,659	–	–
Cash and cash equivalents	13	5,118,315	8,780,539	72,045	118,468
		<u>13,465,354</u>	<u>13,388,309</u>	<u>98,147</u>	<u>125,814</u>
TOTAL ASSETS		<u>69,245,908</u>	<u>64,436,624</u>	<u>25,698,149</u>	<u>25,725,816</u>
LIABILITIES					
Current liabilities					
Trade and other payables	14	7,403,852	4,166,639	12,578,001	12,228,401
Income tax payable		410,311	266,166	–	–
Lease liabilities from financial institutions	15	403,306	218,517	–	–
Lease liabilities	16	643,727	302,842	–	–
Provision for defect liability	19	63,000	50,000	–	–
		<u>8,924,196</u>	<u>5,004,164</u>	<u>12,578,001</u>	<u>12,228,401</u>
LIABILITIES					
Non-current liabilities					
Lease liabilities from financial institutions	15	956,629	454,558	–	–
Lease liabilities	16	6,017,042	4,770,053	–	–
Deferred tax liabilities	17	6,743,529	7,128,131	–	–
Other liabilities	14	673,750	867,480	–	–
		<u>14,390,950</u>	<u>13,220,222</u>	<u>–</u>	<u>–</u>
TOTAL LIABILITIES		<u>23,315,146</u>	<u>18,224,386</u>	<u>12,578,001</u>	<u>12,228,401</u>
NET ASSETS		<u>45,930,762</u>	<u>46,212,238</u>	<u>13,120,148</u>	<u>13,497,415</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	20	35,225,394	35,225,394	35,225,394	35,225,394
Reserves	21	10,805,219	11,053,934	(22,105,246)	(21,727,979)
		<u>46,030,613</u>	<u>46,279,328</u>	<u>13,120,148</u>	<u>13,497,415</u>
Non-controlling interests		<u>(99,851)</u>	<u>(67,090)</u>	<u>–</u>	<u>–</u>
TOTAL EQUITY		<u>45,930,762</u>	<u>46,212,238</u>	<u>13,120,148</u>	<u>13,497,415</u>

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

(Amounts in Singapore dollars (“S\$”))

	Note	2024 S\$	2023 S\$
Revenue	22	21,318,268	20,034,280
Cost of sales and services		(15,240,789)	(16,253,065)
Gross profit		6,077,479	3,781,215
Other income	23	304,514	1,198,325
Distribution costs		(680,399)	(798,160)
Administrative expenses		(5,306,251)	(4,694,756)
Other expenses	24	(158,762)	(52,541)
Finance costs	25	(282,036)	(160,167)
(Provision of) / Reversal for impairment loss on financial asset, net	26	(286,355)	120,545
Loss before tax	26	(331,810)	(605,539)
Income tax credit	28	99,152	281,664
Loss for the year		(232,658)	(323,875)
Other comprehensive loss			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
- Currency translation differences arising from consolidation		(48,818)	45,641
Total comprehensive loss for the year		(281,476)	(278,234)
Total loss attributable to:			
Equity holders of the Company		(199,897)	(306,968)
Non-controlling interests		(32,761)	(16,907)
		(232,658)	(323,875)
Total comprehensive loss attributable to:			
Equity holders of the Company		(248,715)	(261,327)
Non-controlling interests		(32,761)	(16,907)
		(281,476)	(278,234)
Loss per share (cents) attributable to equity holders of the Company			
Basic and diluted	29	(0.01)	(0.02)

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

(Amounts in Singapore dollars (“S\$”))

2024 Group	Attributable to equity holders of the Company					Total	Non-controlling interests	Total equity
	Share capital	Merger reserve	Translation reserve	Fair value reserve	Retained earnings			
	S\$	S\$	S\$	S\$	S\$			
Balance as at 1 January 2024	35,225,394	(6,478,399)	110,803	(150,000)	17,571,530	46,279,328	(67,090)	46,212,238
Loss for the year	-	-	-	-	(199,897)	(199,897)	(32,761)	(232,658)
Other comprehensive loss, net of tax:								
- Currency translation differences arising from consolidation	-	-	(48,818)	-	-	(48,818)	-	(48,818)
Total comprehensive loss for the year	-	-	(48,818)	-	(199,897)	(248,715)	(32,761)	(281,476)
Balance at 31 December 2024	35,225,394	(6,478,399)	61,985	(150,000)	17,371,633	46,030,613	(99,851)	45,930,762
2023 Group	Attributable to equity holders of the Company					Total	Non-controlling interests	Total equity
	Share capital	Merger reserve	Translation reserve	Fair value reserve	Retained earnings			
	S\$	S\$	S\$	S\$	S\$			
Balance as at 1 January 2023	35,225,394	(6,478,399)	65,162	(150,000)	17,878,498	46,540,655	(50,183)	46,490,472
Loss for the year	-	-	-	-	(306,968)	(306,968)	(16,907)	(323,875)
Other comprehensive income, net of tax:								
- Currency translation differences arising from consolidation	-	-	45,641	-	-	45,641	-	45,641
Total comprehensive income / (loss) for the year	-	-	45,641	-	(306,968)	(261,327)	(16,907)	(278,234)
Balance at 31 December 2023	35,225,394	(6,478,399)	110,803	(150,000)	17,571,530	46,279,328	(67,090)	46,212,238

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

(Amounts in Singapore dollars (“S\$”))

	Note	2024 S\$	2023 S\$
Cash flows from operating activities			
Loss before tax		(331,810)	(605,539)
Adjustments:			
Amortisation of intangible assets	24, 26	5,390	5,080
Depreciation of property, plant and equipment	26	540,481	465,055
Depreciation of investment properties	26	3,109,594	3,109,593
Depreciation of right-of-use assets	26	409,058	388,756
Gain on disposal of property, plant and equipment	23	–	(29,808)
Interest income	23	(75,070)	(134,203)
Interest expense	25	279,910	157,864
Net foreign exchange loss – unrealised	23, 24	(44,575)	44,221
Provision of / (Reversal for) impairment loss on financial assets, net	26	286,355	(120,545)
Provision for defect liability	26	13,000	–
Impairment loss on right-of-use assets	24, 26	126,611	–
Deposit received written off	23	–	(747,827)
Operating profit before working capital changes		4,318,944	2,532,647
Inventories		(85,458)	15,050
Trade and other receivables		(1,017,490)	316,809
Other current assets		18,132	(211,933)
Contract assets		(2,662,147)	827,267
Trade and other payables		3,040,741	(218,979)
Cash generated from operations		3,612,722	3,260,861
Income tax paid		(307,735)	(178,876)
Income tax refund		166,430	41,904
Net cash from operating activities		3,471,417	3,123,889
Cash flows from investing activities			
Purchase of property, plant and equipment	A	(6,042,080)	(413,163)
Purchase of intangible assets	6	(9,300)	–
Proceeds from disposal of property, plant and equipment		–	29,808
Interest received		75,070	134,203
Net cash used in investing activities		(5,976,310)	(249,152)
Cash flows from financing activities			
(Placement) / withdrawal of bank deposit pledged	13	(564,630)	200,000
Interest paid	18	(279,910)	(157,864)
Principal repayment of lease liabilities	18	(642,584)	(796,717)
Principal repayment of lease liabilities from financial institutions	18	(234,837)	(219,067)
Net cash used in financing activities		(1,721,961)	(973,648)
Net (decrease) / increase in cash and cash equivalents		(4,226,854)	1,901,089
Cash and cash equivalents at beginning of year		8,780,539	6,879,450
Cash and cash equivalents at end of year	13	4,553,685	8,780,539

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

Note A

For the purpose of the consolidated statement of cash flows, the Group's addition to property, plant and equipment during the year comprised of:

	Note	2024 S\$	2023 S\$
Purchase of property, plant and equipment	3	(6,689,216)	(413,163)
Less: Financed by lease liabilities from financial institutions	18	921,697	–
Add: Prepayments for plant and equipment	12	(274,561)	–
Net cash outflow		<u>(6,042,080)</u>	<u>(413,163)</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

1. GENERAL INFORMATION

HGH Holdings Ltd. (the “Company”) is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The address of the Company’s registered office and its principal place of business is located at 60 Benoi Road #03-02, Singapore 629906.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 8.

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 28 March 2025.

2. BASIS OF PREPARATION

2.1 Basis of measurement

The financial statements are prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”).

The preparation of the financial statements in conformity with SFRS(I)s requires management to exercise its judgements in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in this Note 2.3.

2.2 Functional and presentation currency

The individual financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in Singapore dollars (“S\$”), which is also the functional currency of the Company.

2.3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is indication that the non-financial assets may be impaired. The recoverable amount of the CGU to which non-financial assets has been allocated is based on value in use (“VIU”) calculation. VIU is based on cash flow forecast, the preparation of which requires management to use assumptions and estimates relating budgeted growth margin, revenue growth rate, perpetual growth rate and discount rate of each CGU. Changes to the assumptions and estimates used could result in changes in the carrying amount of the non-financial assets.

The carrying amount of the non-financial assets as at 31 December 2024 are disclosed in Notes 3 and 5. Further details on the impairment testing of non-financial assets including management’s key assumptions and sensitivity analysis are disclosed in Note 7.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. BASIS OF PREPARATION (Continued)

2.3 Critical accounting estimates, assumptions and judgements (Continued)

(b) Impairment of investments in subsidiaries

The Company assesses at each reporting date whether there is any objective evidence that the investments in subsidiaries are impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the subsidiaries' financial performance and financial position and the overall economic environment.

The carrying amount of the investments in subsidiaries as at 31 December 2024 is disclosed in Note 8.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold industrial buildings S\$	Electrical and installation S\$	General tools and moulds S\$	Plant and machineries S\$	Furniture, fittings and equipment S\$	Concrete mixer and truck S\$	Construction in progress S\$	Total S\$
Cost								
As at 1 January 2023	1,241,635	8,424	116,226	994,886	102,518	2,239,227	–	4,702,916
Additions	–	–	16,499	8,400	25,361	168,863	194,040	413,163
Disposals	–	–	–	–	–	(222,630)	–	(222,630)
As at 31 December 2023	1,241,635	8,424	132,725	1,003,286	127,879	2,185,460	194,040	4,893,449
As at 1 January 2024	1,241,635	8,424	132,725	1,003,286	127,879	2,185,460	194,040	4,893,449
Additions	–	–	138,098	366,220	8,922	1,770,543	4,405,433	6,689,216
Transfer	–	–	–	194,040	–	–	(194,040)	–
As at 31 December 2024	1,241,635	8,424	270,823	1,563,546	136,801	3,956,003	4,405,433	11,582,665
Less: Accumulated depreciation and impairment loss								
As at 1 January 2023	327,286	8,424	108,858	72,606	84,384	343,607	–	945,165
Depreciation for the year (Note 26)	56,350	–	5,771	76,000	30,471	296,463	–	465,055
Disposals	–	–	–	–	–	(222,630)	–	(222,630)
As at 31 December 2023	383,636	8,424	114,629	148,606	114,855	417,440	–	1,187,590
As at 1 January 2024	383,636	8,424	114,629	148,606	114,855	417,440	–	1,187,590
Depreciation for the year (Note 26)	56,350	–	24,980	109,724	10,780	338,647	–	540,481
As at 31 December 2024	439,986	8,424	139,609	258,330	125,635	756,087	–	1,728,071
Net carrying amount								
As at 31 December 2024	801,649	–	131,214	1,305,216	11,166	3,199,916	4,405,433	9,854,594
As at 31 December 2023	857,999	–	18,096	854,680	13,024	1,768,020	194,040	3,705,859

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Assets under construction

The Group's property, plant and equipment included S\$4,405,433 which relate to expenditure for a concrete batching plant in the course of construction, which has been completed subsequent to year end.

Material accounting policy

All items of property, plant and equipment are initially recorded at cost.

Construction in progress are not depreciated. Depreciation of property, plant and equipment are calculated using the straight-line method to write-off the cost of the assets over their estimated useful lives as follows:

	Useful lives (Years)
Leasehold industrial buildings	22
Electrical and installation	10
General tools and moulds	10
Plant and machineries	4 – 15
Furniture, fittings and equipment	1 – 10
Concrete mixer and truck	5 – 10

(a) Net book value of property, plant and equipment pledged as security

At the reporting date, the net book value of property, plant and equipment pledged as security are as follows:

	Group	
	2024 S\$	2023 S\$
Pledged to secure banking facilities granted to the Group (Note 18)		
- Leasehold industrial buildings	801,649	857,999
Acquisition of assets financed by leasing from financial institution (Note 15)		
- Furniture, fittings and equipment	2,641	5,283
- Concrete mixer and truck	2,395,484	1,378,095
	<u>3,199,774</u>	<u>2,241,377</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. INVESTMENT PROPERTIES

Group	Leasehold industrial buildings S\$	Leasehold land S\$	Total S\$
Cost			
As at 1 January 2023 / 31 December 2023 / 1 January 2024 / 31 December 2024	61,758,365	6,288,766	68,047,131
Less: Accumulated depreciation			
As at 1 January 2023	16,420,751	1,227,076	17,647,827
Depreciation for the year (Note 26)	2,802,824	306,769	3,109,593
As at 31 December 2023	19,223,575	1,533,845	20,757,420
As at 1 January 2024	19,223,575	1,533,845	20,757,420
Depreciation for the year (Note 26)	2,802,825	306,769	3,109,594
As at 31 December 2024	22,026,400	1,840,614	23,867,014
Net carrying amount			
As at 31 December 2024	39,731,965	4,448,152	44,180,117
As at 31 December 2023	42,534,790	4,754,921	47,289,711

Investment properties are initially recognised at cost, including transaction costs and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of remaining tenure of the lease. The useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss when the changes arise.

Details of the Group's leasehold industrial buildings

As at 31 December 2024, the Group's leasehold industrial buildings relate to the purpose-built industrial complex on the land leased from JTC Corporation, detailed as follows:

Address	Description and Use	Remaining Tenure of Land Lease
EMS Building 60 Benoi Road, Singapore 629906	Two adjoining two storey detached factories, a single-storey detached warehouse with a mezzanine level, three storey office block and two former plant house	Total lease term of 60 years commencing 1 July 1979 (i.e. unexpired term of approximately 14.5 years (2023: 15.5 years)).

The investment properties of the Group are pledged to secure banking facilities granted to the Group as disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. INVESTMENT PROPERTIES (Continued)

Following amounts pertaining to the investment properties are recognised in profit or loss:

	Group	
	2024	2023
	S\$	S\$
Income statement		
Rental income from investment properties (Note 22)	10,042,852	8,651,936
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	1,074,427	1,348,527

As at the end of the reporting year, future minimum lease receivables under non-cancellable operating leases are as follows:

	2024	2023
	S\$	S\$
Future minimum lease receivables		
Within one year	7,742,560	6,789,509
Between one and two years	3,455,470	3,649,820
Between two and three years	456,450	980,490
	11,654,480	11,419,819

The Group has entered into operating lease arrangements on its investment properties with third party lessees. These non-cancellable leases have remaining lease terms within 3 years. The leases have varying terms and renewals rights.

Valuation of investment properties

Valuations are performed by an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. The valuations are based on comparable market transactions that consider the sales of similar properties that have been transacted in the open market. The fair value hierarchy of the properties is Level 2, and there has been no transfers between levels of fair value hierarchy during the year. The latest valuation was performed on 26 September 2022 and management is of the opinion that there is no material difference in movement till 2024. The open market value of the investment properties is S\$60,000,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. RIGHT-OF-USE ASSETS

Group	Factory S\$	Plant S\$	Office S\$	Total S\$
Cost				
As at 1 January 2023	124,291	405,903	79,500	609,694
New leases	–	349,007	–	349,007
Currency translation difference	(7,138)	–	–	(7,138)
As at 31 December 2023	117,153	754,910	79,500	951,563
As at 1 January 2024	117,153	754,910	79,500	951,563
New leases	158,104	2,024,393	–	2,182,497
Increase from lease modification	–	–	48,531	48,531
Expired	(117,153)	(754,910)	–	(872,063)
As at 31 December 2024	158,104	2,024,393	128,031	2,310,528
Less: Accumulated depreciation				
Balance as at 1 January 2023	15,536	405,903	28,046	449,485
Charge for the year (Note 26)	–	349,007	39,749	388,756
Currency translation difference	(892)	–	–	(892)
As at 31 December 2023	14,644	754,910	67,795	837,349
Balance as at 1 January 2024	14,644	754,910	67,795	837,349
Charge for the year (Note 26)	25,322	337,398	46,338	409,058
Expired	(14,644)	(754,910)	–	(769,554)
Currency translation difference	1,029	–	–	1,029
As at 31 December 2024	26,351	337,398	114,133	477,882
Less: Accumulated impairment loss				
As at 1 January 2023	108,755	–	–	108,755
Currency translation difference	(6,246)	–	–	(6,246)
As at 31 December 2023	102,509	–	–	102,509
As at 1 January 2024	102,509	–	–	102,509
Impairment loss	126,611	–	–	126,611
Expired	(102,509)	–	–	(102,509)
Currency translation difference	5,142	–	–	5,142
As at 31 December 2024	131,753	–	–	131,753
Net carrying amount				
As at 31 December 2024	–	1,686,995	13,898	1,700,893
As at 31 December 2023	–	–	11,705	11,705

The Group leases its concrete precast factory in Johor, Malaysia, its ready-mix concrete batching plant in Pulau Punggol Timor and its office in Singapore from third parties with remaining lease term of 2.49 years, 5 years and 0.29 years (2023: Nil years, Nil years and 0.29 years) respectively as at 31 December 2024.

Except for restrictions on sub-leasing, there are no restrictions or covenants imposed by the lease contracts.

The corresponding lease liabilities is disclosed in Note 16.

Impairment on right-of-use assets

During the year, management has performed impairment test on W&P Precast Sdn. Bhd. (“WPPM”) together with its immediate holding company, WPP as a CGU and the Group recognised impairment loss of \$126,611 on right-of-use assets of WPPM due to the financial performance of the CGU.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6. INTANGIBLE ASSETS

Group	Software S\$
Cost	
As at 1 January 2023 / 31 December 2023	92,300
As at 1 January 2024	92,300
Addition	9,300
As at 31 December 2024	101,600
Accumulated amortisation	
As at 1 January 2023	46,180
Charge for the year (Note 26)	5,080
As at 31 December 2023	51,260
As at 1 January 2024	51,260
Charge for the year (Note 26)	5,390
As at 31 December 2024	56,650
Net carrying amount	
As at 31 December 2024	44,950
As at 31 December 2023	41,040

Acquired software license

Acquired computer software licenses are amortised to profit or loss using the straight-line method over their estimated useful life of 2-10 years.

7. IMPAIRMENT OF NON-FINANCIAL ASSETS

During the year, management has performed impairment assessment on PHH and PC as two CGUs and concluded that there was no further impairment be made in respect of following non-financial assets relating to PHH and PC:

	Carrying amount		
	PHH S\$	PC S\$	Total S\$
2024			
Plant and equipment			
- Concrete mixer and truck*	806,039	2,422,911	3,228,950
- Concrete batching plant	–	4,405,433	4,405,433
- Others	166,746	8,825	175,571
	972,785	6,837,169	7,809,954
Right-of-use assets	–	1,700,893	1,700,893
	972,785	8,538,062	9,510,847
2023			
Plant and equipment			
- Concrete mixer and truck*	329,637	1,438,383	1,768,020
- Others	35,449	10,370	45,819
	365,086	1,448,753	1,813,839
Right-of-use assets	–	11,705	11,705
	365,086	1,460,458	1,825,544

* The impairment assessment has taken into consideration the fair value of the plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

7. IMPAIRMENT OF NON-FINANCIAL ASSETS (Continued)

The Company

Details of impairment assessment of the carrying amounts of investment in PHH and PC as two CGUs are disclosed as below:

Key assumptions

The recoverable amounts of the CGUs have been determined based on value-in-use (“VIU”) calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections, budgeted gross margins, forecasted growth rates and the perpetual growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	PC	
	2024 %	2023 %
Gross margin	14.0	13.5
Revenue growth rate:		
- Year 1	309.0	38.0
- Year 2 to 5 ⁽¹⁾	8.0	20.0
Perpetual growth rate	2.0	0
Discount rate	6.92	8.90

(1) The revenue for 2025 to 2029 (2023: 2024 to 2028) are projected based on long-term average revenue growth rates of the industries and markets in which the CGUs operate.

Management believes that the level of revenue included in the 5-year budget and forecasts represents sustainable level of revenue in view of the historical track records over the recent years.

Gross margin is budgeted based on the historical track records for the past 5 years (2023: 5 years).

The discount rate represents the current market assessment of the risks specific to the CGU industry.

Based on the VIU calculations performed by management in relation to CGU of PHH and PC, no impairment is required for PC as the recoverable amount is higher than the carrying amount. PHH remain fully impaired other than its concrete mixer and truck, whereby the recoverable amount is determined based on the fair value.

No reasonably possible changes to the above assumptions will result in impairment loss based on management’s best estimate. Therefore, no sensitivity analysis was prepared.

8. SUBSIDIARIES

	Company	
	2024 S\$	2023 S\$
Unquoted equity shares, at cost		
Balance at 1 January / 31 December	36,700,002	36,700,002
Less: Accumulated impairment loss		
Balance at 1 January / 31 December	(11,100,000)	(11,100,000)
Net carrying amount	25,600,002	25,600,002

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

8. SUBSIDIARIES (Continued)

(a) Details of the subsidiaries are as follows:

Name	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
			2024 %	2023 %
Held by the Company				
A2A Management Pte. Ltd. ⁽¹⁾	Provision of business and management consultancy service	Singapore	100	100
Engineering Manufacturing Services (S) Pte. Ltd. ("EMS") ⁽¹⁾	Investment holding and other business support activities	Singapore	100	100
Premium Concrete Pte. Ltd. ("PC") ⁽¹⁾	Supply and manufacturing ready-mix concrete, precast components and related products	Singapore	100	100
W&P Precast Pte. Ltd. ("WPP") ^{(1), (2)}	Supply of precast concrete products	Singapore	95	95
Julique Capital Pte. Ltd. ⁽¹⁾	Investment holdings	Singapore	100	100
Poh Huat Heng Corporation Pte. Ltd. ("PHH") ⁽¹⁾	Provision of underground cable installation and road reinstatement services	Singapore	100	100
Held by Engineering Manufacturing Services (S) Pte. Ltd.				
Germaxco Pte. Ltd. ^{(1), (2)}	Letting of leased warehouse	Singapore	51	51
Held by W&P Precast Pte. Ltd.				
W&P Precast Sdn. Bhd. ^{(2), (3)}	Manufacture of precast components	Malaysia	95	95

⁽¹⁾ Audited by Crowe Horwath First Trust LLP, Singapore.

⁽²⁾ As the non-controlling interest is not material to the Group, the financial information of the subsidiary is not presented.

⁽³⁾ Audited by a member firm of Crowe Global in Malaysia.

(b) Impairment test of investment in subsidiaries

Management has performed impairment assessment of the CGU of supply and manufacturing ready-mix concrete, precast component and related products business segment. Carrying amount of investment in PC remains to be S\$600,000 and carrying amount of investment in PHH remains to be Nil.

Details of the impairment of PHH and PC as a CGU are disclosed in Note 7.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

9. FINANCIAL ASSETS, AT FVOCI

The Group made an irrevocable election to measure the quoted equity investments in Swee Hong Ltd (“SH”) at FVOCI as these are strategic investments that the Group intend to hold for long term. Accordingly, it is classified as non-current assets.

The Group has written down the entire fair value of investment to zero since 31 December 2021 as SH is undergoing liquidation process at the date of this report.

10. INVENTORIES

	Group	
	2024 S\$	2023 S\$
Raw materials	238,661	51,224
Finished goods	61,636	160,223
	300,297	211,447
Cost of inventories sold recognised as cost of sales in the consolidated statement of comprehensive income	5,629,739	6,040,925

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Trade receivables:				
- third parties	4,821,129	4,055,371	-	-
Less: Allowance for impairment losses (Note 31 (iii)(a))	(592,411)	(599,648)	-	-
Trade receivables, net	4,228,718	3,455,723	-	-
Other receivables:				
- loan receivable I ⁽¹⁾	2,111,124	2,111,124	-	-
- loan receivable II ⁽²⁾	2,438,742	2,438,742	-	-
- due from subsidiaries ⁽³⁾	-	-	2,231,822	2,231,822
- advance payment to a supplier ⁽⁴⁾	34,800	96,800	-	-
- others	170,977	50,969	-	-
- GST receivables	155,746	1,053	-	-
	4,911,389	4,698,688	2,231,822	2,231,822
Less: Allowance for impairment losses (Note 31 (iii)(b))	(4,564,866)	(4,584,866)	(2,231,822)	(2,231,822)
Other receivables, net	346,523	113,822	-	-
Trade and other receivables	4,575,241	3,569,545	-	-

The credit period for trade receivables generally ranges from 30 to 60 days (2023: 30 to 60 days). No interest is charged on the trade receivables for outstanding balances.

Included in trade receivables is an amount of S\$403,502 (2023: S\$769,935) which is due from an entity in which certain directors of the Group and the Company have non-controlling interest arising from revenue as disclosed in Note 30.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. TRADE AND OTHER RECEIVABLES (Continued)

Details of other receivables are as follows:

- (1) Loan receivable I, a principal amount of S\$2,000,000 and the related interest receivable of S\$111,124, was due from a third-party company (the "Borrower I"), which was a wholly owned subsidiary of a public limited company previously listed on the Catalist Board of the SGX-ST.

The loan bears interest at 8% per annum and was secured by floating charge over the assets of the Borrower I. Due to the subsequent disposal of business and assets of the Borrower I, it was also agreed that the Group would accept repayment in the form of new shares in the listed company at 10% discount to the market price in the event the Borrower is unable to pay the outstanding loan in cash.

The loan was due for repayment by 17 April 2019 in cash. However, the Executive Chairman and Acting Chief Executive Officer of Borrower I was uncontactable since May 2019, and following statutory demands of certain creditors, the Borrower and its holding company was placed under judicial management on September 2019. Accordingly, the Group has made full impairment of S\$2,111,124 since financial year 2019 (Note 31 (iii)(b)). On 13 January 2022, High Court of Singapore ordered the holding company of Borrower I to be wound up. As at date of authorisation of these financial statements, the recoverability of these balances remains uncertain.

- (2) Loan receivable II, a principal amount of S\$2,300,000 and the related interest receivable of S\$138,742, due from a third-party company ("Borrower II"), which arose from the acquisition of a subsidiary, PHH, in the financial year ended 31 December 2018, was unsecured and bears interest at 1% per month.

The loan was due for repayment on 6 May 2019 in cash. However, the Group has not been able to contact Borrower II to date. Accordingly, the Group has made full impairment of S\$2,438,742 since financial year 2019 (Note 31 (iii)(b)). As at date of authorisation of these financial statements, the recoverability of these balances remains uncertain.

- (3) The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and are repayable on demand in cash.
- (4) Included in advance payment to a supplier is an amount of S\$15,000 (2023: S\$35,000) paid to a third party which was not offset against subsequent billings upon completion of the project in prior years. A repayment schedule with the supplier was signed in February 2021 and the balances are to be repaid by monthly instalment of S\$5,000 over a period of 29 months, commencing in March 2021. However, the supplier did not meet the repayment schedule and the Group has made full impairment in previous financial year. In current year, the supplier managed to repay S\$20,000 to the Group, as a result, the Group has made a reversal of impairment loss of S\$20,000 (2023: S\$50,000) (Note 31 (iii)(b)).

12. OTHER CURRENT ASSETS

	Group		Company	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Refundable deposits	247,015	535,085	-	-
Prepayments	395,680	125,034	26,102	7,346
Others	23,000	23,000	-	-
	<u>665,695</u>	<u>683,119</u>	<u>26,102</u>	<u>7,346</u>

Included in prepayments is an amount of S\$274,561 (2023: Nil) which relate to concrete mixer and trucks.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Cash at bank and on hand	4,553,685	4,646,336	72,045	118,468
Short-term fixed deposit	-	4,134,203	-	-
Bank deposit	564,630	-	-	-
Cash and cash equivalents per statements of financial position	5,118,315	8,780,539	72,045	118,468
Less: Bank deposit pledged	(564,630)	-	-	-
Cash and cash equivalents per consolidated statement of cash flows	4,553,685	8,780,539	72,045	118,468

Bank deposit is pledged in relation to the lease of ready-mix concrete batching plant in Pulau Punggol Timur as disclosed in Note 5.

In 2023, fixed deposits have an average maturity period of 93 days, and yield interest income at effective rates range from 3.31% to 3.33% per annum. Fixed deposits with maturity dates more than 3 months can be withdrawn anytime before the maturity dates without penalty. However, any interest receivable will be forfeited upon premature withdrawal. As the principal value of the deposits is readily convertible to cash, they form part of the cash and cash equivalents in the consolidated statements of cash flows.

14. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Trade payables				
- third parties	4,829,431	1,949,453	-	-
Other payables:				
- accrued operating expenses	750,061	759,513	38,000	38,400
- contract liabilities ⁽¹⁾	2,880	2,880	-	-
- due to subsidiaries ⁽²⁾	-	-	12,540,001	12,190,001
- due to a former shareholder of a subsidiary ⁽³⁾	700,000	700,000	-	-
- deposits received ⁽⁴⁾	1,502,571	1,398,321	-	-
- sundry creditors	1,162	10,724	-	-
- GST payable	272,009	190,956	-	-
- deferred grant income	19,488	22,272	-	-
	3,248,171	3,084,666	12,578,001	12,228,401
Trade and other payables	8,077,602	5,034,119	12,578,001	12,228,401
Presented as:				
Current	7,403,852	4,166,639	12,578,001	12,228,401
Non-current – deposits received ⁽⁴⁾ (other liabilities)	673,750	867,480	-	-
	8,077,602	5,034,119	12,578,001	12,228,401

The credit period for trade payables generally ranges from 30 to 60 days (2023: 30 to 60 days). No interest is charged on the trade payables for outstanding balances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14. TRADE AND OTHER PAYABLES Continued)

Details of other payables are as follows:

- (1) Contract liabilities represent advance payment received from customers.
- (2) The amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and are repayable on demand in cash. Included is an amount of S\$11,000,000 (2023: S\$11,000,000) pertaining to the novation of amount due from former shareholder of its subsidiary, EMS, as part of the consideration of the acquisition by the Group in the previous financial years.
- (3) The amount is non-trade in nature, unsecured, interest-free and repayable on demand in cash.
- (4) The deposits received pertain to security deposits received from the tenants from the leasing and service income segment. The amount is classified as current / non-current liabilities based on expiry of non-cancellable lease term.

15. LEASE LIABILITIES FROM FINANCIAL INSTITUTIONS

	Group	
	2024 S\$	2023 S\$
Current liabilities	403,306	218,517
Non-current liabilities	956,629	454,558
	1,359,935	673,075

The Group has leased certain of its office equipment and concrete mixer from financial institutions via hire-purchase arrangements. These are classified as lease liabilities from financial institutions and are payable within 5 years. The Group's obligation under lease liabilities from financial institutions are secured by the lessors' title to the leased assets as disclosed in Note 3(a).

During the financial year ended 31 December 2024, the lease liabilities from financial institutions weighted average effective interest rates are ranging from 1.85% to 7.00% (2023: 1.85% to 7.00%) per annum.

16. LEASE LIABILITIES

	Group	
	2024 S\$	2023 S\$
Current liabilities	643,727	302,842
Non-current liabilities	6,017,042	4,770,053
	6,660,769	5,072,895

The Group incurs variable lease payments to JTC Corporation for the sub-letting of its leasehold premises which is based on the actual areas sub-let. Such payments for the next financial year, not included in lease liabilities above, is estimated to be S\$106,000 (2023: S\$105,000) based on the sub-letting arrangements entered into as at 31 December 2024.

During the financial year ended 31 December 2024, the lease liabilities weighted average effective interest rates are ranging from 2.52% to 6.90% (2023: 2.52% to 5.57%) per annum.

The total cash outflows for the year for all leases contracts amounted to S\$1,676,755 (2023: S\$1,641,224), which includes leases expenses not included in lease liabilities, as disclosed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. DEFERRED TAX ASSETS / (LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	Group	
	2024 S\$	2023 S\$
At beginning of year	(7,128,131)	(7,601,036)
Recognised in profit or loss	384,602	472,905
At end of year	<u>(6,743,529)</u>	<u>(7,128,131)</u>
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	<u>(6,743,529)</u>	<u>(7,128,131)</u>

The components and movements of deferred tax assets and liabilities during the year prior to offsetting are as follows:

Group	Fair value adjustments on business combination S\$	Lease assets S\$	Accelerated tax depreciation S\$	Total S\$
	2024			
Deferred tax liabilities				
At beginning of year	(7,172,388)	(808,335)	(75,692)	(8,056,415)
Recognised in profit or loss	472,905	52,151	(74,920)	450,136
At end of year	<u>(6,699,483)</u>	<u>(756,184)</u>	<u>(150,612)</u>	<u>(7,606,279)</u>

2023

Deferred tax liabilities				
At beginning of year	(7,645,293)	(860,486)	(31,613)	(8,537,392)
Recognised in profit or loss	472,905	52,151	(44,079)	480,977
At end of year	<u>(7,172,388)</u>	<u>(808,335)</u>	<u>(75,692)</u>	<u>(8,056,415)</u>

Group	Lease liabilities S\$	Provisions S\$	Total S\$
	2024		
Deferred tax assets			
At beginning of year	856,686	71,598	928,284
Recognised in profit or loss	(45,778)	(19,756)	(65,534)
At end of year	<u>810,908</u>	<u>51,842</u>	<u>862,750</u>

2023

Deferred tax assets			
At beginning of year	912,438	23,918	936,356
Recognised in profit or loss	(55,752)	47,680	(8,072)
At end of year	<u>856,686</u>	<u>71,598</u>	<u>928,284</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. DEFERRED TAX ASSETS / (LIABILITIES) (Continued)

Deferred tax assets are recognised for deductible temporary differences carried forward to the extent that the realisation of the related tax benefits through future taxable profit is probable. As at 31 December 2024, the Group has unutilised tax losses and other deductible temporary differences of approximately S\$2,854,000 (2023: S\$2,287,000) and S\$584,000 (2023: S\$448,000) respectively for which no deferred tax assets has been recognised due to uncertainty of its recoverability.

These unutilised tax losses and other deductible temporary differences can be carried forward and used to offset against future taxable income of those entities in the Group in which the losses arose, subject to the agreement of the tax authorities and compliance of the relevant provisions of the tax legislation of the respective countries in which they operate. The unutilised tax losses and other deductible temporary differences have no expiry dates, except for S\$724,664 (2023: S\$647,756) which will expire between year 2028 to 2034.

	2024 S\$	2023 S\$
Unused tax losses:		
- expires year of assessment 2028	284,258	284,258
- expires year of assessment 2029	196,182	196,182
- expires year of assessment 2030	21,503	21,503
- expires year of assessment 2031	81,006	81,006
- expires year of assessment 2032	52,728	52,728
- expires year of assessment 2033	12,079	12,079
- expires year of assessment 2034	76,908	-
	<u>724,664</u>	<u>647,756</u>

The deferred tax assets arising from these unutilised tax losses and other deductible temporary differences of approximately S\$645,000 (2023: S\$599,000) have not been recognised due to the uncertainty of its recoverability in foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18. BANK BORROWINGS

Undrawn borrowing facility

As at 31 December 2024, the Group has available undrawn money market loan facility of S\$8,000,000 (2023: S\$8,000,000).

The banking facilities of the Group are secured by:

- (i) Joint and several personal guarantees by 3 directors of a subsidiary, of whom 2 of them are also the directors of the Company;
- (ii) Corporate guarantee by the Company and a subsidiary;
- (iii) Legal mortgage of a subsidiary's leasehold industrial buildings (Notes 3 and 4); and
- (iv) Assignment of rental proceeds / Charge over rental account to be executed of all current and future rental income from the leasehold investment property.

The table below details changes in the Group's liabilities arising from financing activities:

Group	Financing cash flows			Non-cash changes			At 31 December S\$	
	At 1 January S\$	Principal payments S\$	Interest paid S\$	New leases S\$	Accretion of interest (Note 25) S\$	Increase from lease modification S\$		Currency translation S\$
2024								
Lease liabilities from financial institutions (Note 15)	673,075	(234,837)	(22,644)	921,697	22,644	-	-	1,359,935
Lease liabilities (Note 16)	5,072,895	(642,584)	(257,266)	2,182,497	257,266	48,531	(570)	6,660,769
Due to a former shareholder of its subsidiary (Note 14)	700,000	-	-	-	-	-	-	700,000
	<u>6,445,970</u>	<u>(877,421)</u>	<u>(279,910)</u>	<u>3,104,194</u>	<u>279,910</u>	<u>48,531</u>	<u>(570)</u>	<u>8,720,704</u>
2023								
Lease liabilities from financial institutions (Note 15)	892,142	(219,067)	(21,053)	-	21,053	-	-	673,075
Lease liabilities (Note 16)	5,524,569	(796,717)	(136,811)	349,007	136,811	-	(3,964)	5,072,895
Due to a former shareholder of its subsidiary (Note 14)	700,000	-	-	-	-	-	-	700,000
	<u>7,116,711</u>	<u>(1,015,784)</u>	<u>(157,864)</u>	<u>349,007</u>	<u>157,864</u>	<u>-</u>	<u>(3,964)</u>	<u>6,445,970</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. PROVISION FOR DEFECT LIABILITY

	Group	
	2024 S\$	2023 S\$
At beginning of the year	50,000	50,000
Provision during the year (Note 26)	13,000	–
At end of the year	63,000	50,000

The Group offers warranties for its underground cable installation services for a period of 5 years and undertakes to rectify defects within this period.

20. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of ordinary shares	S\$	Number of ordinary shares	S\$
Issued and fully paid				
At beginning and end of the year	1,780,860,561	35,225,394	1,780,860,561	35,225,394

All ordinary shares rank pari passu in all respects. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

21. RESERVES

The movements in the Group's reserves are presented in the consolidated statement of changes in equity. The following components of reserves are not distributable as dividends:

- (a) The Group's merger reserve represents the difference between the nominal value of the shares of the subsidiary acquired pursuant to the group restructuring prior to the Company's initial public offering over the nominal value of the Company's shares issued in exchange thereof.
- (b) The Group's translation reserve represents exchange differences arising from the translation of the financial statements of the group entities whose functional currencies are different from that of the Group's presentation currency.
- (c) The Group's fair value reserve arises from net changes in the fair value of financial assets at FVOCI. Reserve relating to equity investment designated to be measured at FVOCI will be transferred to retained earnings upon the disposal of the investment. In year 2021, the Group has written down the entire fair value of investment of S\$34,755 to zero as the investee is in the midst of liquidation. The liquidation process is currently ongoing as of the date of financial statements.

The movements in the Company's reserves are as follows:

	Company	
	2024 S\$	2023 S\$
Accumulated losses		
At beginning of the year	(21,727,979)	(21,357,540)
Loss for the year	(377,267)	(370,439)
At end of the year	(22,105,246)	(21,727,979)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22. REVENUE

	Group	
	2024 S\$	2023 S\$
Revenue from contracts with customers	11,275,416	11,382,344
Rental income from leasehold industrial buildings (Note 4)	10,042,852	8,651,936
	21,318,268	20,034,280

(a) Disaggregation of revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major type of goods and services and geographical location based on location of customers.

	Group		
	At a point in time S\$	Over time S\$	Total S\$
<u>By type of goods and services and timing of revenue recognition</u>			
2024			
Warehousing and service income	–	74,596	74,596
Manufacturing of precast concrete products:			
- Sale of goods	2,158,970	–	2,158,970
Supply and manufacturing of ready-mix concrete products:			
- Sale of goods	5,293,232	–	5,293,232
Provision of underground cable installation and road reinstatement services	–	3,715,388	3,715,388
Supply of labour and equipment	–	33,230	33,230
Rental income from leasehold industrial buildings	–	10,042,852	10,042,852
	7,452,202	13,866,066	21,318,268
<u>By type of goods and services and timing of revenue recognition</u>			
2023			
Warehousing and service income	–	83,826	83,826
Manufacturing of precast concrete products:			
- Sale of goods	2,081,838	–	2,081,838
Supply and manufacturing of ready-mix concrete products:			
- Sale of goods	6,848,666	–	6,848,666
Provision of underground cable installation and road reinstatement services	–	2,341,297	2,341,297
Supply of labour and equipment	–	26,717	26,717
Rental income from leasehold industrial buildings	–	8,651,936	8,651,936
	8,930,504	11,103,776	20,034,280

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22. REVENUE (Continued)

(b) Contract balances

Contracts with customers gives rise to the following balances as at the reporting date:

	Group	
	2024 S\$	2023 S\$
Trade receivables (Note 11)	4,228,718	3,455,723
Contract assets	2,805,806	143,659
Contract liabilities (Note 14)	2,880	2,880

Contract assets relate to the Group's right to consideration for work completed but yet to be billed at reporting date which will be transferred to trade receivables when the rights become unconditional upon invoicing.

Contract liabilities relate to advance consideration received from customers for sales of ready-mix concrete if the amount invoiced to the customers exceeded the value of services rendered, a contract liability is recognised and presented separately.

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

	2024 S\$	2023 S\$
<u>Contract liabilities</u>		
Cash received in advance but not recognised as revenue	2,880	2,880
<u>Contract assets</u>		
Changes in measurement of progress	2,805,805	88,620
Transferred to trade receivables	(143,659)	(915,887)

(c) Material accounting policy

- Revenue from sale of goods is recognised upon transfer of control to the customers, usually at the point in time when the goods have been delivered to customers. The Group normally invoices the customers upon delivery of the goods with 30 to 60 days credit term.
- Revenue from rendering of service income (inventory management and warehousing) are recognised over time on a straight-line basis for contracts with fixed rate per unit of service as these represent series of repetitive services. The Group also provides transportation services within the "Supply and manufacturing of ready-mix concrete products" segment, and such service contracts provides for fixed rate per unit of service, revenue is recognised on invoiced value as it represents an amount that corresponds directly with the value to the customer of the Group's performance completed to date, as allowed by practical expedient in SFRS(I) 15.
- Revenue from the contract project (i.e. civil and associated works, such as underground cable installation and road reinstatements) is recognised over time as it creates or enhances assets controlled by the customers, by using an output method to measure progress towards complete satisfaction of the performance obligation.
- Rental income from operating lease (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term as set out in the specific lease agreement.
- Revenue from rendering of servicing (supply of labour and equipment) are recognised over time and is recognised on invoiced value as it represents an amount that corresponds directly with the value to the customer of the Group's performance completed to date, as allowed by practical expedient in SFRS(I) 15.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

23. OTHER INCOME

	Group	
	2024 S\$	2023 S\$
Government grants received	40,288	27,112
Gain on disposal of property, plant and equipment	–	29,808
Parking fees and related charges	137,675	135,096
Sub-work income	780	106,459
Deposit received written off	–	747,827
Interest income	75,070	134,203
Miscellaneous income	6,126	17,820
Foreign exchange, net	44,575	–
	304,514	1,198,325

24. OTHER EXPENSES

	Group	
	2024 S\$	2023 S\$
Other expenses comprise of:		
- Amortisation of intangible assets (Note 6)	5,390	5,080
- Others	26,761	3,240
- Foreign exchange, net	–	44,221
- Impairment loss on right-of-use assets (Note 5)	126,611	–
	158,762	52,541

25. FINANCE COSTS

	Group	
	2024 S\$	2023 S\$
Interest expense:		
- Lease liabilities from financial institutions (Note 18)	22,644	21,053
- Lease liabilities (Note 18)	257,266	136,811
	279,910	157,864
Others	2,126	2,303
	282,036	160,167

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

26. LOSS BEFORE TAX

This is determined after charging / (crediting) the following:

	Group	
	2024	2023
	S\$	S\$
Auditors' remuneration paid / payable to:		
- auditors of the Company	100,000	95,000
- other auditors	3,509	3,892
Amortisation of intangible assets (Note 6)	5,390	5,080
Depreciation of property, plant and equipment (Note 3)	540,481	465,055
Depreciation of right-of-use assets (Note 5)	409,058	388,756
Depreciation of investment properties (Note 4)	3,109,594	3,109,593
Provision of / (Reversal for) impairment loss on financial assets:	286,355	(120,545)
- other receivables (Note 31 (iii)(b))	(20,000)	(50,000)
- trade receivables (Note 31 (iii)(a))	306,355	(70,545)
Sublet fees	198,827	164,006
Lease expenses not included in lease liabilities		
- leases of low-value assets	592	-
- short term leases	320,005	303,570
Impairment loss on right-of-use assets (Note 5)	126,611	-
Provision for defect liability (Note 19)	13,000	-
Professional fees	259,685	289,608
Personnel expenses (Note 27)	6,129,905	5,659,934

27. PERSONNEL EXPENSES

	Group	
	2024	2023
	S\$	S\$
Directors of the Company:		
Directors' fees	110,034	120,000
Directors of the subsidiaries:		
Directors' remuneration and related costs	2,296,475	2,308,850
Defined contributions plan expenses	90,741	91,383
Total key management personnel remuneration	2,497,250	2,520,233
Other personnel:		
- Salaries and related costs	3,463,035	2,984,257
- Defined contributions plan expenses	169,620	155,444
	3,632,655	3,139,701
	6,129,905	5,659,934
Total personnel expenses comprise:		
Short term employee benefits	5,869,544	5,413,107
Defined contributions plan expenses	260,361	246,827
	6,129,905	5,659,934

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27. PERSONNEL EXPENSES (Continued)

Total key management personnel remunerations included as above include:

	Group	
	2024	2023
	S\$	S\$
Short term employee benefits	2,406,509	2,428,850
Defined contributions plan expenses	90,741	91,383
	2,497,250	2,520,233

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company and respective subsidiaries, including all directors of the Company and respective subsidiaries.

28. INCOME TAX CREDIT

	Group	
	2024	2023
	S\$	S\$
Income tax		
- Current	411,146	267,001
- Over provision in prior years	(125,696)	(75,760)
	285,450	191,241
Deferred tax		
- Origination and reversal of temporary differences (Note 17)	(384,602)	(472,905)
	(99,152)	(281,664)

The income tax on the loss before income tax varies from the amount of income tax determined by applying the applicable tax rates in each jurisdiction the Group operates due to the following:

	Group	
	2024	2023
	S\$	S\$
Loss before income tax	(331,810)	(605,539)
Income tax calculated at applicable tax rates of 17% (2023: 17%)	(56,408)	(102,942)
Non-deductible expenses	126,803	94,512
Income not subject to tax	(28,270)	(154,789)
Tax exemption	(17,425)	(17,425)
Deferred tax assets not recognised	10,931	21,334
Utilisation of deferred tax assets not recognised in prior years	(9,087)	(46,594)
Over provision of current income tax in prior years	(125,696)	(75,760)
	(99,152)	(281,664)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

29. LOSS PER SHARE

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The loss and weighted number of ordinary shares used in the calculation of basic loss per share are as follows:

	Group	
	2024	2023
	S\$	S\$
Loss for the year attributable to equity holders of the Company	(199,897)	(306,968)
Weighted average number of ordinary shares used in the calculation of loss per share	1,780,860,561	1,780,860,561
Basic and diluted ⁽ⁱ⁾ loss per share		
- SGD cents	(0.01)	(0.02)

Note:

- (i) The Company has no dilutive potential ordinary shares for the financial year ended 31 December 2024 and 2023 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 2024 and 2023.

30. SEGMENT INFORMATION

For management purposes, the Group is organised into business segments based on their products as the Group's risks and rates of return are affected predominantly by differences in the products produced. Each reportable segments represent a strategic business unit and management monitors the segment results (gross profit / loss) of these business units separately for the purpose of making decisions in relation to resource allocation and performance assessment.

At reporting date, the Group is primarily engaged in four business segments namely, leasing and service income, manufacturing of precast concrete products, supply and manufacturing of ready-mix concrete products and provision of underground cable installation and road reinstatement. Other segments (corporate) include investment holding companies which does not meet any of the quantitative threshold for determining reportable segments in 2024 and 2023 and includes unallocated items.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, which in the case is the Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30. SEGMENT INFORMATION (Continued)

Group	Leasing and service income S\$	Manufacturing of precast concrete products S\$	Supply and manufacturing of ready-mix concrete products S\$	Provision of underground cable installation and road reinstatement S\$	Corporate S\$	Total S\$
2024						
Revenue						
- Sale of goods	-	3,017,330	5,100,536	-	-	8,117,866
- Service income	74,596	-	212,828	3,773,415	-	4,060,839
- Rental income	11,303,004	-	-	-	-	11,303,004
- Inter-segment sales	(1,260,152)	(858,360)	(20,132)	(24,797)	-	(2,163,441)
Sales to external parties	10,117,448	2,158,970	5,293,232	3,748,618	-	21,318,268
Segment results – Gross profit / (loss)	5,529,518	446,792	424,457	(323,288)	-	6,077,479
Other income	216,219	53,139	20,248	14,908	-	304,514
Operating expenses	(1,847,930)	(639,563)	(1,707,582)	(1,846,297)	(390,395)	(6,431,767)
Finance costs	(125,293)	(4,853)	(151,314)	(576)	-	(282,036)
Profit / (Loss) before income tax	3,772,514	(144,485)	(1,414,191)	(2,155,253)	(390,395)	(331,810)
Income tax credit	99,152	-	-	-	-	99,152
Profit / (Loss) for the year	3,871,666	(144,485)	(1,414,191)	(2,155,253)	(390,395)	(232,658)
Segment assets	50,588,192	486,317	13,414,076	4,658,447	98,876	69,245,908
Segment liabilities	(13,964,682)	(394,288)	(6,574,825)	(2,339,149)	(42,202)	(23,315,146)
Other information:						
Amortisation of intangible assets	-	-	5,390	-	-	5,390
Depreciation of investment properties	3,109,594	-	-	-	-	3,109,594
Depreciation of property, plant and equipment	141,837	9,590	191,134	197,920	-	540,481
Depreciation of right-of-use assets	-	25,322	383,736	-	-	409,058
Provision of / (Reversal for) impairment loss on financial assets, net	18,817	20,673	271,332	(24,467)	-	286,355
Provision for defect liability	-	-	-	13,000	-	13,000
Impairment loss on right-of-use assets	-	126,611	-	-	-	126,611

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30. SEGMENT INFORMATION (Continued)

Group	Leasing and service income	Manufacturing of precast concrete products	Supply and manufacturing of ready-mix concrete products	Provision of underground cable installation and road reinstatement	Corporate	Total
	S\$	S\$	S\$	S\$	S\$	S\$
2023						
Revenue						
- Sale of goods	-	2,710,892	6,922,378	-	-	9,633,270
- Service income	83,826	-	22,954	2,383,013	-	2,489,793
- Rental income	9,773,175	-	-	-	-	9,773,175
- Inter-segment sales	(1,121,239)	(629,054)	(96,666)	(14,999)	-	(1,861,958)
Sales to external parties	8,735,762	2,081,838	6,848,666	2,368,014	-	20,034,280
Segment results – Gross profit / (loss)	3,960,223	413,723	1,042,482	(1,635,213)	-	3,781,215
Other income	1,019,593	17,403	111,601	49,728	-	1,198,325
Operating expenses	(1,702,354)	(416,200)	(1,544,325)	(1,380,365)	(381,668)	(5,424,912)
Finance costs	(132,340)	(1,088)	(25,944)	(795)	-	(160,167)
Profit / (Loss) before income tax	3,145,122	13,838	(416,186)	(2,966,645)	(381,668)	(605,539)
Income tax credit	281,664	-	-	-	-	281,664
Profit / (Loss) for the year	3,426,786	13,838	(416,186)	(2,966,645)	(381,668)	(323,875)
Segment assets	56,913,429	593,873	4,103,709	2,685,943	139,670	64,436,624
Segment liabilities	(14,329,762)	(278,827)	(2,343,503)	(1,229,692)	(42,602)	(18,224,386)
Other information:						
Amortisation of intangible assets	-	-	5,080	-	-	5,080
Depreciation of investment properties	3,109,593	-	-	-	-	3,109,593
Depreciation of property, plant and equipment	119,545	10,116	208,300	127,094	-	465,055
Depreciation of right-of-use assets	-	-	388,756	-	-	388,756
(Reversal for) / Provision of impairment loss on financial assets, net	(222,045)	(62,084)	257,319	(93,735)	-	(120,545)
Gain on disposal of property, plant and equipment	-	-	(29,808)	-	-	(29,808)
Deposit received written off	(747,827)	-	-	-	-	(747,827)

Geographical information

Revenue and non-current assets of the Group are based in Singapore except for ROU assets – Factory which is based in Malaysia and has been fully impaired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30. SEGMENT INFORMATION (Continued)

Information about major customers

Revenue of S\$4,323,489 (2023: S\$2,905,248), or 20% (2023: 15%) of the Group's revenue is derived from significant customers in Singapore which is attributable to the following segments:

		2024 S\$	2023 S\$
Segments			
Leasing and service income	Customer A	582,221	541,673
Provision of underground cable installation and road reinstatement	Customer A	3,741,268	2,363,575
		<u>4,323,489</u>	<u>2,905,248</u>

Customer A is a Singapore private limited company in which certain directors of the Group and the Company have non-controlling interest.

31. FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of market risk (including currency risk and interest rate risk), liquidity risk and credit risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Board of Directors of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Audit Committee provides independent oversight on the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes of the management of these risks.

(i) Market risk

(a) Currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In the opinion of the management, the Group and the Company are not subject to significant currency risk arising from fluctuation in foreign exchange rates.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. As at 31 December 2024, the only interest bearing financial instruments are lease liabilities from financial institutions and lease liabilities which are at fixed rate. In the opinion of the management, the Group and the Company are not subject to significant interest rate risk arising from fluctuation in the interest rates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. FINANCIAL INSTRUMENTS (Continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows.

Group	Carrying amount	Contractual cash flows			
		Total	Within 1 year	Between 2 to 5 years	Over 5 years
		S\$	S\$	S\$	S\$
2024					
Lease liabilities from financial institutions	1,359,935	1,520,571	448,700	1,071,871	–
Lease liabilities	6,660,769	7,899,499	875,790	3,298,645	3,725,064
Trade and other payables	7,783,225	7,783,225	7,109,475	673,750*	–
	<u>15,803,929</u>	<u>17,203,295</u>	<u>8,433,965</u>	<u>5,044,266</u>	<u>3,725,064</u>
2023					
Lease liabilities from financial institutions	673,075	736,535	240,380	496,155	–
Lease liabilities	5,072,895	6,111,375	425,752	1,568,447	4,117,176
Trade and other payables	4,818,011	4,818,011	3,950,531	867,480*	–
	<u>10,563,981</u>	<u>11,665,921</u>	<u>4,616,663</u>	<u>2,932,082</u>	<u>4,117,176</u>

* represents rental security deposits received (Note 14(4)), based on expiry of non-cancellable lease term.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by management.

As at reporting date, the carrying amounts of trade and other receivables, other current assets (excludes prepayments) and cash and cash equivalents, represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Cash and cash equivalents are placed with reputable financial institutions. Therefore, credit risk arises mainly from the inability of its customers and borrowers of loan receivables to make payments when due. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's trade receivables are non-interest bearing and are generally on 30 – 60 days (2023: 30 – 60 days) credit terms.

Other than disclosed below, there are no credit risk concentration included in the Group's and the Company's financial assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. FINANCIAL INSTRUMENTS (Continued)

(iii) Credit risk (Continued)

Expected Credit Losses

The Group manages credit loss based on Expected Credit Losses (ECL) model. The Group and Company uses a similar approach for assessment of ECLs for its other financial assets to those used for trade receivables and contract assets.

(a) Trade receivables and contract assets

The Group's exposure to credit risk from trade receivables and contract assets are linked to the individual characteristics of each customer, and also influenced by the default risk specific to the industry or country brought about by the general economic condition.

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on the industries in which the Group operates and days past due. In calculating the expected credit loss rates, the Group considers historical rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when the assets become uncollectible.

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 are set out in the provision matrix as follows:

Group	Past due				Total S\$
	Within 30 days	30 to 90 days	90 to 180 days	More than 180 days	
	S\$	S\$	S\$	S\$	
2024					
Leasing and service income segment ⁽¹⁾					
Expected loss rate	3%	23.9%	42.9%	100%	
Gross carrying amount	446,967	117,261	126,055	27,760	718,043
Loss allowance	(13,363)	(28,068)	(54,017)	– *	(95,448)
	<u>433,604</u>	<u>89,193</u>	<u>72,038</u>	<u>27,760</u>	<u>622,595</u>
Supply and manufacturing concrete products segments ⁽²⁾					
Expected loss rate	9%	8.9%	42%	100%	
Gross carrying amount	1,896,282	1,382,232	376,757	44,565	3,699,836
Loss allowance	(170,789)	(123,365)	(158,244)	(44,565)	(496,963)
	<u>1,725,493</u>	<u>1,258,867</u>	<u>218,513</u>	<u>–</u>	<u>3,202,873</u>
2023					
Leasing and service income segment ⁽¹⁾					
Expected loss rate	3.5%	22.5%	52.4%	100%	
Gross carrying amount	372,921	135,745	63,325	63,535	635,526
Loss allowance	(12,914)	(30,520)	(33,197)	– *	(76,631)
	<u>360,007</u>	<u>105,225</u>	<u>30,128</u>	<u>63,535</u>	<u>558,895</u>
Supply and manufacturing concrete products segments ⁽²⁾					
Expected loss rate	6.5%	6.8%	10%	100%	
Gross carrying amount	982,584	1,066,857	234,390	358,842	2,642,673
Loss allowance	(63,809)	(72,422)	(23,478)	(358,842)	(518,551)
	<u>918,775</u>	<u>994,435</u>	<u>210,912</u>	<u>–</u>	<u>2,124,122</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. FINANCIAL INSTRUMENTS (Continued)

(iii) Credit risk (Continued)

Expected Credit Losses (Continued)

(a) Trade receivables and contract assets (Continued)

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 are set out in the provision matrix as follows: (Continued)

* No ECL allowance was provided for specific debtors as they were assessed by management to be fully recoverable. Subsequent to balance sheet date, those amounts were either fully recovered or offset with deposit.

- (1) Customers in leasing and service income segment are dispersed in various industries, and the management believes that no allowance for impairment beyond the allowance above is necessary as the balances relate mainly to tenants that have a good record with the Group or have sufficient security deposits as collateral.
- (2) Subsidiaries in the supply and manufacturing concrete products segments mainly supplies to large customers base operating in construction material supplies industry, out of which top 2 balance owing from customers in the manufacturing of precast concrete products amounting to S\$2,343,000 (2023: S\$318,000).

Provision of underground cable installation and road reinstatement segment

The Group has applied the simplified approach to measure the life-time expected credit losses for its trade receivables. Included in trade receivables and contract assets is S\$3,209,056 (2023: S\$916,365), out of which an amount of approximately S\$3,208,000 (2023: S\$896,000) was due from a single established customer with good payment track record. ECL allowance amounting to S\$Nil (2023: S\$4,466) was provided for specific debtors as the amounts were long overdue outstanding.

The movement of the life-time ECL on trade receivables and contract assets are as follows:

Group	Collective impairment – Not credit impaired S\$	Individual impairment – Credit impaired S\$	Total S\$
2024			
Balance at beginning of the year	236,337	363,311	599,648
ECL allowance written back during the year	–	(4,467)	(4,467)
ECL allowance recognised during the year	170,825	139,997	310,822
	170,825	135,530	306,355
Written off	–	(313,592)	(313,592)
Balance at end of the year (Note 11)	407,162	185,249	592,411
2023			
Balance at beginning of the year	333,001	344,211	677,212
ECL allowance written back during the year	(96,664)	(287,473)	(384,137)
ECL allowance recognised during the year	–	313,592	313,592
	(96,664)	26,119	(70,545)
Written off	–	(7,019)	(7,019)
Balance at end of the year (Note 11)	236,337	363,311	599,648

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. FINANCIAL INSTRUMENTS (Continued)

(iii) Credit risk (Continued)

Expected Credit Losses (Continued)

(b) Other receivables, including amount due from subsidiaries

The credit risk exposure from other receivables of the Group and the Company are as follows:

	Group		Company	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Other receivables:				
- loan receivable I	2,111,124	2,111,124	-	-
- loan receivable II	2,438,742	2,438,742	-	-
- due from subsidiaries	-	-	2,231,822	2,231,822
- others	205,777	147,769	-	-
Total gross carrying amount	4,755,643	4,697,635	2,231,822	2,231,822
Lifetime ECL allowance	(4,564,866)	(4,584,866)	(2,231,822)	(2,231,822)
Carrying amount	190,777	112,769	-	-

	Group S\$	Company S\$
2024		
Balance at beginning of the year	4,584,866	2,231,822
ECL allowance written back during the year		
Advance payment to a supplier (Note 11(4))	(20,000)	-
Balance at end of the year (Note 11)	4,564,866	2,231,822
2023		
Balance at beginning of the year	4,634,866	2,231,822
ECL allowance written back during the year		
Advance payment to a supplier (Note 11(4))	(50,000)	-
Balance at end of the year (Note 11)	4,584,866	2,231,822

Group

The Group assessed and determined loan receivable I, II and advance payment to a supplier to be credit-impaired, as there is observable data to conclude that the borrowers are unlikely to pay its credit obligation due to the following events:

- Breach of contract and default of payments or repayment plan by instalment when due;
- the borrower of loan receivable I has been placed under Judicial Management; and
- the disappearance of borrower of the loan receivable II.

Further details can be found in Note 11.

Company

The life-time ECL allowance of the Company on the amount due from subsidiaries is made based on the financial position of the subsidiaries, and the underlying assets relevant to the ultimate manner of recovery of these amounts. Based on the particular circumstances, the Company has determined that the balances are credit-impaired (Stage 3), as at 31 December 2024 and 2023 in view of:

- lack of revenue generating activities; and
- the full impairment of an underlying loan on-lent out to an external borrower by a subsidiary in previous financial year (Loan Receivable I & II).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. FINANCIAL INSTRUMENTS (Continued)

(iii) Credit risk (Continued)

Expected Credit Losses (Continued)

(c) Cash and cash equivalents

Bank deposits are with reputable financial institutions with high credit-ratings assigned by international credit-rating agencies. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents to have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was immaterial.

(d) Other current assets, excludes prepayments

The management assess that there are no material ECL on the other current assets, which excludes prepayments.

(iv) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. The Group manages its capital structure, and makes adjustment to it, in the light of changes in economic conditions. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 2023.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising share capital, reserves, retained earnings, and net debts, which represent total bank borrowings, lease liabilities, trade and other payables, and lease liabilities from financial institutions less cash and cash equivalents.

Management monitors capital with reference to net debt-to-equity ratio. The net debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total bank borrowings, lease liabilities, trade and other payables and lease liabilities from financial institutions less cash and cash equivalents. Total equity includes equity attributable to equity holders of the Company.

	Group	
	2024	2023
	S\$	S\$
Net debt	11,607,621	2,049,550
Total equity	46,030,613	46,279,328
Net debt-to-equity ratio	25.22%	4.43%

The Group was not subject to any externally imposed capital requirements for the financial years ended 31 December 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. FINANCIAL INSTRUMENTS (Continued)

(v) Financial instruments by category

	Group		Company	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Financial assets at amortised cost:				
Trade and other receivables	4,419,495	3,568,492	–	–
Other current assets	270,015	558,085	–	–
Cash and cash equivalents	5,118,315	8,780,539	72,045	118,468
	<u>9,807,825</u>	<u>12,907,116</u>	<u>72,045</u>	<u>118,468</u>
Financial liabilities at amortised cost:				
Trade and other payables	7,783,225	4,818,011	12,578,001	12,228,401
Lease liabilities from financial institutions	1,359,935	673,075	–	–
Lease liabilities	6,660,769	5,072,895	–	–
	<u>15,803,929</u>	<u>10,563,981</u>	<u>12,578,001</u>	<u>12,228,401</u>

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

(i) Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

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

(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of other financial assets and financial liabilities with a maturity of less than one year, including trade and other receivables, other current assets (excluding prepayments), cash and cash equivalents and trade and other payables excluding contract liabilities GST payable and deferred grant income, approximate their fair values for they have short-term period of maturity.

The carrying amount of refundable deposits received from the tenants (non-current) amounting to S\$673,750 (2023: S\$867,480) (Note 14) at the reporting date approximate to fair value as these deposits are expected to be offset with outstanding rental owed by the tenants upon expiry of lease or in the event of default of payments from these tenants.

(iii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

At the reporting date, there are no financial instruments in this category.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

33. COMMITMENTS

(i) Lease commitments

As at 31 December 2024, the Group is committed to the following lease payments not included in lease liabilities:

	Group	
	2024	2023
	S\$	S\$
Leases commencing after the reporting date	–	1,026,600

(ii) Future capital expenditure

Capital expenditure contracted for as at 31 December 2024 but not recognised in the financial statements are as follows:

	Group	
	2024	2023
	S\$	S\$
Capital expenditure contracted for but not recognised:		
- Property, plant and equipment	2,476,300	3,172,700

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

Group accounting

(i) Subsidiaries

Basis of consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owner of the Company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

Investment in subsidiaries

Investment in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Currency translation

(i) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(ii) Translation of the Group's financial statements

The assets and liabilities of foreign operations are translated into Singapore dollars at the rate of exchange ruling at the reporting date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs. The cost of an item of property, plant and equipment including subsequent expenditure is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenses are recognised in profit or loss when incurred.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Construction in progress includes all cost of construction and other direct costs. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Construction in progress is reclassified to the appropriate category of property, plant and equipment when complete and ready to use.

The estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss within "Other income / (expenses)".

Intangible assets

(i) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the net identifiable assets acquired.

Goodwill is recognised separately on the face of consolidated statement of financial position and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

Goodwill is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount of CGU, an impairment loss is recognised in profit or loss. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use ("VIU"). The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU on pro-rata basis of the carrying amount of each asset in the CGU. Impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

(ii) Other intangible assets

Acquired software license

Acquired computer software licenses are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Computer software license are subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

(ii) Other intangible assets (Continued)

Acquired software license (Continued)

The carrying amounts of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The useful life and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The effect of any revision is recognised in profit or loss when the changes arise.

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the asset is derecognised.

Investment properties

Investment properties are industrial properties and land use right that are held for long term rental yields and / or for capital appreciation.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, inventories, contract assets 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. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. 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 greater of its value in use and its fair value less costs to sell. In assessing value in use ("VIU"), 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. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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 losses are recognised in profit or loss. Impairment losses 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are 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.

An impairment loss in respect of subsidiaries is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Financial assets and liabilities

(i) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. Other financial assets and financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Trade receivables without financing component is initially measured at the transaction price in accordance with SFRS(I) 15. Other financial assets or financial liabilities are initially recognised at fair value plus, in the case of financial assets or liabilities not at fair value through profit or loss, directly attributable transaction costs.

(ii) Classification and subsequent measurement

Financial assets

Financial assets are classified and subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, at the following categories:

- Amortised costs
- Fair value through Other Comprehensive Income (FVOCI) – Debt investments
- FVOCI – Equity investments
- Fair value through profit or loss (FVPL)

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing the financial assets, in which case such reclassification will be applied prospectively from the reclassification date.

Financial assets at amortised costs

Unless designated at FVPL, financial assets are measured at amortised costs if:

- It is held within a business model with an objective to hold the assets to collect contractual cash flows; and
- Its contractual cash flows comprise of solely principal and interest on the principal amount outstanding.

These assets, mainly trade and other receivables, other current assets (excludes prepayments) and cash and cash equivalents, are subsequently measured at amortised costs using the effective interest rate method, which is reduced by impairment losses. Interest income, foreign exchange differences, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets (Continued)

Equity investments at FVOCI

Unless held-for-trading, the Group may irrevocably elect on initial recognition, on an investment-by-investment basis, to present subsequent changes of fair value of the equity investments in OCI.

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses (including changes in fair value) are recognised in OCI which will never be reclassified to profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at amortised costs unless it is held for trading (including derivative liabilities), or designated as financial liabilities at FVPL on initial recognition to significantly reduce accounting mismatch or when a group of financial liabilities are managed whose performance is evaluated on a fair value basis.

Financial liabilities at amortised costs are subsequently measured at amortised costs using the effective interest rate method. Interest expense and foreign exchange differences are recognised in profit or loss. These financial liabilities mainly comprise trade and other payables (excluding contract liabilities, GST payable and deferred grant income), lease liabilities from financial institutions, lease liabilities and bank borrowings.

Financial liabilities at FVPL are measured at fair value with net gains and losses (including interest expense) recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

As at the reporting date, the Group does not have other categories of financial liabilities except for financial liabilities at amortised cost.

(iii) Derecognition

Financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the derecognition date and the sum of the consideration received is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within the period generally established by regulation or convention in the marketplace concerned.

Financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The Group also derecognises a financial liabilities when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability on the modified terms is recognised at fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (Continued)

(iii) Derecognition (Continued)

Financial liabilities (Continued)

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

(iv) Offsetting

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Group applies impairment model in SFRS(I) 9 to measure the Expected Credit Losses (ECL) of the following categories of assets:

- Financial assets at amortised costs;
- Contract assets (determined in accordance with SFRS(I) 15);
- Lease receivables; and
- Intragroup financial guarantee contracts ("FGC").

ECLs are probability-weighted estimates of credit losses, which are measured at the present value of all cash shortfalls (difference between the cash flows due to the Group in accordance with the contracts and the cash flows that the Group expects to receive), discounted at effective interest rate of the financial asset. The expected cash flows include cash flows from the sale of collaterals held, if any, or other credit enhancements that are integral to the contractual terms.

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 or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables (including lease receivables) and contract assets. 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 and FGCs. 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 that includes forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

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.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

Definition of default

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

- The borrower is unlikely to pay its credit obligation in full, without recourse by the Group; or
- The financial asset is more than 90 days past due.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or being past due for more than 180 days;
- the restructuring of a loan advances or past due lease receivables that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off

The Group writes off the gross carrying amount of a financial assets to the extent that there is no realistic prospect of recovery, for example when the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the Group.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in-first out method. The cost of finished goods comprises cost of raw materials, direct labour, other direct costs and related production overheads but excludes borrowing costs.

Net realisable value represents the estimated selling price for the inventories less all estimated costs of completion and costs necessary to make the sale. Allowance is made for obsolete, slow moving and defective inventories.

Borrowings

Borrowings which are due to be settled within twelve months after the reporting date are included in current borrowings in the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing cost are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowings which are due to be settled within twelve months after the reporting date are included in current borrowings in the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing cost are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) As lessor

Leases where the Group retains substantially all the risks and rewards incidental of ownership are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Operating leases

The Group acts as intermediate lessor and sublet part of its leasehold industrial buildings as allowed by the lessor, JTC Corporation.

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

The sublease periods do not form a major part of the remaining terms under the head lease of land with JTC Corporation and accordingly, the sub-leases are classified as operating leases.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "Revenue – Rental income from leasehold industrial buildings". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

(ii) As lessee

At the lease commencement date, the Group recognises a Right-of-Use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and low-value leases as described below.

ROU asset

ROU assets are initially measured at cost, which comprise initial amount of lease liability, any lease payment made at or before commencement date, plus initial direct costs incurred, less lease incentives received. Initial direct costs are costs that would not have been incurred if the lease had not been obtained.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

(ii) As lessee (Continued)

ROU asset (Continued)

Whenever the Group incurs obligations for costs to dismantle and remove a leased asset, restore the site or the underlying asset to the condition required by the terms and conditions of the lease contract, a provision is recognised and measured under SFRS(I)1-37; and included in the carrying amount of the ROU assets to the extent that the costs relate to a ROU asset.

ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from commencement date to the earlier of end of lease terms and useful life of the ROU assets. In addition, the ROU assets are also adjusted for certain remeasurement of lease liability.

ROU assets are presented as a separate line item on the statement of financial position.

Lease liability

Lease liability is initially measured at the present value of lease payments discounted using 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 incremental borrowing rate as the discount rate, which is estimated by reference to interests' rates from various external financing sources for similar terms such as lease terms, type of assets leases and economic environment.

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

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease liability is measured at amortised cost using effective interest method. Remeasurement of lease liability (and corresponding adjustment to ROU asset, or to profit or loss when the ROU asset has been reduced to zero) is required when there is:

- a change in future lease payments arising from changes in an index or rate, in which case the initial discount rate is used;
- a change in the Group's assessment of whether it will exercise an extension or termination option, in which case a revised discount rate is used; or
- modification in the scope or the consideration of the lease that was not part of the original term and not accounted for as separate lease, in which case a revised discount rate at effective date of modification is used.

The Group presents the lease liabilities as a separate line item on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

Provisions

General

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for warranty

Provisions for warranty related costs are recognised when the Group has a present legal or constructive obligation as a result of past event, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. The Group recognises the estimated liability to rectify defects still under warranty at the reporting date. This provision is calculated based on historical experience of the level of rectification.

Employees' benefits

(i) 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 if the Company 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.

(ii) Retirement benefits

The Group makes contribution to the Central Provident Fund (CPF) Scheme in Singapore, a defined contribution retirement schemes.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in the period in which the related service is performed.

(iii) Employee leave entitlement

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

Income tax

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

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been substantially enacted by the reporting date in the countries where the Group operates and generates taxable income. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (Continued)

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (b) An entity is related to the Company if any of the following conditions applies (Continued):
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions, and short term, highly liquid investments readily convertible to known amounts of cash and subjected to an insignificant risk of changes in value.

35. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has not adopted the new or revised standards and interpretations that have been issued but not yet effective, except as described below:

SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories which include operating, investing, financing, income taxes and discontinued operations.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified “roles” of the primary financial statements and the notes.

In addition, narrow scope of amendments been made to SFRS(I) 1-7 Statements of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from “profit or loss” to “operating profit or loss” and removing the optionality around classification of cash flows from dividend and interest. There are consequential amendments to several other standards.

These amendments are effective for annual periods beginning on or after 1 January 2027, to be applied on retrospective basis. Earlier application is permitted.

Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments

These amendments:

- a. clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- b. clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion for financial assets with certain contingent features; and
- c. add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets).
- d. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI)

These amendments are effective for annual periods beginning on or after 1 January 2026.

STATISTICS OF SHAREHOLDINGS

As at 28 March 2025

Issued and fully paid-up capital	:	S\$35,225,394
Number of Issued Shares	:	1,780,860,561
Class of shares	:	Ordinary
Voting Rights	:	One vote per Ordinary Share ("Share")
Treasury Shares	:	Nil
Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	4	0.62	250	*
100 - 1,000	60	9.30	41,456	*
1,001 - 10,000	101	15.66	430,800	0.02
10,001 - 1,000,000	403	62.48	98,813,000	5.55
1,000,001 AND ABOVE	77	11.94	1,681,575,055	94.43
TOTAL	645	100.00	1,780,860,561	100.00

* Negligible

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	NG CHUAN HENG	427,900,000	24.03
2.	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	256,261,201	14.39
3.	TEO SIEW CHENG	144,907,000	8.14
4.	UOB KAY HIAN PRIVATE LIMITED	100,292,000	5.63
5.	TAN POH GUAN (CHEN BAOYUAN)	88,461,017	4.97
6.	QUEK LAY WAH	82,604,984	4.64
7.	TAN JUN HAO (CHEN JUNHAO)	53,975,000	3.03
8.	TAN ZHEN YING (CHEN ZHENYING)	53,975,000	3.03
9.	PHILLIP SECURITIES PTE LTD	46,866,000	2.63
10.	ONG BOON KWONG (WANG WENGUANG)	40,268,800	2.26
11.	NG SOO TIONG	36,000,000	2.02
12.	LEE LAI SAN (LI LISHAN)	27,500,000	1.54
13.	LEE MUI HWA	22,600,000	1.27
14.	LAI CHOONG HON	21,000,000	1.18
15.	KGI SECURITIES (SINGAPORE) PTE. LTD.	18,138,200	1.02
16.	ONG BOON SIN (WANG WENXIN)	16,931,200	0.95
17.	LEE LYE FUN (LI LIFEN)	15,650,900	0.88
18.	LEE KIAN CHENG	15,552,000	0.87
19.	DBS NOMINEES (PRIVATE) LIMITED	15,302,300	0.86
20.	ONG KIOT HOU	15,143,800	0.85
		1,499,329,402	84.19

STATISTICS OF SHAREHOLDINGS

As at 28 March 2025

SUBSTANTIAL SHAREHOLDERS AS AT 28 MARCH 2025

(As recorded in the Register of Substantial Shareholders)

NO.	NAME	DIRECT INTERESTS		DEEMED INTERESTS	
		NO. OF SHARES HELD	%	NO. OF SHARES HELD	%
1.	Ng Chuan Heng	427,900,000	24.03	–	–
2.	Teo Siew Cheng	144,907,000	8.14	–	–

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

The percentage of shareholdings of the Company held in the hands of the public is approximately 55.63%. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalyst of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of HGH Holdings Ltd. (the “**Company**”) will be convened at 60 Benoi Road, #03-02, Singapore 629906 on Monday, 28 April 2025 at 10:00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors, who are retiring by rotation under Regulation 107 of the Company’s Constitution and who, being eligible, offer themselves for re-election:
 - 2.1 Mr. Andrew Bek **(Resolution 2)**
 - 2.2 Mr. Ng Ser Chiang **(Resolution 3)**
3. To re-elect Mr. Eddy Lim Seok Boon, who is retiring under Regulation 117 of the Company’s Constitution and who, being eligible, offer himself for re-election. **(Resolution 4)**
4. To approve the payment of Directors’ fees of up to S\$120,000 for the financial year ending 31 December 2025 (2024: S\$120,000). **(Resolution 5)**
5. To re-appoint Messrs. Crowe Horwath First Trust LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

Authority to allot and issue shares **(Resolution 7)**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”), the Constitution of the Company and Rule 806 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

- (a) (i) allot and issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares;

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

(the “Share Issue Mandate”)

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Ordinary Resolution) and Instruments to be issued pursuant to this Ordinary Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro-rata basis, then the Shares and Instruments to be issued under such circumstances shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of the issued Shares (excluding treasury shares and subsidiary holdings) and Instruments shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares.

Provided such adjustments in sub-paragraphs (2) (a) and (b) above 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 of the passing of this resolution;

- (3) in exercising the Share Issue Mandate conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution of the Company for the time being; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier; or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Ordinary Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

BY ORDER OF THE BOARD

Thum Sook Fun
Company Secretary

Singapore, 11 April 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes on Businesses to be transacted:

Ordinary Resolutions 2, 3 and 4 in relation to the re-election of Directors

- (1) Mr. Andrew Bek will, upon re-election, remain as an Independent Director, the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. He will be considered as independent for the purposes of Rule 704(7) of the Catalist Rules. He does not have any relationship (including immediate family relationship) with the other Directors of the Company, the Company or the substantial shareholders, which may affect his independence.
- (2) Mr. Ng Ser Chiang will, upon re-election, remain as the Lead Independent Director, the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. He does not have any relationship (including immediate family relationship) with the other Directors of the Company, the Company or the substantial shareholders, which may affect his independence.
- (3) Mr. Eddy Lim Seok Boon will, upon re-election, remain as an Independent Director, the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. He does not have any relationship (including immediate family relationship) with the other Directors of the Company, the Company or the substantial shareholders, which may affect his independence.

Detailed information (including information as set out in Appendix 7F of the Catalist Rules) on Mr. Andrew Bek, Mr. Ng Ser Chiang and Mr. Eddy Lim Seok Boon can be found under the sections entitled “**Board of Directors**” and “**Additional Information on Directors Seeking Re-Election**” in the Company’s Annual Report 2024.

Ordinary Resolution 5 in relation to the Directors’ fees

Resolution 5 is to approve the payment of Directors’ fees of up to S\$120,000 for services to be rendered by the Independent Directors to the Board as well as various Board Committees for the financial year ending 31 December 2025. Upon approval, the fee shall be made payable to the Directors on a half-yearly basis.

The Board is of the view that it is just and equitable for the Independent Directors to be paid Directors’ fees on half-yearly basis, and to align with current market practices.

Ordinary Resolution 6 in relation to the re-appointment of auditors

Resolution 6 is to re-appoint Messrs. Crowe Horwath First Trust LLP as the Company’s Auditors and to authorise the Directors to fix their remuneration.

The Company has complied with Rule 713(1) of the Catalist Rules by ensuring that the audit partner is not in charge of more than 5 consecutive years of audits. The current audit partner, Mr. Duncan Kow, was appointed since the financial year ended 31 December 2023.

Ordinary Resolution 7 in relation to the Share Issue Mandate

Resolution 7 is to empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro rata basis to shareholders.

In determining the aggregate number of Shares that may be issued, the percentage of the total number of issued Shares will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution 7 is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Resolution 7 is passed, and any subsequent bonus issue, consolidation or subdivision of Shares.

NOTES:

- (1) The AGM will be held, in a wholly physical format at the venue, date and time stated above. Members, including Central Provident Fund (“**CPF**”) Investment Schemes (such investors, the “**CPF Investors**”) and/or Supplementary Retirement Scheme (“**SRS**”) (such investors, the “**SRS Investors**”), and (where applicable) duly appointed proxies or representatives will be able to ask questions and vote at the AGM by attending the AGM in person.

Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell. Shareholders are strongly encouraged to exercise social responsibility to rest at home and consider appoint / appoint a proxy(ies) to attend the AGM.

NOTICE OF ANNUAL GENERAL MEETING

(2) Printed copies of the Annual Report 2024 will **NOT** be sent to the members. Instead, the following documents are made available to members together with this Notice of AGM via the Company's website at the URL: <https://www.hghholdings.com.sg/> and SGX website at the URL: <https://www.sgx.com/securities/company-announcements/>:

- (a) Annual Report 2024;
- (b) Proxy Form in relation to the AGM; and
- (c) Request Form (to request for a printed copy of the Annual Report 2024).

Printed copy of this Notice of AGM, Proxy Form and Request Form will be sent by post to the Members. Members who wish to receive printed copy of the Annual Report 2024 are required to complete the Request Form and return to the Company **by 18 April 2025 (Friday)** in the following manner:

- (a) if submitted by post, be deposited at the Company's registered office at 60 Benoi Road, #03-02, Singapore 629906; or
- (b) if submitted electronically, be submitted via email at info@hghholdings.com.sg.

(3) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding to be presented by each proxy in the instrument appointing a proxy or proxies. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.

"**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

(4) A member who is a Relevant Intermediary is entitled to appoint more than two (2) 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 appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

A proxy need not to be a member of the Company. A member may choose to appoint the Chairman of the AGM as his/her/its proxy.

(5) If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instruction as to voting for, against or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

(6) The instrument appointing a proxy, or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

(7) The instrument appointing a proxy or proxies must be submitted to the Company **by 10:00 a.m. on 25 April 2025 (Friday)** in the following manners:

- (a) if submitted by post, be deposited at the Company's registered office at 60 Benoi Road, #03-02, Singapore 629906; or
- (b) if submitted electronically, be submitted via email at info@hghholdings.com.sg.

in each case, not less than 72 hours before the time appointed for holding the AGM.

Members are strongly encouraged to submit the completed Proxy Form electronically.

(8) CPF and SRS Investors who hold the Company's shares:

(a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operations if they have any queries regarding their appointment as proxies; or

(b) 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 or SRS Operators to submit their voting instruction **by 5:00 p.m. on 15 April 2025 (Tuesday)**.

NOTICE OF ANNUAL GENERAL MEETING

- (9) The Company shall be entitled to reject the instrument appointing a proxy or 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 in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
- (10) Members, including CPF and SRS Investors, may submit substantial and relevant questions relating to the business of the AGM in advance **by 10:00 a.m. on 18 April 2025 (Friday)**:
- (a) if submitted by post, be deposited at the Company's registered office at 60 Benoi Road, #03-02, Singapore 629906; or
 - (b) if submitted electronically, be submitted via email at info@hghholdings.com.sg.

When submitting any questions by post or via email, Members **MUST** provide their particulars as follows for verification purposes:

- (a) Full name (for individuals)/company name (for corporates) as per CDP/SRS account records
 - (b) National Registration Identity Card Number or Passport Number (for individuals) / Company Registration Number (for corporates);
 - (c) The manner in which the members hold shares in the Company (e.g. via CDP, CPF or SRS or etc);
 - (d) Contact number; and
 - (e) Email address.
- (11) The Company will endeavour to address all substantial and relevant questions from members who are verifiable against the Depository Register or the Register of Members. The Company's responses to members' questions will be posted on the Company's website at the URL: <https://www.hghholdings.com.sg/> and SGX website at the URL: <https://www.sgx.com/securities/company-announcements/> at least 48 hours prior to the closing date and time of the lodgement of the proxy forms. Where substantial and relevant questions submitted by members are unable to be addressed prior to the AGM, the Company will address them at the AGM.
- The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet, and the minutes will include the responses to the questions which are addressed during the AGM, if any.
- (12) Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed during the relevant instrument appointing a proxy(xies) to the AGM.

IMPORTANT REMINDER: Members are advised to check our Company's website at <https://www.hghholdings.com.sg/> or the SGX website at the URL: <https://www.sgx.com/securities/company-announcements> for the latest updates on the status of the AGM.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iv) 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. The member's personal data and the proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

NOTICE OF ANNUAL GENERAL MEETING

This notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms. Audrey Mok (Tel (65) 6232 3210), at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

NOTICE OF ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON THE DIRECTORS SEEKING FOR RE-ELECTION

Mr. Andrew Bek, Mr. Ng Ser Chiang and Mr. Eddy Lim Seok Boon are the Directors seeking for re-election at the forthcoming AGM of the Company to be convened on Monday, 28 April 2025 under Ordinary Resolutions 2, 3 and 4 as set out in the Notice of AGM dated 11 April 2025 (collectively, the “Retiring Directors”).

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F relating to the Retiring Directors is set out below:

Name of the Retiring Director	Andrew Bek	Ng Ser Chiang	Eddy Lim Seok Boon
Date of Appointment	3 January 2020	15 June 2016	29 April 2024
Date of last re-appointment	27 April 2023	27 April 2023	Not Applicable
Age	58 years old	59 years old	53 years old
Country of principal residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board having considered the recommendation of the Nominating Committee and assessed Mr. Andrew Bek’s qualification and experiences, is satisfied that Mr. Andrew Bek has the requisite experience and capabilities to assume the duties and responsibilities as Independent Director of the Company.</p> <p>Mr. Andrew Bek was also appointed as the Chairman of Remuneration Committee and a member of each of the the Audit Committee and Nominating Committee.</p>	<p>The Board having considered the recommendation of the Nominating Committee and assessed Mr. Ng Ser Chiang’s qualification and experiences, is satisfied that Mr. Ng Ser Chiang has the requisite experience and capabilities to assume the duties and responsibilities as Independent Director of the Company.</p> <p>Mr. Ng Ser Chiang was also appointed as Chairman of Nominating Committee and a member of each of the Audit Committee and Remuneration Committee.</p>	<p>The Board having considered the recommendation of the Nominating Committee and assessed Mr. Eddy Lim Seok Boon’s qualification and experiences, is satisfied that Mr. Eddy Lim Seok Boon has the requisite experience and capabilities to assume the duties and responsibilities as Independent Director of the Company.</p> <p>Mr. Eddy Lim Seok Boon was also appointed as the Chairman of Audit Committee and a member of each of the Remuneration Committee and Nominating Committee.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of Remuneration Committee and a member of Audit and Nominating Committees.	Independent Director, Chairman of Nominating Committee and a member of Audit and Remuneration Committees.	Independent Director, Chairman of Audit Committee and a member of Remuneration and Nominating Committees.
Professional qualifications	A-level	Bachelor of Law from University of Wolverhampton	<ul style="list-style-type: none"> a) Diploma in Marketing (London Chamber of Commerce and Industry) b) Diploma in Principles of Management (London Chamber of Commerce and Industry) c) Diploma in Sales Management (Managing and Marketing Sales Association Examination Board) d) Member, Singapore Institute of Directors

NOTICE OF ANNUAL GENERAL MEETING

Name of the Retiring Director	Andrew Bek	Ng Ser Chiang	Eddy Lim Seok Boon
Working experience and occupation(s) during the past 10 years	Please refer to Andrew Bek's profile set out in page 9 under the "Board of Directors" section of the Annual Report 2024.	Please refer to Mr. Ng Ser Chiang's profile set out in page 8 under the "Board of Directors" section of the Annual Report 2024.	Please refer to Mr. Eddy Lim Seok Boon's profile set out in page 9 under the "Board of Directors" section of the Annual Report 2024.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None
Conflict of interest (including any competing business)	None	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rule has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments including Directorships Past (for the past 5 years)	<ul style="list-style-type: none"> a) One Motor Car Accessories & Service Centre Sdn. Bhd. b) Anchun International Holdings Ltd. 	<ul style="list-style-type: none"> a) Altair Asia (S) Pte. Ltd. 	<ul style="list-style-type: none"> a) Corporate Asia Soluitons Pte Ltd b) REENOVA Investment Holding Limited c) Senior Advisor of L-Energy Pte Ltd d) Advisor of DIOS Asset Management e) Director of EMRHILL VCC
Present	<ul style="list-style-type: none"> a) One Asia Capital Pte. Ltd. b) Atas Advisory Pte. Ltd. c) KWTH LLP d) Kwan Wong Tang & Hong e) Edmin Private Limited 	<ul style="list-style-type: none"> a) Elitaire Asia Pte. Ltd. b) Emergo Solutions Pte. Ltd. 	<ul style="list-style-type: none"> a) Partner of W2 Advisors LLP b) Senior Board Advisor of RiskTaker SG Pte Ltd c) H&W Services Pte Ltd

NOTICE OF ANNUAL GENERAL MEETING

Name of the Retiring Director	Andrew Bek	Ng Ser Chiang	Eddy Lim Seok Boon
Information required under items (a) to (k) of Appendix 7F of the Catalist Rule	There is no change to the responses previously disclosed by Mr. Andrew Bek under items (a) to (k) of Appendix 7F of the Catalist Rules which were “No” except items (j)(i) and (iv). The Appendix 7F information in respect of Mr. Andrew Bek as Director was announced on 2 January 2020 including the update on the items (j) (i) and (iv) on 29 September 2020	There is no change to the responses previously disclosed by Mr. Ng Ser Chiang under items (a) to (k) of Appendix 7F of the Catalist Rules which were all “No”. The Appendix 7F information in respect of Mr. Ng Ser Chiang as Director was announced on 15 June 2016	There is no change to the responses previously disclosed by Mr. Eddy Lim Seok Boon under items (a) to (k) of Appendix 7F of the Catalist Rules which were “No” except item (b) and (k). The Appendix 7F information in respect of Mr. Eddy Lim Seok Boon as Director was announced on 26 April 2024.

HGH HOLDINGS LTD.
(Company Registration Number: 200412064D)
(Incorporated in the Republic of Singapore)

PROXY FORM
(Incorporated in the Republic of Singapore)

IMPORTANT:

- The members of the Company are invited to attend physically at the AGM. **There will be no options for member to participate virtually.**
- 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 CPF and SRS Investors who hold ordinary shares through their CPF/SRS funds. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM, **by 5:00 p.m. on 15 April 2025 (Tuesday)** to ensure their votes are submitted.
- Please read the notes overleaf which contain the instruction on, *inter alia*, the appointment of proxy(ies).**

I/We*, _____ (Name) NRIC/Company/Passport No.* _____

of _____ (Address)

being a member/members of HGH HOLDINGS LTD. (the “**Company**”) hereby appoint :

Name	Email Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or*

Name	Email Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her/them, the Chairman of the AGM as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the AGM of the Company to be held at 60 Benoi Road, #03-02, Singapore 629906 on Monday, 28 April 2025 at 10:00 a.m. and at any adjournment thereof.

*I/We direct *my/our “proxy/proxies to vote for, or against or abstain from voting the ordinary resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the AGM as *my/our proxy for that resolution will be treated as invalid.

No.	Ordinary Resolution relating to	For	Against	Abstain
	ORDINARY BUSINESS			
1.	To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 with the Auditors’ Report.			
2.	To re-elect Mr. Andrew Bek as Director of the Company.			
3.	To re-elect Mr. Ng Ser Chiang as Director of the Company.			
4.	To re-elect Mr. Eddy Lim Seok Boon as Director of the Company.			
5.	To approve the payment of Directors’ fees of up to S\$120,000 for the financial year ending 31 December 2025 (2024: S\$120,000).			
6.	To re-appoint Messrs. Crowe Horwath First Trust LLP as Auditors of the Company.			
	SPECIAL BUSINESS			
7.	To approve the Share Issue Mandate.			

Notes:

- Voting will be conducted by poll. If you wish to exercise all your votes “**For**” or “**Against**” or “**Abstain**”, please indicate with an “**X**” in the relevant box provided. Alternatively, please indicate the number of votes “**For**” or “**Against**” each resolution. If you mark an “**X**” in the “**Abstain**” box for a particular Resolution, you are directing your proxy not to vote on that Resolution. If you wish the Chairman of the AGM as your proxy to abstain from voting on a resolution, please indicate with “**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 the “**Abstain**” box in respect of that resolution.
- The short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Members are encouraged to refer to the Notice of AGM for the full purpose and intent of the Resolutions to be passed.

Dated this _____ day of _____ 2025

Total number of Shares held:

Signature of Member(s)
or Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ THE NOTES OVERLEAF



Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in the relevant sections of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy, or proxies shall be deemed to relate to all the Shares held by you.
2. A proxy need not be a member of the Company. Also, a member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory.

If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instruction as to voting for, against or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her name in the Depository Register and any second named proxy as an alternate to the first named.

“**Relevant Intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act 1967.
4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) 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 appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.
5. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) and/or representative(s) is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), if required by law, be duly stamped and to be deposited based on the below item 9 (i) or (ii), failing which the Proxy Form may be treated as invalid.
6. The instrument appointing a proxy, or proxies must be submitted to the Company by **10:00 a.m. on 25 April 2025 (Friday)** in the following manner:
 - (a) if submitted by post, be deposited at the Company’s registered office at 60 Benoi Road, #03-02, Singapore 629906; or
 - (b) if submitted electronically, be submitted via email at info@hghholdings.com.sg.in each case, not less than 72 hours before the time appointed for holding the AGM.

Members are strongly encouraged to submit the completed Proxy Form electronically.
7. CPF and SRS Investors who hold the Company’s shares:
 - (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operations if they have any queries regarding their appointment as proxies; or
 - (b) 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 or SRS Operators to submit their voting instruction by **5:00 p.m. on 15 April 2025 (Tuesday)**.
8. The Company shall be entitled to reject the instrument appointing a proxy or 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 in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by the Depository to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2025.

AFFIX
STAMP

HGH HOLDINGS LTD.
(Company No. 200412064D)

60 BENOI ROAD,
#03-02 EMS BUILDING,
SINGAPORE 629906



HGH HOLDINGS LTD.

(Company Registration Number : 200412064D)

60 Benoi Road #03-02 Singapore 629906

Tel: + 65 6268 7112

Website: www.hghholdings.com.sg