

2024  
ANNUAL  
REPORT



HONG LAI HUAT  
GROUP LIMITED

SGX MAINBOARD (CTO.SI)

逢來發集團有限公司



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# CORPORATE PROFILE



Hong Lai Huat Group Limited is a distinguished real estate and property development company with a proven track record spanning over 36 years. Founded in 1988, the Group has successfully completed numerous large-scale projects across Singapore, including both public and private residential developments, as well as commercial and industrial buildings.

In 2024, the Group made a strategic decision to divest its agricultural business, marking a pivotal shift in its focus towards further strengthening its real estate development portfolio. The agricultural land, a part of the Group's operations in Cambodia since 2008, was sold as part of a broader strategy to streamline its portfolio and reallocate resources to high-growth real estate projects. This divestment reflects Hong Lai Huat's commitment to focusing on its core strength-property development-especially in Cambodia's thriving real estate market.

The Group first expanded into Cambodia in 2008, completing a significant industrial agricultural project that spanned nearly one-seventh of the land area of Singapore. Building on this success, Hong Lai Huat solidified its presence in Cambodia's property sector with the launch of its first freehold mixed-use development, D'Seaview, in Sihanoukville in 2015. This landmark project, one of the largest of its kind in the region, consists of

737 residential units and 67 commercial units, with construction completed in 2020.

In 2019, the Group further expanded its footprint in Cambodia with the launch of its second freehold mixed-use development, Royal Platinum, in the prestigious Toul Kork district of Phnom Penh. The project, featuring 851 residential units and 50 commercial units, officially opened its doors to the public in July 2024, marking a significant milestone in the Group's development journey in Cambodia.

In addition to its ongoing projects, Hong Lai Huat has strategically acquired additional land for future development, including a third plot in the Toul Kork district and a minority interest in a fourth plot in Sihanoukville. These properties are earmarked for future development, subject to market conditions.

Hong Lai Huat Group Limited was successfully listed on the Mainboard of the Singapore Stock Exchange on June 21, 2000. With its extensive experience, strategic expansion, and unwavering commitment to excellence, Hong Lai Huat continues to be a key player in the real estate development sector in both Singapore and Cambodia.

## OUR PRESENCE



# MESSAGE TO SHAREHOLDERS BY EXECUTIVE DEPUTY CHAIRMAN & GROUP CEO

## DEAR SHAREHOLDERS,

It is my duty to present to you the Annual Report for the financial year ended 31 December 2024. This has been an exceptionally difficult year for the Group, with global economic instability, rising costs, and regional challenges heavily impacting our business. The real estate sector has faced significant headwinds, and like many in the industry, we have not been spared from these difficulties.

### Financial Performance and Strategic Measures

The Group has endured a tough period, recording losses due to weak market conditions, cost pressures, and other write-off losses. Despite these setbacks, we took decisive steps to stabilize our position, including the successful disposal of our Agriculture Division in Cambodia for USD37.5 million. This move allows us to focus on our core property development business while managing our financial position prudently.

### Challenging Market Conditions

The macroeconomic environment in 2024 has posed severe challenges, particularly for developers operating in emerging markets. High inflation, rising interest rates, cautious investor sentiment, and negative media reports on the Kingdom have contributed to slower sales and reduced margins. In Cambodia, while demand for quality developments remains, the market has softened, requiring us to adopt a more strategic and cautious approach moving forward.

### Financial Performance

Given the difficult landscape, the Group's financial performance has been significantly impacted. Revenue streams have been constrained, and margins have been under pressure. We have taken proactive measures to manage costs and improve operational efficiency, but recovery will take time. Our priority is to maintain financial discipline while carefully evaluating opportunities to stabilize our revenue base.

### Strategic Adjustments and Moving Forward

Acknowledging the challenges, we have taken a cautious approach to our project pipeline, reassessing timelines and market demand to mitigate risks. Our partnerships with strategic stakeholders remain a key part of our long-term strategy, and we will continue working closely with them to navigate this difficult period.

Looking ahead, uncertainties remain, and we are prepared for continued volatility. Our immediate focus is on consolidation, prudent financial management, and ensuring sustainable operations. While challenges persist, we will continue to make responsible decisions in the best interest of the Group and our shareholders.

### A Note of Appreciation

I want to take this opportunity to thank our Board of Directors, management team, employees, and stakeholders for their perseverance during these challenging times. I also appreciate the patience and support of our shareholders as we work through these difficulties. The road ahead remains uncertain, but we will continue to navigate it with diligence and responsibility.

Thank you.

**DATO DR ONG BEE HUAT, PBM**  
Executive Deputy Chairman & Group CEO  
Hong Lai Huat Group Limited



It is my duty to present to you the Annual Report for the financial year ended 31 December 2024. This has been an exceptionally difficult year for the Group, with global economic instability, rising costs, and regional challenges heavily impacting our business.



# OPERATIONS REVIEW

## REVIEW OF FINANCIAL PERFORMANCE

### Revenue

Sale of development properties was \$0.1 million as compared to negative revenue in FY2023. Persistent global challenges and negative sentiments of industrial-scale scam centres in Preah Sihanouk Province, Cambodia continued to impact the sales of the Group's D'Seaview project.

### Other income

Other income increased by \$0.2 million from \$1.0 million in FY2023 to \$1.2 million in FY2024, mainly due to gain on disposal of property, plant and equipment.

### Administrative expenses

Administrative expenses increased by \$0.9 million from \$4.0 million in FY2023 to \$4.9 million in FY2024, mainly due to higher staff costs and professional fees incurred in FY2024.

### Write-down on development properties

Recognising a write-down of \$6.1 million on the carrying value of freehold development land due to a decrease in its fair value.

### Share of profit of a joint venture

The Group's share of profit of a joint venture was \$3.7 million in FY2024 as compared to a loss of \$1.4 million in FY2023, mainly due to higher contribution from Royal Platinum project resulting from recognising revenue arising from sale of completed units at a point in time.

### Result from discontinued operations

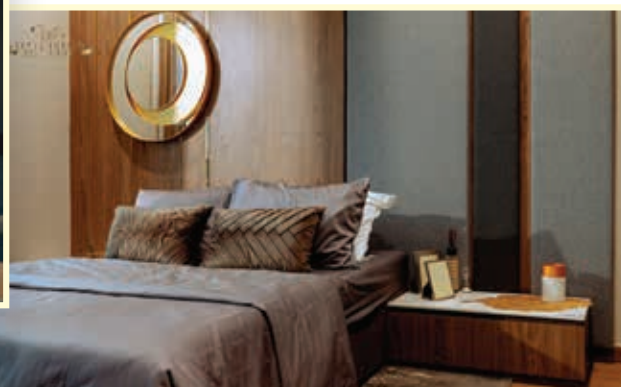
The Group completed the disposal of HLH Agriculture (Cambodia) Co., Ltd. ("HLHA") and H.L.H.I. (Cambodia) Company Limited ("HLHI") ("disposal group") on 13 September 2024 and 16 July 2024 and respectively. Accordingly, the disposal group was classified as discontinued operations of the Group. The entire financial performance of the disposal group was presented in a single amount separately on the consolidated statement of comprehensive income of the Group as discontinued operations. In addition, the Group has represented the financial performance of the disposal group as discontinued operation for FY2023. Loss from discontinued operations, net of tax was \$5.3 million and \$15.7 million in FY2024 and FY2023 respectively.

### Loss for the Financial year

The Group reported \$12.9 million loss attributable to equity holders of the Company in FY2024 as compared to \$23.2 million loss in FY2023.



# OPERATIONS REVIEW



## REVIEW OF FINANCIAL POSITION

### Assets

Other receivables and deposits increased mainly due to the remaining 10% (third tranche payment) of HLHA disposal consideration amounting to US\$3.6 million (equivalent to \$4.8 million). This amount is payable upon the Group's fulfillment of the conditions outlined in the HLHA sale and purchase agreement ("HLHA SPA").

Biological assets, right-of-use assets and property, plant and equipment decreased mainly due to transfer to disposal group assets. The disposal group was classified as discontinued operations of the Group and its assets and liabilities were deconsolidated from the Group.

Development properties decreased due to write-down on the carrying value of freehold development land.

The Group increased its shareholding in HSCH Capital Co., Ltd. ("HSCH") from 35% to 70% and HSCH became a subsidiary of the Group. Accordingly, the asset and liabilities of HSCH were consolidated in the Group after the Group obtained control of HSCH.

As a result of the above, the Group's total assets decreased by \$22.7 million from \$133.3 million in FY2023 to \$110.6 million in FY2024.

### Liabilities

Other payables and accruals decreased mainly due to security deposit is refunded to the tenant of the Group's freehold land when the rental period expires.

Borrowings decreased mainly due to repayment of bank loans.

Lease liabilities decreased mainly due to derecognising the lease liabilities derived from the disposal group.

As a result of the above, the Group's total liabilities decreased by \$16.4 million from \$22.1 million in FY2023 to \$5.7 million in FY2024.

## REVIEW OF CASH FLOW STATEMENT

Net cash used in operating activities was \$5.2 million for FY2024, remained consistent year-over-year.

Net cash from investing activities was \$39.5 million for FY2024, mainly due to net proceeds received from disposal of subsidiaries.

Net cash used in financing activities was \$8.6 million for FY2024, mainly due to repayment of bank loans.

As a result, the balance of cash and cash equivalents at the end of FY2024 increased by \$25.7 million as compared to the end of previous year, to \$27.5 million.

## BOARD OF DIRECTORS



**DATO DR ONG BEE HUAT,  
PBM**

Executive Deputy Chairman &  
Group CEO

Dato' Dr. Ong is the founder of the Group. He is responsible for the Group's overall strategic direction and planning as well as business development. Dato' Dr. Ong is recognised as an outstanding entrepreneur and for his leadership. He was conferred the "Dato" title by the Sultan of Pahang, Malaysia on 15 January 2000 and awarded the Doctor of Business Administration in 2001 by Wisconsin International University of the United States.



**PROF. WINSTON WONG**

Vice Chairman

Prof. Wong, who holds a PhD (Physics) and Doctor of Science honoris causa from Imperial College of Science & Technology, University of London, joined the Board on 27 February 2007. Conferred as an Officer of the Most Excellent Order of the British Empire (OBE), Prof. Wong is a well-known Taiwanese entrepreneur and is the Founder and Chief Executive Officer of renowned Taiwanese electronics and plastics conglomerate Grace T.H.W Group. He is also the Founder and Director of Grace Semiconductor Manufacturing Corp, China; and the Founder and Director of Trust-Mart Co., Ltd. Prof. Wong has a wealth of experience and expertise in petrochemical products which adds value to the Group's agriculture business.

## BOARD OF DIRECTORS



**MR. DYLAN ONG JIA JING**

Executive Director

Mr. Ong was appointed to the Board on 1st September 2020. He is responsible on the strategic direction, operation planning sales and marketing as well as business development for the Group's operations in Cambodia. Mr. Ong also plays an important role in strengthening our market penetration and business presence in the Indo-China region and beyond.



**MR. RYAN ONG JIA MING**

Executive Director

Mr. Ong holds two Executive Masters in Business Administration from North Borneo university College and IEMD Graduate Business School of Barcelona. He was appointed to the Board on 25th October 2016. Being the Director of several key subsidiaries under the Group since 2014, Mr. Ong is also responsible for Project Management, Business Development, Public Relations, Branding as well as Sales and Marketing for the Group.



## BOARD OF DIRECTORS



**MR. ALLEN NG KIAN GUAN**  
Independent Director

Mr. Ng has over 30 years of experience in banking and finance with strong expertise in credit and marketing. He is the Lead Independent Director of International Cement Group, a listed company listed on the Singapore Exchange. Since 8 April 2024, He have been appointed as a Non-Executive Director, the Chairman of the Board of Chinaverd Financial Holdings Corp. Ltd, a listco on HKSE and the Chairman of the nomination committee and it's authorised representative. He was Senior Banker of Shanghai Pudong Development Bank from October 2021 to September 2022. He was the Deputy Chief Executive Officer of Maybank Singapore from August 2014 to June 2021, while serving simultaneously as the Head of Corporate Office from September 2011 to December 2018. Prior to this, he led and oversaw various portfolios at the bank including Corporate Banking, Risk Management, Remedial Management, and Group Credit Management. Mr. Ng holds a Bachelor of Business Administration from the National University of Singapore. He also holds an Executive Diploma in Directorship from the Singapore Management University and Singapore Institute of Directors ("SID") and is an accredited director under the SID Accreditation Framework.



**MR. LIEN WE KING**  
Independent Director

Mr. Lien We King was appointed to the Board on 1st March 2019. He is the Managing Director of Bridgewater Holdings Pte Ltd where he oversees the performance and growth of its portfolio of media and retail businesses. He is a director at Pacific Equity Group Pte Ltd, a private equity real estate investment firm founded in 2009. He is also the board member of Singapore Food Agency.



**DR. LEE BEE WAH**  
Independent Director

Dr. Lee Bee Wah is appointed to the Board on 29 April 2023 as Independent Director, Chairperson of the Remuneration Committee, Member of the Audit Committee and Nominating Committee. She is also the Lead Independent Director of public listed Koh Brothers Group Limited and Independent Director of other public listed companies, Heeton Holdings Limited and MYP Limited. Dr Lee is also a Board Member of the Building and Construction Authority, a statutory board under the Ministry of National Development and also chairs the Nanyang Technological University School of Civil & Environmental Engineering Advisory Committee and the Former Member of Parliament for the Republic of Singapore.

# KEY DEVELOPMENTS

## OUR PORTFOLIO OF PROJECTS IN CAMBODIA

### D'SEAVIEW

D'Seaview is our first freehold mixed-use development project, strategically located in the rapidly growing Sihanoukville Province, Kingdom of Cambodia. The development spans a total of 737 residential units and 67 commercial units, designed to meet the growing demand for both residential and commercial spaces in this dynamic region. The construction of the entire project was completed in FY2020, with the residential and commercial components carefully designed to offer modern living and working environments.

As of today, 80% of the residential and commercial units have been sold. The remaining 20% of units are currently being progressively furnished and fitted out, with the option for long term rental or direct sale depending on market conditions. The flexibility in our approach ensures that we can respond to customer needs and maximize returns on the remaining units. The successful completion and ongoing leasing activities further demonstrate the viability and success of this landmark project in the region.

### ROYAL PLATINUM

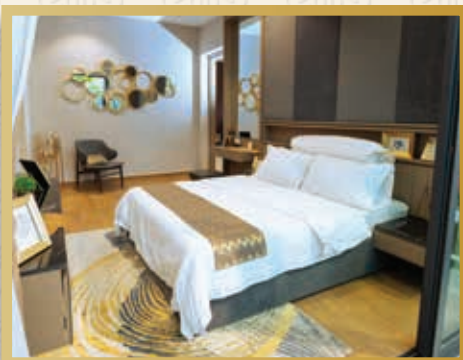
Royal Platinum marks our second freehold mixed-use development project in the Kingdom of Cambodia, and it is a significant step forward in the Group's commitment to delivering high-end, urban living spaces in key locations. This prestigious project is a collaboration between Hong Lai Huat Group Limited and Royal Group of Companies, Cambodia's largest conglomerate. Located in the prime Toul Kork district of Phnom Penh, one of the most sought-after residential areas in the capital, the project offers 851 residential units and 50 commercial units.

The commercial units were completed in FY2023, with all units now available for occupancy, providing a high-quality retail and office environment in the heart of Phnom Penh. The two residential towers, which represent the





## KEY DEVELOPMENTS



core of the development, have been progressing well and were officially completed in July 2024. This marked a significant milestone for the Group, and the entire development opened its doors to the public in the same month. Royal Platinum is poised to become a major landmark in the Toul Kork district, offering luxurious living spaces with modern amenities, making it a highly attractive destination for both residents and businesses.

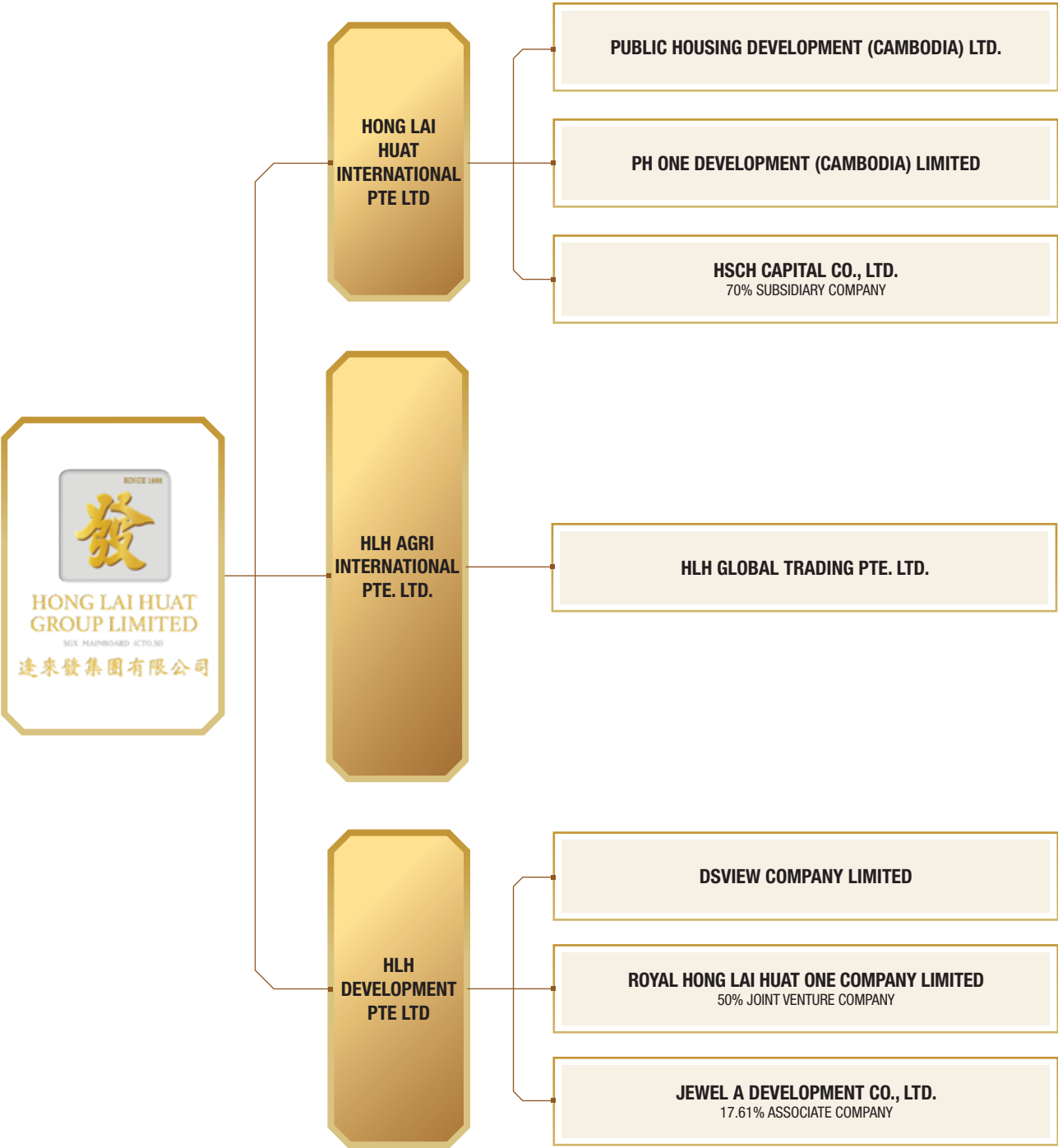
### PROJECTS IN PIPELINE

Looking forward, Hong Lai Huat Group is committed to expanding its footprint in Cambodia with several key developments in the pipeline. The Group currently owns a third land bank in Phnom Penh, covering approximately 11,000 sqm. This strategically located plot is being reserved for future development and offers significant potential for residential or mixed-use projects in line with the city's growing urbanization.

Additionally, the Group holds a minority stake in a fourth land bank located in Sihanoukville, covering approximately 150,000 sqm. This large parcel of land presents exciting opportunities for future developments, subject to market conditions and the Group's evaluation of feasibility. These land banks are part of Hong Lai Huat's long-term strategy to capitalize on Cambodia's strong economic growth and growing demand for quality real estate, ensuring that the Group remains at the forefront of the market.

Both of these land parcels are reserved for future development, with decisions on their utilization being based on market conditions, demand trends, and the Group's strategic goals. As always, Hong Lai Huat remains committed to pursuing high-impact, high-value developments that will continue to enhance its position as a leading real estate developer in both Cambodia and the broader Southeast Asian region.

# CORPORATE STRUCTURE





# CORPORATE INFORMATION

## DIRECTORS

**Dato Dr Ong Bee Huat, PBM**  
(Executive Director)

**Mr Ong Jia Ming**  
(Executive Director)

**Mr Ong Jia Jing**  
(Executive Director)

**Mr Ng Kian Guan**  
(Independent Director)

**Prof. Wong Wen-Young, Winston**  
(Non-Executive Director)

**Dr. Wong Jr. Winston**  
(Alternate Director to Prof. Wong Wen-Young, Winston)

**Mr Lien We King**  
(Independent Director)

**Dr. Lee Bee Wah**  
(Independent Director)

## SECRETARY

Ms Liew Meng Ling

## SHARE REGISTRAR & SHARE TRANSFER OFFICE

**B.A.C.S. Private Limited**  
77 Robinson Road  
#06-03  
Robinson 77  
Singapore 068896  
Did: (65) 6593-4825  
Main: (65) 6593-4848  
Fax: (65) 6593-4847

## REGISTERED OFFICE

10 Bukit Batok Crescent #13-05  
The Spire Building  
Singapore 658079

## BANKERS

CIMB Bank PLC  
CIMB Singapore  
RHB Bank Singapore  
United Overseas Bank  
J Trust Royal Bank  
Wing Bank PLC

## AUDITORS

**Baker Tilly TFW LLP**  
600 North Bridge Road  
#05-01 Parkview Square  
Singapore 188778

Engagement partner: Lim Kok Heng  
(since financial year ended 31 December 2020)



# REPORT ON CORPORATE GOVERNANCE

## COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE 2018

The Board of Directors (the “Board”) of Hong Lai Huat Group Limited (the “Company”, and together with its subsidiaries, collectively the “Group”) believes that good and well-defined corporate governance establishes and improves internal control, risk management and governance in our organisation and focuses on shareholder value and its creation. The Company has complied in all material respects with the principles and provisions in the Singapore Code of Corporate Governance 2018, last amended on 11 January 2023 (“2018 Code”). We provide a summary of our compliance with the express disclosure requirements in the 2018 Code on pages 29 to 31.

### Board Matters

#### The Board’s Conduct of Affairs

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

The Board aims to protect and enhance shareholders’ value and to ensure long-term success of the Group. In addition to its statutory duties, the Board focuses on:

- a. providing entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- b. establish a framework of prudent and effective controls which enables risk to be assessed and managed;
- c. review the Management performance; and
- d. set the Company’s values and standards and ensure that obligations to shareholders and other stakeholders are understood and met.

To fulfill its role, the Board would carry out the following activities regularly:

- a. reviewing and approving corporate strategies, financial plans including any investments and divestments;
- b. monitoring and reviewing the performance of the business and annual budgets;
- c. approving the release of the financial results and annual reports of the Group to shareholders;
- d. providing guidance in the overall management of the business and affairs of the Group;
- e. reviewing and approving the recommended remuneration framework and packages for the Board and key executives;
- f. ensuring the Group’s compliance to laws, regulations, policies, directives, guidelines and internal code of conduct; and
- g. approving the nominations to the Board of Directors by NC.

The Board has adopted a set of explicit guidelines on matters that require its approval. Matters of strategic importance that require Board approval include:

- The Group’s strategic plans
- The Group’s annual operating plan and budget
- Full-year and half-year financial results
- Dividend policy and payout

# REPORT ON CORPORATE GOVERNANCE

- Issue of shares
- Board succession plans
- Succession plans for Senior Management, including appointment of and compensation for Group CEO
- Underlying principles of long-term incentive schemes for employees
- Acquisitions and disposals of investments exceeding material limits
- Capital Expenditures exceeding certain material limits

## Board Meetings

The Board conducts regular scheduled meetings on a half-yearly basis to coincide with the announcements of the Group's half yearly results. Ad-hoc meetings may be convened to discuss and update on matters including the development of major investments, strategic plans, evaluating the adequacy of internal controls, risk management and brainstorm on strategic decisions and governance issues. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. Directors are also invited to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business operations.

The Company permits Directors to attend meetings by way of telephone or video conference under its Constitution. Directors who are unable to attend a Board meeting are provided with briefing materials and can discuss issues relating to the matters to be discussed at the Board meeting with Chairman or the Group CEO. The Board and Board committees may also make decisions by way of circulating resolutions.

All Board and Board Committee meetings are scheduled well in advance of each year in consultation with the Directors. The Non-Executive Directors and Independent Directors set aside time for discussion with the internal auditors and external auditors without the presence of Management at least once a year. Board meetings may include presentations by senior executives and/or external consultants. The Board meets at least 2 times a year and on an ad-hoc basis as warranted by particular circumstances.

The number of Directors and Board Committees meetings and the record of attendance of each Director during the financial year ended 31 December 2024 ("FY2024") are as follows:

Name	Board	Audit Committee	Nominating Committee	Remuneration Committee	Shareholders' Meeting
Number of meetings held	3	2	1	2	2
<b>Number of meetings attended:</b>					
Dato Dr Ong Bee Huat, PBM	3	2*	1	2*	2
Prof. Wong Wen-Young, Winston (or his alternate, Dr. Wong Jr. Winston)	3	2*	1*	2*	2
Mr. Ng Kian Guan***	1	1	–	1	1
Mr. Ong Jia Ming	3	2*	1*	2*	2
Mr. Lien We King	3	2	1	2	2
Mr. Ong Jia Jing	3	2*	1*	2*	2
Dr. Lee Bee Wah	3	2	1	2	2
Dr. Wang Kai Yuen**	2	1	1	1	1

\* Attended by invitation

\*\* Dr. Wang Kai Yuen retired on 30 April 2024

\*\*\* Mr Ng Kian Guan was appointed on 20 May 2024

# REPORT ON CORPORATE GOVERNANCE

## Access to Information

Management recognises that the provision of complete, adequate and timely information on an ongoing basis to the Board is essential for them to make informed decisions and discharge their duties and responsibilities. These information may also be in the form of briefings to the Directors or formal presentations made by the Executive Directors or Senior Management staff in attendance at Board meetings. From time to time, they are furnished with information concerning the Group to enable them to be informed of the development and performance of the Group's business operations. To allow Directors sufficient time to prepare for the meetings, board papers are provided in advance to the Directors to allow adequate time for their preparation for the meetings in order to focus on questions and issues which they may have at the meetings.

In addition, Board members have separate and independent access to the Company Secretary and Senior Management of the Company. The Company Secretary is present at formal meetings when required to answer any query from Directors and to ensure that meeting procedures are adhered to and that applicable rules and regulations are complied with. The Company Secretary assist the Chairman, the Chairman of each Board committee and Management in the development of the agendas for the various Board and Board committee meetings. The appointment and the removal of the Company Secretary is subject to the Board's approval.

Where decisions to be taken by the Board require independent professional advice in furtherance of their duties, the Company will appoint professional advisors with costs borne by the Company.

## Board Composition and Guidance

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

Currently, the Board comprises seven Directors – three Executive Directors, three Independent Non-executive Directors and one Non-executive Director. The Board is supported by various sub-committees, namely the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") (collectively "Board Committees"). Each Board Committee has its own specific Terms of Reference setting out the scope of its duties and responsibilities, rules and regulations, and procedures governing the manner in which it is to operate and how decisions are to be taken.

The Board comprises expertise and competencies from varied fields to complement and reinforce its effectiveness in both the aspect of leading and control as well as bringing valuable experience and advice to contribute to the Group's operations. The Board is of the opinion that, given the scope and nature of the Group's operations, the present size of the Board is appropriate for effective decision making. The profile of each of the Directors is disclosed in this Annual Report on pages 5 to 7.

Directors are required to act in good faith and in the interests of the Company. All new Directors appointed to the Board are briefed on the Group's business activities, its strategic direction and policies as well as their statutory and other duties and responsibilities as Directors.

A new director as well as existing directors will be briefed by the Chief Executive Officer ("CEO") from time to time on the development and performance of the Company. The Directors may participate in seminars and/or discussion groups to keep abreast of the latest development which are relevant to the Group. The Directors can sign up and attend appropriate courses, seminars and conferences as well as relevant subscriptions for journals, newsletters or online induction programmes. New Directors without listed company experience would attend programmes run by The Singapore Institute of Directors or other training institutions.



# REPORT ON CORPORATE GOVERNANCE

## Independence

The Board comprises three Independent Non-executive Directors. They are Mr Lien We King, Dr. Lee Bee Wah and Mr Ng Kian Guan. The Board, taking into account the views of the NC, assesses the independence of each Director in accordance with the guidance in the 2018 Code and the listing rules of the Exchange. A Director is considered independent if he 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 his independent business judgement in the best interests of the Company. Such relationships include (i) the employment of a Director by the Company, any of its related corporations for the current or any of the past three financial years (ii) a Director who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the Remuneration Committee (iii) a director who has been a director on the Board for an aggregate period of more than nine years (iv) a director, or a director whose immediate family member, in the current or immediate past financial year, provided to or received from the company any of its subsidiaries any significant payments or material services, other than compensation for board services (v) a director or a director whose immediate family member, in the current or immediate past financial year, is or was a substantial shareholder or a partner, or an executive officer of, or a director of, any organization which provided or received from the company or any of its subsidiaries any significant payments or material services (vi) a director who is or has been directly associated with a substantial shareholder of the company in the current or immediate past financial year.

Based on the declarations of independence provided by the Directors and taking into account of the guidance in the 2018 Code, the Board has determined that other than Dato Dr Ong Bee Huat, PBM, Mr Ong Jia Ming and Mr Ong Jia Jing who are the Executive Directors and Prof. Wong Wen-Young, Winston and his alternate director Dr. Wong Jr, Winston who are non-Executive non-Independent Directors, all other members of the Board are considered to be independent Directors.

## Diversity

The Company is committed to achieving board diversity and had in its Board Diversity Policy and practices to incorporate a balance of skill, knowledge, experience, background, gender and age in the review of Board composition. The objective of board diversity is to promote the inclusion of different perspectives, ideas and ensure that the Company could benefit from all available talent. The Board recognises that gender is an important aspect of diversity and strives to have a Board composition where each gender has a representation on the Board. The Board will endeavor to have female candidates included for consideration when appointing new members to the Board. The composition of the Board comprises of directors with age diversity ranging from 30s to 60s with core competencies in the area of finance, accounting, business acumen, management experience, relevant industry knowledge, technology expertise and familiarity with regulatory requirement and knowledge of risk management, audit and internal controls.

Under the Board Diversity Policy, the Board strives to have one member with relevant experience in the Group's businesses or markets; and one member with professional qualification in accounting, legal or other professional background or discipline as may be determined by the Board to be necessary and/or beneficial to the Group.

The current Board composition reflects the Company's commitment to Board diversity in terms of different professional experiences, skills, knowledge and gender and any further progress made towards the implementation of the policy will be disclosed in our Corporate Governance Report, as appropriate.

# REPORT ON CORPORATE GOVERNANCE

## DIVERSITY OF THE BOARD

	Number of Directors	Proportion of Board
<b>Core Competencies</b>		
Accounting, finance, legal	3	43%
Digital Transformation	2	29%
Relevant Industry knowledge or experience	3	43%
Experience in risk management, audit and internal controls	3	43%
<b>Gender</b>		
Male	6	86%
Female	1	14%

Accordingly, taking into consideration the nature and scope of the Group's operations, the NC and Board are of the view that the current size and composition of the Board and Board Committees are effective for decision making, while acknowledging that improvements to Board diversity practices are an on-going process and that skill-set and core competencies required of the Board may change over time as the business of the Group develops.

## Conflict of Interest

The Board puts in place a code of conduct and ethics throughout the organization to ensure proper accountability within the company. An appropriate tone-from-the-top and desired organization culture is practiced. Directors must avoid situations in which their own personal or business interests directly or indirectly conflict or potentially conflict with the interests of the Group. Where a Director has a conflict or potential conflict of interest in relation to any matter, he/she will immediately declare his/her interests immediately by sending a written notice setting out the details of the interest and conflict to the Secretary and/or the Chairman and the notice will be declared at the meeting of the Directors. The director will recuse himself/herself from any discussions on the matter and abstain from participating in any Board decision.

## Chairman and Chief Executive Officer

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

The clear division of responsibilities between the Chairman and the Chief Executive Officer ensures a proper balance of power and authority of the Group. Dr. Wang Kai Yuen was the Independent Non-Executive Chairman of the Company until his retirement on 30 April 2024. The Company does not currently have a Chairman to permanently carry out the role of the Chairman. Mr Lien We King was appointed the Lead Independent Director to our Board and as the Lead Independent Director, he is the contact person for shareholders in situations where there are concerns or issues in which communications with the Chairman and the Management had failed to resolve or where such communication is inappropriate. The Directors appointed Mr Lien We King to be the Chairman of board meetings and general meetings in the absence of a permanent Chairman.

To ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making, the roles of Chairman and CEO are separated. The CEO bears executive responsibility for implementing the Board's decision and policies. In addition, the CEO also supervises and directs the Company's business.

# REPORT ON CORPORATE GOVERNANCE

The Chairman is responsible for, among other statutory duties,

- a. setting agenda and directing meetings of the Board;
- b. ensuring that the performance of the Board is evaluated regularly, and guides the development needs of the Board;
- c. ascertaining that Board papers or information that were prepared by the Management or Executive Directors to the Board Members are adequate for their review and objective judgment;
- d. reviewing all announcements prior to its release via SGXNet;
- e. exercising control over the quality, quantity and timeliness of the flow of information between the Management and the Board as well as between the Company and shareholders;
- f. assisting in ensuring compliance with the guidelines on corporate governance; and
- g. fostering constructive dialogue between shareholders, the Board and Management at AGM and other shareholders meetings.

The CEO of the Company is Dato Dr Ong Bee Huat, PBM. He is the founder of the Company. He is responsible for making strategic plans and setting business objectives for the Company, ensuring the profitability of such plans, and focuses on generating revenues and maintaining profitability of the Company.

## **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.**

The Board has established a Nominating Committee to make recommendations to the Board for a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of Board.

The NC comprises three Independent Directors and one Executive Director of the Company, Mr Lien We King as the Chairman, Mr Ng Kian Guan, Dr. Lee Bee Wah and Dato Dr Ong Bee Huat, PBM as members.

The responsibilities of the NC are:

- a. to determine the criteria and review all nominations for the appointment or re-appointment of members of the Board of Directors; the CEO of the Company; members of the various Board committees, for the purpose of proposing such nominations to the Board for its approval;
- b. to determine annually the independence of the Independent Directors;
- c. to decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval;
- d. to decide whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company particularly when the Director has multiple Board representations;
- e. to assess the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness to the Board; and
- f. to review training and professional development programs for the Board.

# REPORT ON CORPORATE GOVERNANCE

The procedures and criteria to select a Director are as follows:

- a. the NC evaluates the balance of skills, knowledge and experience on the Board and, in the light of such evaluation and in consultation with the Management, prepares a description of the roles, essential and desirable competencies for a particular appointment;
- b. the NC identifies the need for a new Director taking into consideration the appropriate number of Directors to allow for effective decision-making;
- c. the NC identifies potential candidates who may fill the role, taking into considerations factors such as:
  - complementary to the existing Board composition to ensure that there is an appropriate mix of Directors with different abilities and experiences;
  - value-add to the Board in terms of the skills, knowledge and expertise required by the Group; and
  - ability to commit the necessary time to their position.
- d. the NC conducts formal interview of short listed candidates to assess suitability and to ensure that the candidates are aware of the expectations and the level of commitment required;
- e. the NC makes recommendations to the Board for approval; and
- f. the NC approves the appointment and ensures that the announcement is made accordingly.

The NC is also charged with the responsibility of re-nomination, having regard to the Directors' contribution and performance (such as attendance, preparedness, participation and candor), with reference to the results of the assessment of the performance of the individual Director by his peers for the previous financial year.

The Company's Constitution provides that one-third of the Board of Directors is to retire from office by rotation and be subject to re-election at the Company's Annual General Meeting ("AGM"). It also provides that a newly appointed Director must retire and submit himself for re-election at the forthcoming AGM following his appointment. The NC has reviewed the multiple directorships disclosed by each director of the Company and was of the view that for the role expected of each Director, the existing various directorships of the respective Director has not impinged on his ability to discharge his duties.

## Process for Selection and Appointment of New Directors

The NC conducts annual review of the composition of the Board in terms of the size and mix of skills and qualifications of Board members. It may, if it deems appropriate, recommend the appointment of additional directors to strengthen the composition of the Board or as part of ongoing Board renewal process. The NC will review and identify the desired competencies for a new appointment.

Where there is a resignation or retirement of an existing director, the Nominating Committee re-evaluates the Board composition to assess the competencies for the replacement and submits its recommendations to the Board for approval.

A set of criteria has to be determined by the NC to assess all new appointments and the following are some of the criteria generally used:

- (a) knowledge and expertise;
- (b) integrity;
- (c) independent mindset;
- (d) ability to commit time and effort to carry out duties and responsibilities effectively; and
- (e) past achievements and value-add to the company.



# REPORT ON CORPORATE GOVERNANCE

## Search

Candidates are first sourced through a network of contacts and identified based on the established criteria. Recommendations from directors and management are the usual source for potential candidates. Where applicable, search through external search consultants can be considered.

## Selection

The NC will shortlist candidates and conducts formal interviews with each of them to assess their suitability and to verify that the candidates are aware of the expectations and the level of commitment required. Finally, the NC will make recommendations on the appointment(s) to the Board for approval.

## Board Performance

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

The NC undertakes a review process to assess the performance and effectiveness of the Board as a whole, Board Committees and the contribution by individual Directors to the Board. On an annual basis, the Company Secretary assists the NC in the evaluation process, questionnaires were sent by the Company Secretary to the Directors for evaluation of the Board and its Board Committees. All Directors are required to complete evaluation questionnaires on matters such as Board composition, Board processes, Board effectiveness and training, standards of conduct and managing company performance. The findings from this evaluation are presented to the NC and Board for discussion to facilitate improvements to the Board's practices.

Questionnaires are also sent to individual Directors for their self-assessment and factors considered in their assessment include their attendance record, intensity of participation, maintenance of independence, quality of interventions and articulation of thoughts and compliance with corporate governance. In the process, NC will assess the performance of individual directors in their respective roles such as Chairman, CEO, Executive Director, Non-Executive Director and Independent Non-Executive Director.

NC ensures that directors are able to and are adequately carrying out their duties. Where Directors hold other Board directorships and commitments, NC performs a qualitative assessment of the Directors' effective contribution. NC is satisfied that these Directors have allocated sufficient time and resources to the affairs of the Company and are able to and have adequately carried out their duties as Directors of the Company. Currently, the Board has not determined the maximum number of listed Board representations which any Director may hold. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deemed fits. Based on the overall assessment for FY2024, the Board was effective as a whole.

Key information on the Directors including directorships and chairmanships in other listed companies, other major appointments, academic/professional qualifications, membership/chairmanship in the Company's Board Committees, date of first appointment and last re-election, is set out in Table A of page 28 of the Annual Report.

## Remuneration Matters

### Procedures for Developing Remuneration Policies

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

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors and Senior Management.

# REPORT ON CORPORATE GOVERNANCE

The functions of RC include as follows:

- (i) to review periodically and recommend to the Board for endorsement a framework of remuneration policies to attract, retain and motivate Senior Management of the required competency to manage the Group to achieve better performance of the Group;
- (ii) to review and recommend the specific remuneration package for each director and Senior Management including Directors' fees, salaries, allowances, variable bonuses, annual wage supplement, share based incentives and awards, benefits-in-kind and termination payments;
- (iii) to administer long term performance incentive schemes;
- (iv) to perform annual review of the remuneration of employees related to Directors or are employed in managerial positions to ensure that their remuneration packages are in line with our staff remuneration and level of responsibilities; and
- (v) to review the renewal of service agreements of executive Directors and Senior Management to ensure that all aspects of remuneration including termination terms, compensation commitments and notice periods for termination are fair and reasonable.

The RC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management. Amongst other things, this helps the Company to stay competitive in its remuneration packages. For FY2024, the RC did not require the service of any external consultants.

The RC comprises three Independent Directors, Dr. Lee Bee Wah as the Chairman, Mr Ng Kian Guan and Mr Lien We King as members.

No director participates in the deliberation of his/her own remuneration packages and shall abstain on voting on any resolutions pertaining to their remuneration.

## **Level and Mix of Remuneration Principle**

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

The RC administers the performance related compensation of the Senior Management and Executive Directors. An appropriate proportion of the Executive Directors and Senior Management's remuneration is structured so that their rewards are linked to performance of the Group and individual key performance. The incentive schemes are designed to align the interests of CEO, Senior Management and employees with the interests of shareholders to promote long-term success of the Company. Employees are given the opportunity to participate in the equity of the Company when they have contributed significantly to the growth and performance of the Company.

The RC is responsible for the administration of the Company's HLH Employee Share Option Scheme 2017 and HLH Performance Share Plan 2017 ("Incentive Schemes"), both of which were approved at an Extraordinary General Meeting on 28 April 2017. RC will determine and approve the allocation of the share options and awards, the date of grant and the price. There were no share options under the Employee Share Option Scheme 2017 during FY2024. No share awards were issued under the Performance Share Plan 2017 during FY2024.

Executive Directors do not receive director's fees and is paid a basic salary and a variable component which is the annual bonus, based on performance of the Group as a whole and their individual performance. Executive Directors are eligible to participate in the Incentive Schemes. There are no termination, retirement and post-employment benefits granted under the contracts of service of the Executive Directors and Senior Management employees. Adjustments to the remuneration package of an Executive Director are subject to review and approval by the RC and the Board. The Company does not have any contractual provisions in the employment contracts for the Company to reclaim incentive components of remuneration from executive directors and Senior Management. The RC viewed that Board incentive rewards are based on achievement of certain specific performance conditions and may not be appropriate to include the "claw-back" provisions in the service agreements.

# REPORT ON CORPORATE GOVERNANCE

The Non-Executive Directors have no service contracts and are paid Directors' fees, the amount of which is dependent on their level of contribution, taking into account factors such as effort, time spent and responsibilities. Non-Executive directors do not participate in the Company's Incentive Schemes. The Chairman of each Board committee is paid a higher fee compared with members of the committee in view of greater responsibility carried by that office. The amount of Directors' fees payable to Non-Executive Directors is contingent upon shareholders' approval at the Company's annual general meeting.

The framework of Directors' fee is as follows:

Basic Directors' Fee	
AC Chairman	\$10,000
AC member	\$5,000
NC or RC Chairman	\$4,000
NC or RC member	\$2,000

## Disclosure of 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.**

The breakdown of the total remuneration of the directors (including the CEO) for the year ended 31 December 2024 including the breakdown in percentage of the remuneration is set out in the following table:

Name of Directors	Share-Based Remuneration	Salary	Bonus	Other Benefits	Board and Committee Fee	Total \$
Dr. Wang Kai Yuen*	–	–	–	–	100%	16,438
Dato Dr Ong Bee Huat, PBM	–	62%	–	38%	–	1,100,397
Mr. Ong Jia Ming	–	90%	10%	–	–	165,177
Mr. Ong Jia Jing	–	90%	10%	–	–	165,177
Prof. Wong Wen-Young, Winston	–	–	–	–	100%	12,000
Mr. Lien We King	–	–	–	–	100%	23,000
Dr. Lee Bee Wah	–	–	–	–	100%	50,000
Mr. Ng Kian Guan**	–	–	–	–	100%	24,041

\* Dr. Wang Kai Yuen retired as Independent Director on 30 April 2024.

\*\* Mr Ng Kian Guan was appointed as Independent Director on 20 May 2024.

# REPORT ON CORPORATE GOVERNANCE

The Directors' fees for the financial year 2023 amounted to \$130,640 were paid in the financial year 2024 after approval by the members at the AGM held on 30 April 2024.

The remuneration of the top five Senior Management executives (who are not Directors or the CEO) in the bands of \$250,000 with a breakdown of the key components are shown in the table below:

Key Executive	Salary	Bonus	Other Benefits	Total
<b>Below \$250,000</b>				
Mr. Neo Chee Siong	92%	8%	–	100%
Mr. Leong Kok Shin	93%	7%	–	100%
Mr. Tan San Hoe	95%	–	5%	100%
Mr. Ng Seng Hay	95%	5%	–	100%
Mr. Ong Bee Wah	91%	9%	–	100%

For FY2024, the aggregate total remuneration paid to the key Management personnel (who are not Directors or the CEO) amounted to \$294,482.

The remuneration of employees who are immediate family members of directors, the CEO or a substantial shareholder of the Company and whose remuneration exceeds \$100,000 during the year is shown in the table below:

Employees and relationship with Director	Remuneration Band	Salary	Bonus	Other Benefits	Total
Mr. Ong Jia Ming Son of Dato Dr Ong Bee Huat, PBM	\$100,000 to \$199,999	90%	10%	–	100%
Mr. Ong Jia Jing Son of Dato Dr Ong Bee Huat, PBM	\$100,000 to \$199,999	90%	10%	–	100%

## Accountability and Audit

### Risk Management And Internal Controls

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

The Board is responsible for overseeing risk management and that a sound system of internal controls is in place to safeguard the shareholders' investments and the Company's asset. The Company's internal controls and risk management systems provide reasonable assurance against foreseeable events that may adversely affect the Company's business objectives. However, the Board acknowledges that no internal controls and risk management systems can preclude the occurrence of material misstatements, poor judgement in decision-making, human error, losses, frauds and irregularities. The Company recognises the importance of balancing risks and returns to achieve the optimal level of risk that it can tolerate to prevent any impediment on its business opportunities and strategic priorities. The Company has not put in place a Risk Management Committee. However, the AC conducts regular reviews of the Company's business and operational activities to identify and deliberate on the areas of significant business risks and control measures to constantly improve the processes and standards. The process used by the AC to monitor includes discussions with management on the identified risk areas, review of internal and external audit plans and processes and review significant issues arising from the audits.



# REPORT ON CORPORATE GOVERNANCE

The Company adopts a risk-based approach in formulating the annual audit plan and the plan is reviewed and approved by AC. AC on behalf of the Board performs their review with the internal auditors the Enterprise Risk Management Framework aimed at identifying, filtering, assessing and compiling the enterprise strategies and key risks as well as assessing the general control environment of the Group. From this exercise, the internal audit plan is developed and suitable audit resources are being allocated in priority of risk ranking with a view to achieving an optimal balance between risks and returns. The internal auditors report to AC their evaluation on the organization's internal control systems in the identified risks areas. In their evaluation, the internal auditors will (a) walk through the business process with the process owners to understand the process and identify key internal controls through various methods and perform verifications to supporting source documentation (b) perform a system of controls evaluation on identified high-risk areas within the business processes and (c) review the overall control environment for implementation lapses. Any material non-compliance and internal control weaknesses noted during the internal audit and the recommendations to improve the areas of weakness are reported to the AC as part of the review of the internal control system.

Whilst internal auditors provide assurance that controls over the key risks of the Group are adequate and effective, the external auditors are engaged to provide assurance on the true and fair presentation of the Group's financial statements.

Management is tasked to take appropriate measures to control and mitigate areas of risks and document such measures in the Company's risk management policies. During the year, the AC has reviewed the Company's system of internal controls, including financial, operational, compliance and information technology controls, risk management policies and systems established by the Management.

The Management has put in place reasonably adequate internal control systems to provide the Board with reasonable assurance against material misstatement or loss. The Management provides the Board with detailed reports on the Group's financial performance and related matters on a regular basis. Procedures are in place to ensure that financial information relating to the Group's operations are not false or misleading in order to increase the assurance level of the AC in its review of the half-yearly financial information.

The Board has received assurance from:

- a. the CEO and Group Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- b. the CEO, Group Financial Controller and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control system.

In addition, the Board has also relied to a certain extent, the review by the external auditors of the effectiveness of the Company's material internal controls that affect accounting functions, to the extent of their scope as laid out in their plan. The auditors' recommendations on material non-compliance and internal accounting control weakness, if any noted during their audit are reported to the AC.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors and review performed by Management as well as the assurances received by the CEO and Group Financial Controller in the abovementioned, the Board, with the concurrence of the AC, is of the opinion that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective during the year as at 31 December 2024.

The Board and Senior Management officers of the Group also signed a letter of undertaking pursuant to Rule 720(1) of the Exchange's listing rules.

# REPORT ON CORPORATE GOVERNANCE

## Whistleblowing Policy

Management has also implemented the Whistleblowing policy (“Policy”) setting out the procedures which provides for the well-defined mechanism and accessible channel by which employees, vendors, service providers, customers and other stakeholders may in confidence, raise concerns on possible improprieties, misconduct, irregularities or malpractices relating to the Company and its officers without fear of harassment or victimization. The policy is communicated to all employees and all relevant stakeholders at the outset. While the Policy allows anyone to report possible improprieties, it excludes employee grievances or disagreements which are handled by the Company’s Human Resource Division.

The Policy establishes a confidential line of communication to report concerns about possible improprieties to the receiving officer who will first investigate a complain, handle and escalate the reportable concerns. He ensures that there is independent investigation and follow-up, on reports made in good faith. The designated receiving officer is the CEO and the contact details for the channel to reach him is published in the Policy. The Policy also sets out how the complaints are handled and the appropriate disciplinary action to be taken when the alleged violations are substantiated after independent investigation is concluded.

The Company will treat all information received confidentially and protect the identity of all whistleblowers. Non-anonymous whistleblowers will be informed that action has been taken at the conclusion of the investigation without divulging confidential information.

The Policy prohibits unfair treatment or detrimental treatment of any kind against a whistleblower who submits a complaint in good faith. In this instance, the Policy provides that a whistleblower should immediately report those facts to the CEO to facilitate the investigation for appropriate action to be taken.

AC is responsible for the overall oversight and monitoring of the whistleblowing policy and its implementation. Any incidents of complaint in good faith would be submitted for AC’s review and the outcome of each investigation is reported to AC. Whistleblowing is on the agenda at every half yearly AC meeting and AC will review and ensure that independent, thorough investigation and appropriate follow-up actions are taken and documented on reported incidences.

## Audit Committee

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

The AC comprises three Independent Non-executive Directors of the Company, Mr Ng Kian Guan as the Chairman, and Dr. Lee Bee Wah and Mr. Lien We King who have invaluable professional expertise and managerial experience as members. The AC has a member, Mr Ng Kian Guan (being AC Chairman) who has recent and relevant accounting or related financial management expertise or experience. None of the AC members were former partners or directors of the Company’s existing auditing firm or auditing corporation 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 audited corporation and none of the AC members hold any financial interests in the auditing firm or auditing corporation.

The AC meets at least two times a year and as warranted by circumstances, to perform the following functions:

- a. reviews the audit plan of the Group’s internal and external auditors;
- b. reviews with the internal and external auditors on their findings, if any, on the Company’s system of internal accounting controls;
- c. reviews with the internal and external auditors on the scope and results of the audit as well as its cost effectiveness;
- d. reviews the co-operation given by the Group’s officers to the internal and external auditors;
- e. reviews with the internal and external auditors on any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the Company or the Group’s results or financial position;
- f. reviews the half and full-year financial results announcements and annual financial statements of the Group and the external auditors’ report thereon before their submission to the Board for adoption;

# REPORT ON CORPORATE GOVERNANCE

- g. monitors the extent of the Group's compliance with the Exchange's listing rules;
- h. nominates internal and external auditors for re-appointment and reviews their independence;
- i. makes recommendations to the Board on the remuneration and terms of engagement of the internal and external auditors;
- j. reviews interested person transactions;
- k. reviews the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements and any announcements relating to the Company's financial performance;
- l. reviews the adequacy and effectiveness of the internal controls and risk management systems;
- m. reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and
- n. in accordance with Rule 711B of the SGX-ST Listing Manual, an external consultant was appointed to conduct a review of the sustainability reporting process for identified key material topics in the FY2024 Sustainability Report. AC reviewed all significant audit findings reported, recommendations made and Management's response thereto. Internal Audit will follow up on all recommendations in a timely manner and will report the results to AC.

The AC reviewed and discussed the key audit matters ("KAMs") for FY2024 with Management and the external auditors. In assessing the KAMs, the AC took into consideration the approach, accounting treatment, methodology and key assumptions applied.

The AC has full access to the Company's internal auditor and Management and has full discretion to invite any director or executives to attend its meetings and investigate any matter within its terms of reference, in performing its functions, the AC also reviews the assistance given by the Company's executives to the auditors as well as the independence, adequacy of the internal audit function, its effectiveness and its resources. The AC concurred with the basis and conclusions included in the FY2024 Independent Auditors' Report with respect to the KAMs. The KAMs are set out on page 39 to 42 in the FY2024 Independent Auditors' Report.

## Internal Audit

The Company has outsourced its internal audit function to external audit professionals, Crowe Governance Sdn Bhd. The internal audit functions were carried out in accordance with International Professional Practices Framework issued by The Institute of Internal Auditors Malaysia. Crowe Governance Sdn Bhd is a corporate member of the Institute of Internal Auditors Malaysia and a member firm of Crowe Global, a top 10 global accounting network with member firms in 130 countries. It has significant experience in providing risk consulting services, including internal audit.

The internal audit engagement partner is a chartered member of Malaysian Institute of Internal Auditors and has 28 years of experience in performing internal audits for listed companies in Malaysia and Singapore. The primary reporting line of the internal audit function is to the AC. The internal auditors have unfettered access to all the Company's documents, record, properties and personnel, including the Chairman of the Board, AC, and have appropriate standing within the Company.

## External Auditors

The AC oversees the Company's relationship with its external auditor. It reviews the selection of the external auditor and recommends to the Board the appointment, re-appointment and removal of the external auditor, as well as the remuneration and terms of engagement of the external auditors. The annual re-appointment of the external auditor is subject to shareholders' approval at the Annual General Meeting.

# REPORT ON CORPORATE GOVERNANCE

AC confirms that the Company complied with Rules 712 and 715 of the Listing Manual in relation to its appointment of Baker Tilly TFW LLP (“BT”) as the external auditors of the Company which is registered with the Accounting and Corporate Regulatory Authority. BT are the external auditors of the Company and of its Singapore subsidiaries. The independent overseas member firms of Baker Tilly International, performs the audit of the overseas subsidiaries and PricewaterhouseCoopers (Cambodia) Ltd performs the audit of the joint venture. For FY2024, the external auditors’ remuneration in respect of audit services provided to the Group amounted to \$176,000. There were no non-audit services provided to the Group during the year.

In recommending the re-appointment of auditors, AC takes into consideration various factors including the adequacy of resources, the experience of the auditing firm and the audit engagement partner, the firm’s other audit engagements and the number and experience of supervisory and professional staff to be assigned to the audit, the size and complexity of the Group and its businesses and operations. AC also takes into consideration of its ongoing corporate governance initiatives as well as the management of the Company’s overall business costs and expenses to meet the challenges of business climates.

## Shareholder Rights and Engagement

### Shareholder Rights and Conduct of General Meeting

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

The Company is committed to treat all shareholders fairly and equitably. All shareholders are provided with rights to attend shareholders’ meetings in the Constitution, relevant laws and regulations. Notice of general meeting is dispatched to shareholders together with explanatory notes or circular on items where necessary. The Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet. The Group’s website at [www.honglaihuatgroup.com](http://www.honglaihuatgroup.com) provides information of our products and services, corporate profile and latest information as well as an enquiry section to respond to comments, feedbacks or enquiries.

The Board welcomes questions from shareholders at general meetings and views AGM as the principal forum for dialogue with shareholders. Shareholders are accorded with the opportunity to raise issues, communicate their views and direct their questions to Directors and Management at the general meeting. All directors and Chairpersons of Board Committees are present at AGM and other general meetings of shareholders to assist the Board in addressing shareholders’ questions. Directors’ attendance at shareholders at general meetings held during the financial year are disclosed on page 13 of the Annual Report.

At every AGM, shareholders have the opportunity to participate effectively and to vote in the AGM either in person or by proxy. Shareholders are also informed of the rules, including the voting procedures that govern general meetings. In accordance with rule 730A(2) of the Exchange’s Listing Rules and to have greater transparency in the voting process, the Company has conducted the voting of all its resolutions by poll at all of its general meetings. Results and the detailed voting results of each resolutions tabled are announced via SGXNet on the same day after the meeting. Upon the close of voting of a resolution, the poll results including the number and percentage of votes are immediately presented to the shareholders prior to the declaration of the result by the Chairman of the meeting.

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are bundled to form one significant proposal, the Company will explain the reasons and the material implications in the notice of meeting. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions passed.

While there is no limit imposed on the number of proxy votes for nominee companies, the Company’s Constitution allows each shareholder to appoint up to two proxies to attend AGMs and any other general meeting. The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax as issues concerning authentication, security, privacy and integrity have to be satisfactorily dealt with and resolved.

The Company Secretary prepares minutes of shareholders’ meetings, which incorporate substantial comments or queries from shareholders and responses from the Board and the Management. The Company updates the corporate website with the minutes of shareholders’ meeting.

# REPORT ON CORPORATE GOVERNANCE

The Company does not have a formal dividend policy but the Board seeks to balance dividend return to shareholders with the need for long-term sustainable growth and the requirements for short term cash and capital expenditure requirements in proposing a dividend. No dividend has been declared or recommended for the financial year ended 31 December 2024 as the Board of Directors deemed it necessary to preserve cash for working capital.

## **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.**

Shareholders are encouraged to attend the Company's general meetings and sufficient time is given for them to ask questions, to provide their views. Directors and Senior Management hold dialogues with shareholders after the businesses of the general meetings are concluded where views from shareholders would be solicited.

The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price. Information is disseminated to shareholders on a timely basis through SGXNet announcements, Annual Reports and shareholders circulars, news releases on major developments of the Group, Notices and explanatory notes for AGM and other general meetings, as well as the Company's website. Shareholders could contact the Company's investor relations officers directly with questions and the Company may respond to such questions through such officers. The investors relation contact details are published on the Company's website [www.honglaihuatgroup.com/contact-general/](http://www.honglaihuatgroup.com/contact-general/).

In accordance with the Exchange's Listing Rules, the Company does not practice selective disclosure and price-sensitive information is publicly released on an immediate basis where required.

## **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.**

The Company's material stakeholders are its shareholders, customers, employees, regulator and suppliers and engagement with them are set out in its Sustainability Reports.

Stakeholders can access information of the Company through the corporate website which provides corporate announcements, press releases and profiles of Company.

## **Dealing in Securities**

The Group has in place an internal code of conduct which prohibits the Directors, key executives of the Group and their connected persons from dealing in the Company's shares during the "closed window" period – being one month prior to the announcement of the Group's half yearly and full year financial results and ending on the date of the announcement of the results, or if they are in possession of unpublished price-sensitive information of the Group. In addition, Directors, key executives and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's shares on short-term considerations. Circulars are issued to all Directors and employees of the Company to remind them of, inter alia, laws of insider trading and the importance of not dealing in the shares of the Company on short-term consideration and during prohibitive periods.

## **Material Contracts**

There were no material contracts entered into by the Company or any of its subsidiaries as at the end of the financial year involving the interests of any Directors and controlling shareholder in the year under review.



# REPORT ON CORPORATE GOVERNANCE

## Interested Person Transactions

The Company has established procedures to ensure that all interested persons are reported in a timely manner to the AC and that the transactions, if any are conducted at arm's length and not prejudicial to the interest of the shareholders.

There are no interested person transactions between the Company or its subsidiaries and any of its interested persons during the financial year under review.

## TABLE A OF THE CORPORATE GOVERNANCE REPORT

### Date of Director's initial appointment, last re-election and their present and past directorships

Name of Directors	Age	Date of initial appointment	Date of last election	Present directorships in listed companies	Past (preceding 3 years directorships in listed companies)
Dato Dr Ong Bee Huat, PBM	55	25.06.2007	29.04.2022	Hong Lai Huat Group Limited	N.A.
Prof. Wong Wen- Young, Winston	74	27.02.2007	28.04.2023	Hong Lai Huat Group Limited	N.A.
Dr. Lee Bee Wah	64	29.04.2023	30.04.2024	1) Hong Lai Huat Group Limited 2) MPY Limited 3) Koh Brothers Group Limited 4) Heeton Holdings Limited	Amcorp Global Limited
Mr Ong Jia Ming	32	25.10.2016	29.04.2022	Hong Lai Huat Group Limited	N.A.
Mr Ong Jia Jing	30	01.09.2020	28.04.2023	Hong Lai Huat Group Limited	N.A.
Mr Lien We King	50	01.03.2019	30.04.2024	Hong Lai Huat Group Limited	N.A.
Mr Ng Kian Guan	68	20.05.2024	–	1) Hong Lai Huat Group Limited 2) International Cement Group Limited	N.A.

# REPORT ON CORPORATE GOVERNANCE

## SUMMARY DISCLOSURE ON THE CORPORATE GOVERNANCE REPORT FOR FY2024

Provisions	Compliance	Page Reference in Annual Report 2024	Remarks
<b>Provision 1.2</b> The induction, training and development provided to new and existing directors are disclosed in the Company's annual report.	Yes	Page 14	–
<b>Provision 1.3</b> Matters requiring board approval are disclosed in the Company's annual report.	Yes	Pages 12 to 13	–
<b>Provision 1.4</b> 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.	Yes	Pages 16 to 18 Pages 19 to 20 Pages 24 to 25	–
<b>Provision 1.5</b> The number of Board and board committee meetings and each individual director's attendances at such meetings are disclosed in the Company's annual report.	Yes	Page 13	–
<b>Provision 2.4</b> The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the Company's annual report.	Yes	Pages 15 to 16	–
<b>Provision 4.3</b> 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.	Yes	Pages 18 to 19	–
<b>Provision 4.4</b> If the Board, having taken into account the views of the NC, determine that certain directors are independent notwithstanding the existence of a relationship which may affect his or her independence, the Company discloses the relationships and its reasons in its annual report.	Not applicable	Not applicable	None of the NEIDs has such a relationship. A negative statement is disclosed.

# REPORT ON CORPORATE GOVERNANCE

Provisions	Compliance	Page Reference in Annual Report 2024	Remarks
<b>Provision 4.5</b> The Company discloses in its annual report the listed company directorships and principal commitments <sup>(1)</sup> 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.	Yes	Page 28	Refer to Table A
<b>Provision 5.2</b> 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.	Yes	Page 19	–
<b>Provision 6.4</b> The Company discloses the engagement of any remuneration consultants and their independence in the Company's annual report.	Yes	Page 20	–
<b>Provision 8.1</b> The Company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:  (a) each individual director and the CEO; and  (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than \$250,000 and in aggregate the total remuneration paid to these key management personnel.	Yes	Pages 21 to 22	–
<b>Provision 8.2</b> The Company discloses the names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds \$100,000 during the year, in bands no wider than \$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	Yes	Page 22	–

<sup>1</sup> The term "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the board of non-active relation corporations, those appointments should not normally be considered principal commitments.

# REPORT ON CORPORATE GOVERNANCE

Provisions	Compliance	Page Reference in Annual Report 2024	Remarks
<b>Provision 8.3</b> The Company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries and key management personnel of the Company. It also discloses details of employee share schemes.	Yes	Page 23	–
<b>Provision 9.2</b> The Board requires and discloses in the Company's annual report that it has received assurance from:  (a) the CEO and the Group Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and  (b) 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.	Yes	Page 23	–
<b>Provision 11.3</b> Directors' attendance at general meetings of shareholders held during the financial year is disclosed in the Company's annual report.	Yes	Page 13	–
<b>Provision 12.1</b> The Company discloses in its annual report the steps taken to solicit and understand the views of shareholders.	Yes	Pages 26 to 27	–
<b>Provision 13.2</b> 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.	Yes	Page 27	–

# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

(PURSUANT TO RULE 720(6) AND APPENDIX 7.4.1 OF THE SGX-ST LISTING)

Name of Directors	Dato Dr Ong Bee Huat, PBM	Ng Kian Guan
Date of Appointment	25 June 2007	20 May 2024
Date of last re-election	29 April 2022	–
Age	55	68
Country of principal residence	Singapore	Singapore
The Board's comments on the Nominating Committee's ("NC's") recommendation for re-election	Having considered NC's assessment of the performance and contributions of Dato Dr Ong Bee Huat, PBM as an Executive Director and Chief Executive Officer, the Board agreed with the NC's recommendation. Dato Ong continues to bring invaluable experience and insights to the Board with his extensive experience in the business of the Group.	Having considered NC's assessment of the performance and contributions of Mr Ng Kian Guan as an Independent Non-Executive Director, the Board agreed with NC's recommendation.
Whether appointment is executive, and if so, the area of responsibility	Executive.	Non-Executive Director.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director.	Independent Director, Chairman of AC, NC Member and RC Member
Professional qualifications	Doctor of Business Administration from Wisconsin International University of the United States	<ol style="list-style-type: none"> <li>1. Bachelor of Business Administration – National University of Singapore</li> <li>2. Diploma of Investment Analysis – Singapore Securities Research Institute</li> <li>3. Advanced Bank Management Program – Asian Institute of Management</li> <li>4. Asian Banking Management Program – Insead Euro-Asia Centre</li> <li>5. Certificate in Real Estate Agency – Singapore Institute of Surveyor and Valuers</li> <li>6. Pacific Rim Bankers Program – University of Washington</li> <li>7. Advanced Management Program, 55th AMP – University of Pennsylvania, The Wharton Business School</li> <li>8. Executive Diploma in Directorship – SMU and SID</li> </ol>



# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

(PURSUANT TO RULE 720(6) AND APPENDIX 7.4.1 OF THE SGX-ST LISTING)

Name of Directors	Dato Dr Ong Bee Huat, PBM	Ng Kian Guan
Working experience and occupation(s) during the past 10 years	Executive Deputy Chairman and CEO of Hong Lai Huat Group Limited	1. October 2021 to September 2022 – Senior Banker, Shanghai Pudong Development Bank, Singapore Branch 2. August 2014 to June 2021 – Deputy CEO, Maybank Singapore 3. September 2011 to December 2018 – Head, Corporate Office, Maybank Singapore
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest 41.29% Deemed Interest 2.01% TOTAL 43.30%	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	Ong Bee Wah (Agriculture Director, Brother of Dato Dr Ong Bee Huat, PBM) Ong Jia Ming (Executive Director, Son of Dato Dr Ong Bee Huat, PBM) Ong Jia Jing (Executive Director, Son of Dato Dr Ong Bee Huat, PBM)	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships	<u>Past (for the last 5 years)</u> HLH Agri R&D Pte. Ltd. HLH Agriculture Cambodia Co., Ltd.  <u>Present</u> Hong Lai Huat Group Limited HLH Development Pte. Ltd. HLH Agri International Pte. Ltd. HLH Global Trading Pte. Ltd. Hong Lai Huat International Pte. Ltd. DSView Company Limited Jewel A Development Co., Ltd. Royal Hong Lai Huat One Company Limited	<u>Past (for the last 5 years)</u> Maybank Nominees Pte. Ltd.  <u>Present</u> Hong Lai Huat Group Limited International Cement Group Ltd. China Vered Financial Holding Corporation Limited Beary Employment Services Private Limited

# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

(PURSUANT TO RULE 720(6) AND APPENDIX 7.4.1 OF THE SGX-ST LISTING)

The general statutory disclosures of the Directors are as follows:

Question	Dato Dr Ong Bee Huat, PBM	Ng Kian Guan
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

(PURSUANT TO RULE 720(6) AND APPENDIX 7.4.1 OF THE SGX-ST LISTING)

Question	Dato Dr Ong Bee Huat, PBM	Ng Kian Guan
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

# SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

(PURSUANT TO RULE 720(6) AND APPENDIX 7.4.1 OF THE SGX-ST LISTING)

Question	Dato Dr Ong Bee Huat, PBM	Ng Kian Guan
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	No

# DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of Hong Lai Huat Group Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2024.

In the opinion of the directors:

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 43 to 96 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"); and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

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

Dato Dr. Ong Bee Huat, PBM	(Executive Director)
Prof. Wong Wen-Young, Winston	(Non-executive Director)
Mr. Ng Kian Guan	(Independent Director) (Appointed on 20 May 2024)
Dr. Lee Bee Wah	(Independent Director)
Mr. Ong Jia Ming	(Executive Director)
Mr. Lien We King	(Independent Director)
Mr. Ong Jia Jing	(Executive Director)
Dr. Wong Jr. Winston	(Alternate Director to Prof. Wong Wen-Young, Winston)

## Arrangement to enable directors to acquire benefits

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

## Directors' interest in shares or debentures

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

Name of Directors	Number of ordinary shares			
	Shareholdings registered in their own names		Shareholdings in which a director is deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
<b>Company</b>				
Prof. Wong Wen-Young, Winston	13,841,850	13,841,850	–	–
Dato Dr. Ong Bee Huat, PBM	208,802,465	213,802,465	10,410,833	10,410,833
Mr. Ong Jia Ming	20,599,765	20,599,765	–	–



# DIRECTORS' STATEMENT

## Directors' interest in shares or debentures (cont'd)

The director, Dato Dr. Ong Bee Huat, PBM, by virtue of Section 7 of the Act is deemed to have an interest in the shares held by the Company in its wholly-owned subsidiary corporations and the following not wholly-owned subsidiary corporation:

	<b>Number of ordinary shares</b>	
	<b>At beginning of year</b>	<b>At end of year</b>
HSCH Capital Co., Ltd.	1,750	3,500

The directors' interests in the ordinary shares and share options of the Company as at 21 January 2025 were the same as those as at 31 December 2024.

## Share options

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

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

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

## Audit Committee

The members of the Audit Committee ("AC") during the financial year and at the date of this statement are as follows:

Mr. Ng Kian Guan	(Independent Director and Chairman of Audit Committee)
Dr. Lee Bee Wah	(Independent Director)
Dr. Lien We King	(Independent Director)

The AC carried out its functions in accordance with Section 201B(5) of the Act. The functions performed are detailed in the Report on Corporate Governance as set out in the Annual Report.

## Independent auditor

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

On behalf of the directors

Dato Dr. Ong Bee Huat, PBM  
Director

Ong Jia Ming  
Director

10 April 2025

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HONG LAI HUAT GROUP LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Hong Lai Huat Group Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 43 to 96, which comprise the statements of financial position of the Group and 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 and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

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

### Basis for Opinion

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

### Net realisable value of development properties

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

As at 31 December 2024, the carrying value of the Group's development properties amounting to \$41,029,000 (2023: \$45,922,000), representing 37% (2023: 34%) of the Group's total assets.

The management performed an assessment to determine the net realisable value of development properties by estimating the future selling prices of unsold development properties. The management estimates the future selling prices of unsold development properties based on valuations performed by independent professional external valuers as described in Note 3 to the financial statements.

Based on the management's assessment, a write-down on development properties of \$6,051,000 (2023: \$1,097,000) was recognised in the Group's profit or loss for the financial year ended 31 December 2024.

The assessment of net realisable value of development properties is significant to our audit due to the magnitude of the carrying value of these development properties and the related write-down of development properties recognised in the Group's profit or loss and the significant management's estimates applied in determining the net realisable value. Accordingly, we have identified this as a key audit matter.

The significant estimates applied in determining the net realisable value of development properties, and disclosures for key assumptions used, are included in Note 3 to the financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HONG LAI HUAT GROUP LIMITED

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

### Key Audit Matter (cont'd)

#### Net realisable value of development properties (cont'd)

*Our procedures to address the key audit matter:*

We obtained an understanding of management's process for assessing the net realisable value of development properties. We obtained the valuations prepared by the independent professional external valuers engaged by the management and assessed the independence, competence, capabilities and objectivity of the valuers. We reviewed the valuation methodologies adopted by the valuers and discussed with the valuers to understand the valuation methodologies and significant assumptions and estimates used in the valuations. We evaluated the appropriateness of the valuation methodologies and the reasonableness of the significant assumptions and estimates used by the valuers. We reviewed the adequacy and appropriateness of the disclosures in the financial statements.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

### Responsibilities of Management and Directors for the Financial Statements

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

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

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

### 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HONG LAI HUAT GROUP LIMITED

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

### *Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

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

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

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

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

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

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HONG LAI HUAT GROUP LIMITED

## Report on Other Legal and Regulatory Requirements

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

The engagement partner of the audit resulting in this independent auditor's report is Mr. Lim Kok Heng.

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

10 April 2025



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group (Restated)	
	Note	2024 \$'000	2023 \$'000
<b>Continuing operations</b>			
Revenue	4	102	(184)
Cost of sales		(87)	81
Gross profit/(loss)		15	(103)
Other income	5	1,205	975
Distribution and selling expenses		(3)	(49)
Administrative expenses		(4,852)	(3,979)
Bad debts written off		–	(124)
Write-down of development properties	20	(6,051)	(1,097)
Other expenses		(574)	(1,043)
Finance costs	6	(668)	(726)
Share of loss of associates		(46)	(101)
Share of profit/(loss) of a joint venture	7	3,691	(1,385)
Loss before tax	8	(7,283)	(7,632)
Income tax (expense)/credit	10	(582)	78
<b>Loss from continuing operations</b>		<b>(7,865)</b>	<b>(7,554)</b>
<b>Loss from discontinued operations, net of tax</b>	11	<b>(5,287)</b>	<b>(15,654)</b>
<b>Loss for the financial year</b>		<b>(13,152)</b>	<b>(23,208)</b>
<b>Other comprehensive income/(loss):</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation		1,941	(253)
Share of other comprehensive income/(loss) of a joint venture	7	728	(364)
Share of other comprehensive income of associates		217	78
Reclassification of currency translation reserve to profit or loss upon disposal of subsidiaries	11	3,850	–
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation		(4)	–
<b>Other comprehensive income/(loss) for the financial year, net of tax</b>		<b>6,732</b>	<b>(539)</b>
<b>Total comprehensive loss for the financial year</b>		<b>(6,420)</b>	<b>(23,747)</b>
<b>Loss attributable to:</b>			
Equity holders of the Company		(12,927)	(23,208)
Non-controlling interests		(225)	–
<b>Loss for the financial year</b>		<b>(13,152)</b>	<b>(23,208)</b>
<b>Loss attributable to equity holders of the Company relates to:</b>			
Loss from continuing operations		(7,640)	(7,554)
Loss from discontinued operations		(5,287)	(15,654)
		<b>(12,927)</b>	<b>(23,208)</b>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		(6,191)	(23,747)
Non-controlling interests		(229)	–
		<b>(6,420)</b>	<b>(23,747)</b>
<b>Loss per share for loss attributable to equity holders of the Company (cents per share)</b>	12		
<b>From continuing and discontinued operations</b>			
Basic and diluted		(2.50)	(4.48)
<b>From continuing operations</b>			
Basic and diluted		(1.48)	(1.46)
<b>From discontinued operations</b>			
Basic and diluted		(1.02)	(3.02)

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

# STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2024

			Group (Restated)	(Restated)	Company	
	Note	2024 \$'000	2023 \$'000	1.1.2023 \$'000	2024 \$'000	2023 \$'000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	13	1,674	5,125	6,536	317	402
Right-of-use assets	14	179	46,502	62,211	–	–
Intangible assets	15	144	–	–	–	–
Investment in associated companies	16	7,564	7,395	2	–	–
Investment in subsidiaries	17	–	–	–	58,119	59,507
Investment in a joint venture	7	26,824	22,405	17,461	–	–
Other receivable	18	–	40	6,995	–	–
Financial assets at fair value through profit or loss	19	254	243	243	254	243
<b>Total non-current assets</b>		<b>36,639</b>	<b>81,710</b>	<b>93,448</b>	<b>58,690</b>	<b>60,152</b>
<b>Current assets</b>						
Trade and other receivables	18	5,446	1,309	1,707	93	79
Financial assets at fair value through profit or loss	19	20	40	–	–	–
Development properties	20	41,029	45,922	47,711	–	–
Biological assets	21	–	339	1,499	–	–
Inventories	22	–	91	110	–	–
Amounts due from subsidiaries	23	–	–	–	57,556	76,322
Cash and cash equivalents	24	27,459	3,935	11,635	7,120	253
<b>Total current assets</b>		<b>73,954</b>	<b>51,636</b>	<b>62,662</b>	<b>64,769</b>	<b>76,654</b>
<b>Total assets</b>		<b>110,593</b>	<b>133,346</b>	<b>156,110</b>	<b>123,459</b>	<b>136,806</b>
<b>EQUITY AND LIABILITIES</b>						
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Lease liabilities	25	77	885	835	–	–
Deferred tax liabilities	26	17	3,932	6,413	17	17
Borrowings	27	–	6,285	1,702	–	434
<b>Total non-current liabilities</b>		<b>94</b>	<b>11,102</b>	<b>8,950</b>	<b>17</b>	<b>451</b>

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

# STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2024

		Group (Restated)			Company	
	Note	2024 \$'000	2023 \$'000	(Restated) 1.1.2023 \$'000	2024 \$'000	2023 \$'000
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Amounts due to subsidiaries	23	–	–	–	19,527	29,742
Lease liabilities	25	35	144	110	–	–
Borrowings	27	613	4,045	2,897	613	1,896
Trade payables	28	387	392	707	–	–
Other payables and accruals	29	3,870	5,351	7,780	600	315
Contract liabilities	30	126	346	581	–	–
Loan from controlling shareholder	31	353	558	–	–	400
Tax payable		236	125	55	–	59
<b>Total current liabilities</b>		<b>5,620</b>	<b>10,961</b>	<b>12,130</b>	<b>20,740</b>	<b>32,412</b>
<b>Total liabilities</b>		<b>5,714</b>	<b>22,063</b>	<b>21,080</b>	<b>20,757</b>	<b>32,863</b>
<b>EQUITY</b>						
Share capital	32	121,023	121,023	121,023	121,023	121,023
Accumulated losses		(16,975)	(4,048)	19,160	(17,862)	(16,621)
Capital reserve	33	414	414	414	(459)	(459)
Foreign currency translation reserve	33	630	(6,106)	(5,567)	–	–
Equity attributable to owners of the Company		105,092	111,283	135,030	102,702	103,943
Non-controlling interests	17	(213)	–	–	–	–
<b>Total equity</b>		<b>104,879</b>	<b>111,283</b>	<b>135,030</b>	<b>102,702</b>	<b>103,943</b>
<b>Total equity and liabilities</b>		<b>110,593</b>	<b>133,346</b>	<b>156,110</b>	<b>123,459</b>	<b>136,806</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the Company					Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Retained earnings/ (accumulated losses) \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Total \$'000		
<b>Group</b>							
Balance at 1 January 2023 (previously reported)	121,023	18,867	414	(5,562)	134,742	–	134,742
Prior year adjustments (Note 41)	–	293	–	(5)	288	–	288
Balance at 1 January 2023 (restated)	121,023	19,160	414	(5,567)	135,030	–	135,030
Loss for the financial year	–	(23,208)	–	–	(23,208)	–	(23,208)
<i>Other comprehensive (loss)/income</i>							
Currency translation differences arising on consolidation	–	–	–	(253)	(253)	–	(253)
Share of other comprehensive loss of a joint venture	–	–	–	(364)	(364)	–	(364)
Share of other comprehensive income of associates	–	–	–	78	78	–	78
Total comprehensive loss for the financial year	–	(23,208)	–	(539)	(23,747)	–	(23,747)
Balance at 31 December 2023 (restated)	121,023	(4,048)	414	(6,106)	111,283	–	111,283
Loss for the financial year	–	(12,927)	–	–	(12,927)	(225)	(13,152)
<i>Other comprehensive income/(loss)</i>							
Currency translation differences arising on consolidation	–	–	–	1,941	1,941	(4)	1,937
Share of other comprehensive income of a joint venture	–	–	–	728	728	–	728
Share of other comprehensive income of associates	–	–	–	217	217	–	217
Currency translation differences reclassified to profit or loss upon disposal of subsidiaries	–	–	–	3,850	3,850	–	3,850
Total comprehensive (loss)/income for the financial year	–	(12,927)	–	6,736	(6,191)	(229)	(6,420)
Contribution of equity by non-controlling shareholders	–	–	–	–	–	16	16
<b>Balance at 31 December 2024</b>	<b>121,023</b>	<b>(16,975)</b>	<b>414</b>	<b>630</b>	<b>105,092</b>	<b>(213)</b>	<b>104,879</b>

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share capital \$'000	Retained earnings/ (accumulated losses) \$'000	Capital reserve \$'000	Total equity \$'000
<b>Company</b>				
Balance at 1 January 2023	121,023	17,603	(459)	138,167
Loss for the financial year, representing total comprehensive loss for the financial year	–	(34,224)	–	(34,224)
Balance at 31 December 2023	121,023	(16,621)	(459)	103,943
Loss for the financial year, representing total comprehensive loss for the financial year	–	(1,241)	–	(1,241)
<b>Balance at 31 December 2024</b>	<b>121,023</b>	<b>(17,862)</b>	<b>(459)</b>	<b>102,702</b>

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group (Restated)	
	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>		
Loss before tax		
– Continuing operations	(7,283)	(7,632)
– Discontinued operations	(5,287)	(17,776)
	(12,570)	(25,408)
Adjustments for:		
Depreciation of property, plant and equipment	537	636
Depreciation of right-of-use assets	1,375	1,923
Amortisation of intangible assets	100	–
Fair value loss on biological assets	–	1,175
Write-down of development properties	6,051	1,097
Impairment loss on property, plant and equipment	–	364
Impairment loss on right-of-use assets	–	13,285
Gain on disposal of property, plant and equipment	(121)	(4)
Gain on disposal of right-of-use assets	(253)	–
Loss from disposal of subsidiaries	2,997	–
Loss/(gain) on change in fair value of financial assets at fair value through profit or loss	9	(40)
Bad debts written off	–	124
Foreign exchange adjustments	284	137
Interest income	(85)	(104)
Interest expense	668	795
Net (gain)/loss on repossession of development properties	(82)	48
Property, plant and equipment written off	80	352
Share of loss of associates	46	101
Share of (profit)/loss of a joint venture	(3,691)	1,385
Operating cash flows before movement in working capital	(4,655)	(4,134)
Trade receivables and contract assets	94	97
Other receivables and deposits	330	11
Prepayments	153	102
Inventories	–	17
Biological assets	–	(19)
Development properties	89	–
Trade payables and contract liabilities	(17)	(303)
Other payables and accruals	(1,225)	(2,603)
Currency translation adjustments	308	1,190
Cash used in operations	(4,923)	(5,642)
Income tax paid	(238)	(1)
<b>Net cash used in operating activities</b>	<b>(5,161)</b>	<b>(5,643)</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group (Restated)	
	2024 \$'000	2023 \$'000
<b>Cash flows from investing activities</b>		
Investment in an associated company	–	(460)
Investment in a joint venture	–	(6,693)
Interest received	85	104
Purchase of property, plant and equipment	(412)	(383)
Purchase of intangible assets	(244)	–
Proceeds from disposal of property, plant and equipment	314	379
Proceeds from disposal of right-of-use assets	294	–
Proceeds from the disposal of subsidiaries, net of disposal transaction costs (Note A)	39,461	–
<b>Net cash generated from/(used in) investing activities</b>	<b>39,498</b>	<b>(7,053)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(668)	(795)
Contribution of equity by non-controlling shareholders	16	–
Repayment of controlling shareholder loan	(545)	–
Purchase of right-of-use assets (Note B)	–	(105)
Proceeds from loan from controlling shareholder and payment on behalf	340	558
Proceeds from bank loans	–	6,596
Repayment of bank loans	(7,586)	(1,613)
Repayment of lease liabilities	(162)	(127)
<b>Net cash (used in)/generated from financing activities</b>	<b>(8,605)</b>	<b>4,514</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>25,732</b>	<b>(8,182)</b>
Cash and cash equivalents at beginning of financial year	1,617	10,106
Effects of exchange rate changes on cash and cash equivalents	110	(307)
<b>Cash and cash equivalents at end of financial year</b>	<b>27,459</b>	<b>1,617</b>

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	2024 \$'000	2023 \$'000
Cash and cash equivalents (Note 24)	27,459	3,935
Less: Bank overdrafts (Note 27)	–	(2,318)
Cash and cash equivalents per consolidated statement of cash flows	27,459	1,617
<b>Note A: Proceeds from the disposal of subsidiaries</b>		
Consideration received, satisfied by cash	45,228	–
Less: Disposal transaction costs	(5,767)	–
<b>Net cash inflow for disposal of subsidiaries</b>	<b>39,461</b>	<b>–</b>
<b>Note B: Purchase of right-of-use assets</b>		
Aggregate cost of right-of-use assets acquired (Note 14)	–	262
Less: New lease liabilities (Note 25)	–	(157)
<b>Net cash outflow for purchase of right-of-use assets</b>	<b>–</b>	<b>105</b>

The accompanying notes form an integral part of these 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. CORPORATE INFORMATION

Hong Lai Huat Group Limited (the “Company”) (Co. Reg. No. 199905292D) is domiciled and incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited. The Company’s registered address and principal place of business is at 10 Bukit Batok Crescent, #13-05 The Spire Building, Singapore 658079.

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

The principal activities of the Company’s subsidiaries are disclosed in Note 17.

## 2. MATERIAL ACCOUNTING POLICIES

### a) Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

#### *Use of estimates and judgements*

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

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

The carrying amounts of trade and other receivables, cash and cash equivalents, trade payables, other payables and accruals, amounts due from/to subsidiaries, loan from controlling shareholder, and current borrowings approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

#### *New and revised standards that are adopted*

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

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. MATERIAL ACCOUNTING POLICIES (cont'd)

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

*New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2024 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company except as disclosed below:

#### **SFRS(I) 18 Presentation and Disclosure in Financial Statements**

SFRS(I) 18 will replace SFRS(I) 1-1 *Presentation of Financial Statements* for annual reporting period beginning on or after 1 January 2027, with earlier application permitted. It requires retrospective application with specific transition provisions.

The new standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present subtotals and totals for “operating profit”, “profit or loss before financing and income taxes”, and “profit or loss” in the statement of profit or loss.
- Management-defined performance measures (“MPMs”) are disclosed in a single note within the financial statements. This note includes details on how the measure is calculated, the relevance of the information provided to users, and a reconciliation to the most comparable subtotal specified by the SFRS(I).
- Enhanced guidance on aggregating and disaggregating information in financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group and the Company are in the process of assessing the impact of the new standard on the primary financial statements and notes to the financial statements.

### b) Revenue recognition

*Sale of crops*

For sale of crops, revenue is recognised at a point in time when control of the goods is transferred to the customers depending on the respective incoterms of each sales transaction. Customers are required to pay within 30 days from the invoice date. No element of financing is deemed present.

*Sale of completed development properties*

For sale of completed development properties, revenue is recognised at a point in time when control of the property is transferred to the customers. Control of the property is transferred upon signing of sale and purchase agreement with the customers.

*Rental income*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. MATERIAL ACCOUNTING POLICIES (cont'd)

### c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

### d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

### e) Associated companies and joint venture

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in associated companies and joint venture are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investment in associated companies and joint venture are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

Distributions received from associated companies and joint venture are adjusted against the carrying amount of the investment. When the Group's share of losses in the associated company and joint venture equals or exceeds its interest in the associated company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company or joint venture.

### f) Property, plant and equipment

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. MATERIAL ACCOUNTING POLICIES (cont'd)

### f) Property, plant and equipment (cont'd)

Depreciation is calculated on a straight-line basis to write off the cost of other property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Leasehold improvements	10 to 30 years
Building and structure	25 years
Office premises	35 years
Computers	5 years
Furniture and fittings and office equipment	10 years
Machineries and equipment	10 to 20 years
Motor vehicles	3 to 10 years
Renovation	2 to 10 years

No depreciation is provided on freehold land. Leasehold improvements are depreciated evenly over the term of the lease.

### g) Leases

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### *Lease liabilities*

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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

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

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

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. MATERIAL ACCOUNTING POLICIES (cont'd)

### g) Leases (cont'd)

#### *Right-of-use assets (cont'd)*

Depreciation for right-of-use assets are charged on the following bases:

Leasehold land and improvements	Over the lease period of 20 to 50 years
Motor vehicles	Over the lease period of 3 to 5 years

### h) Financial assets

#### **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

#### **Classification and measurement**

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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

- Amortised cost; and
- Fair value through profit or loss (“FVTPL”).

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

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

#### **Subsequent measurement**

##### Debt instruments

Debt instruments include cash and cash equivalents, trade receivables, other receivables and deposits (excluding non-refundable deposits) and amounts due from subsidiaries. These are subsequently measured at amortised cost based on the Group’s business model for managing the asset and cash flow characteristics of the asset.

##### *Amortised cost*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. MATERIAL ACCOUNTING POLICIES (cont'd)

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

#### ***Subsequent measurement (cont'd)***

##### *Debt instruments (cont'd)*

##### *Amortised cost (cont'd)*

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

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

##### *Investments in life insurances*

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

#### ***Impairment***

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

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

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

#### ***Offset***

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. MATERIAL ACCOUNTING POLICIES (cont'd)

### i) Financial liabilities

Financial liabilities include trade payables, other payables and accruals, amounts due to subsidiaries, loan from controlling shareholder, borrowings and lease liabilities. Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at FVTPL, directly attributable transaction costs. A financial liability is derecognised when the obligation under the liability is extinguished.

### j) Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

#### *Going concern assumption*

The Group recognised a net loss of \$13,152,000 (2023: \$23,208,000) and reported net operating cash outflows of \$5,161,000 (2023: \$5,643,000) for the financial year ended 31 December 2024. Management continues to have a reasonable expectation that the Group has adequate resources to continue in operation for at least the next 12 months from the date of authorisation of these financial statements and that the going concern basis of preparation of these financial statements remains appropriate based on the following considerations:

- (i) The Group has received sales proceeds, totaling US\$33,000,000 (equivalent to \$45,228,000) from the disposal of HLH Agriculture (Cambodia) Co., Ltd. ("HLHA") and H.L.H.I. (Cambodia) Company Limited ("HLHI") as disclosed in Note 11. The remaining consideration of US\$3,600,000 (equivalent to \$4,804,000) is expected to be received during the financial year ending 31 December 2025.
- (ii) The Group will continue to market the unsold development properties to the potential buyers.
- (iii) The availability of credit facilities from the Group's lenders and the Company's controlling shareholders.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

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

#### *Investment in an associated company*

Management has considered the Group's representation in the board of directors of Jewel A Development Co., Ltd. and contractual terms in the shareholders' agreement, and has determined that the Group has significant influence on Jewel A Development Co., Ltd. even though the Group's shareholding is 17.61% (2023: 17.61%). Consequently, this investment has been classified as investment in an associated company.

The carrying amount of the Group's investment in associated companies as at 31 December 2024 is disclosed in Note 16.

#### *Key sources of estimation uncertainty*

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

#### *Impairment of investments in subsidiaries, associated companies and joint venture*

The Company and the Group assess whether there are any indicators of impairment in investments in subsidiaries, associated companies and joint venture ("investments") respectively, at each reporting date. Investments are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The determination of fair value less costs of disposal involves estimation of the fair values of the underlying assets and liabilities of the subsidiary, less incremental costs for disposing the asset. When value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate, in order to determine the present value of those cash flows.

Management has performed an impairment review for investments in subsidiaries and an impairment loss of \$1,388,000 (2023: \$34,394,000) has been provided for HLH Agri International Pte. Ltd. ("HLHAI") during the financial year as the recoverable amount of HLHAI group is \$35,137,000 which is lower than the net carrying amount of the investment. The recoverable amount of HLHAI group is determined based on the estimation of the fair values of the underlying assets and liabilities of HLHAI group less costs of disposal. This fair value measurement is categorised in the Level 3 of the fair value hierarchy.

The carrying amounts of the Company's investments in subsidiaries and the Group's investments in associated companies and joint venture are disclosed in Notes 17, 16 and 7 respectively.

#### *Net realisable value of development properties*

Development properties are measured at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. In estimating the future selling prices of unsold development properties, the Group has taken into account real estate price trend information, local market conditions, its development plans and sale strategies for the properties and valuations from the independent professional external valuers when necessary.

Management has engaged independent professional external valuers to determine the future selling prices of the development properties. The valuers adopted the direct comparison method, by taking into consideration the selling prices of sales transactions of comparable properties and have made due adjustments for differences between these properties in terms of locations, size and other factors affecting their values. The significant unobservable input for the valuation of the freehold land and completed development properties is average selling price per square meter ("sqm") which is estimated to be \$1,965/sqm (2023: \$2,427/sqm) for the freehold land and \$2,487/sqm (2023: \$2,784/sqm) for the completed development properties.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

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

#### Net realisable value of development properties (cont'd)

Based on the management's assessment, the Group recognised a write-down on development properties in respect of freehold land of \$6,051,000 (2023: \$1,097,000) in the Group's profit or loss for the financial year ended 31 December 2024. Management also assessed that no write-down was required for completed development properties as the average selling prices exceeds their costs. The fair value measurement of the development properties is classified within Level 3 of the fair value hierarchy.

The carrying amount of the Group's development properties as at 31 December 2024 is disclosed in Note 20.

## 4. REVENUE

The following table provides a disaggregation disclosure of the Group's revenue by primary geographical market and timing of revenue recognition:

	Primary geographical markets	Group (Restated) 2024 \$'000	2023 \$'000
<b>Timing of revenue recognition</b>			
Continuing operations			
Recognised at a point in time			
Sale of completed development properties	Cambodia	102	(184)

## 5. OTHER INCOME

	Group (Restated) 2024 \$'000	2023 \$'000
Interest income – bank deposits	85	104
Rental income	604	780
Gain on disposal of property, plant and equipment	121	–
Gain on disposal of right-of-use assets	253	–
Gain on change in fair value of financial assets at fair value through profit or loss	11	40
Government grants	6	6
Net gain on repossession of development properties	82	–
Other sundry income	43	45
	<b>1,205</b>	<b>975</b>

## 6. FINANCE COSTS

	Group (Restated) 2024 \$'000	2023 \$'000
Interest expense – lease liabilities	10	10
Interest expense – bank loans	658	716
	<b>668</b>	<b>726</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 7. INVESTMENT IN A JOINT VENTURE

	Group (Restated)	
	2024 \$'000	2023 \$'000
<i>Unquoted equity shares at cost</i>		
At 1 January	22,405	17,461
Additional investment	–	6,693
Share of post-acquisition profit/(loss)	3,691	(1,385)
Share of other comprehensive income/(loss)	728	(364)
At 31 December	26,824	22,405

Name of joint venture	Country of incorporation	Principal activities	Proportion of ownership interest	
			2024 %	2023 %
Joint venture held by HLH Development Pte. Ltd.				
Royal Hong Lai Huat One Company Limited <sup>#(i)</sup>	Cambodia	Property development and real estate	49	49

# Audited by another overseas firm of auditors.

(i) A third party (2023: a director of the subsidiaries of the Company) holds 1% interest in the joint venture, in trust for the Group, pursuant to deeds of trust agreement between the third party (2023: a director of the subsidiaries of the Company) and the Group. The above joint venture is accounted for using the equity method in these consolidated financial statements of the Group.

Summarised financial information of Royal Hong Lai Huat One Company Limited ("Royal") based on its FRS financial statements (not adjusted for the Group's share of those amounts) and a reconciliation to the carrying amounts of the investment in the consolidated financial statements are as follows:

	Royal (Restated)	
	2024 \$'000	2023 \$'000
Revenue	20,285	–
Profit/(loss) before tax	7,382	(2,770)
Profit/(loss) for the financial year	7,382	(2,770)
Other comprehensive income/(loss)	1,456	(727)
Total comprehensive income/(loss) for the financial year	8,838	(3,497)

The above profit/(loss) for the financial year includes the following:

Depreciation and amortisation	22	71
Finance costs	–	4
Non-current assets	66,401	93
Current assets	33,634	92,818
Non-current liabilities	(2,260)	(1,753)
Current liabilities	(44,127)	(46,348)
Net assets	53,648	44,810

The above amounts of assets and liabilities include the following:

	Royal	
	2024 \$'000	2023 \$'000
Cash and cash equivalents	2,054	5,766
Borrowings	(28,521)	(19,788)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 7. INVESTMENT IN A JOINT VENTURE (cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in these consolidated financial statements:

	Group (Restated)	
	2024 \$'000	2023 \$'000
Net assets of the joint venture	53,648	44,810
Proportion of the Group's ownership interest in the joint venture	26,824	22,405
Carrying amount of the Group's interest in the joint venture	26,824	22,405

Pursuant to the joint venture agreement, the Group is committed to contribute construction costs and expenses amounting to US\$20,553,000, which is equivalent to the fair value of the land contributed by the joint venture partner. The Group has contributed US\$20,553,000 (equivalent to \$27,113,000) for the construction costs and expenses of Royal and there is no remaining amount of commitment as the amount is fully contributed in the previous financial year ended 31 December 2023. In the event that additional funding is required by Royal after full contribution made by the Group and the joint venture partner and financing from third parties is not available, the Group and the joint venture partner will provide additional funding to Royal by way of increase of capital and issuance of new shares proportionately in accordance with the current shareholding held by the Group and the joint venture partner.

## 8. LOSS BEFORE TAX

	Group (Restated)	
	2024 \$'000	2023 \$'000
Loss before tax is arrived at after charging/(crediting):		
Audit fees paid/payable to:		
– Auditors of the Company	95	87
– Baker Tilly International network firms	40	29
– Other auditors – non-network firms	–	–
Fees for non-audit services paid/payable to:		
– Auditors of the Company	–	–
– Baker Tilly International – network firms	–	–
– Other auditors – non-network firms	–	–
Bad debts written off	–	124
Depreciation of property, plant and equipment	252	257
Depreciation of right-of-use assets	100	213
Amortisation of intangible assets	100	–
Gain on disposal of property, plant and equipment	(121)	–
Gain on disposal of right-of-use assets	(253)	–
Write-down of development properties (Note 20)	6,051	1,097
Legal and professional fees	231	356
Net loss/(gain) on change in fair value of financial assets at fair value through profit or loss	9	(40)
Rental of premises and office facilities (Note 25)	17	10
Staff costs, including directors' remuneration (Note 9)	2,400	1,871

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 9. STAFF COSTS

	2024 \$'000	Group (Restated) 2023 \$'000
Staff costs:		
– Salaries and bonuses	773	635
– Central Provident Fund contributions	18	59
	<b>791</b>	<b>694</b>
Directors of the Company:		
– Short-term employee benefits	1,433	1,008
– Central Provident Fund contributions	67	43
– Fees	109	126
	<b>1,609</b>	<b>1,177</b>
	<b>2,400</b>	<b>1,871</b>

## 10. INCOME TAX EXPENSE/(CREDIT)

	2024 \$'000	Group (Restated) 2023 \$'000
<u>From continuing operations</u>		
Current income tax	1	74
Deferred tax	216	(211)
	<b>217</b>	<b>(137)</b>
Under provision in respect of prior years:		
Current income tax	365	59
	<b>582</b>	<b>(78)</b>
<u>From discontinued operations</u>		
Deferred tax	–	(2,122)
	<b>582</b>	<b>(2,200)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 10. INCOME TAX EXPENSE/(CREDIT) (cont'd)

The income tax expense/(credit) on the results of the financial year differs from the amount of income tax determined by applying the applicable income tax rates in respective jurisdictions due to the following factors:

	Group (Restated)	
	2024 \$'000	2023 \$'000
Loss before tax from:		
– Continuing operations	(7,283)	(7,632)
– Discontinued operations	(5,287)	(17,776)
Share of results of a joint venture and associated companies	(3,645)	1,486
Loss before tax excluded share of results of a joint venture and associated companies	(16,215)	(23,922)
Tax at domestic tax rate applicable to loss in the countries where the Group operates	(3,194)	(4,743)
Singapore statutory stepped income exemption	(17)	(7)
Income not subject to tax	(197)	(79)
Expenses not deductible for tax purposes	1,833	1,204
Deferred tax assets not recognised	1,029	–
Utilisation of previously unrecognised tax losses	(5)	(32)
Expiry of unutilised tax losses	217	389
Under provision of current income tax in respect of prior years	365	59
Others	551	1,009
	<b>582</b>	<b>(2,200)</b>

The income tax rate applicable to the Company and its subsidiaries in Singapore is 17% (2023: 17%). The Cambodia companies within the Group are subject to tax on profit at the rate of 20% (2023: 20%) of taxable income or minimum tax based on 1% of turnover, whichever is higher.

## 11. DISCONTINUED OPERATIONS

During the financial year, the Company's wholly-owned subsidiary, HLH Agri International Pte. Ltd., entered into sale and purchase agreements dated 1 February 2024 for the sale of its entire 100% shareholding in HLH Agriculture (Cambodia) Co., Ltd. ("HLHA") and H.L.H.I. (Cambodia) Company Limited ("HLHI") (collectively referred to as the "disposal group"). The cash consideration for the disposal was US\$36,000,000 (equivalent to \$48,032,000) for HLHA and US\$1,500,000 (equivalent to \$2,000,000) for HLHI.

The disposal group previously operated under the agriculture division in Cambodia. Shareholders' approval for the disposal transaction was obtained on 20 May 2024, and the Group completed the disposal of HLHI on 16 July 2024 and HLHA on 13 September 2024.

As at 31 December 2024, the total sale consideration received for the disposal group was US\$33,900,000 (equivalent to \$45,228,000), with a remaining balance of US\$3,600,000 (equivalent to \$4,804,000) still outstanding. Following the completion of the disposal transaction, the disposal group ceased to be subsidiaries of the Group. Consequently, the disposal group was classified as discontinued operations, and its assets and liabilities were deconsolidated from the Group.

The financial performance of the disposal group was presented as discontinued operations in the Group's consolidated statement of comprehensive income. Accordingly, the comparative consolidated statement of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 11. DISCONTINUED OPERATIONS (cont'd)

- (i) The analysis of the loss from discontinued operations are as follows:

		Group (Restated)
	2024 \$'000	2023 \$'000
<b>Revenue</b>	<b>70</b>	451
Cost of sales	(34)	(348)
<b>Gross profit</b>	<b>36</b>	103
Other income	138	135
Administrative expenses	(2,328)	(2,768)
Impairment loss on property, plant and equipment	–	(364)
Impairment loss on right-of-use assets	–	(13,285)
Fair value loss on biological assets	–	(1,175)
Other expenses	(136)	(353)
Finance costs	–	(69)
Loss before tax from discontinued operations	(2,290)	(17,776)
Income tax credit	–	2,122
	(2,290)	(15,654)
Loss from disposal of subsidiaries	(2,997)	–
Loss from discontinued operations, net of tax	(5,287)	(15,654)

- (a) Revenue

	Group (Restated)	
	2024 \$'000	2023 \$'000
Sales of crops	70	451

- (b) Loss before tax from discontinued operations

	Group (Restated)	
	2024 \$'000	2023 \$'000
Loss before tax is arrived at after charging/(crediting):		
Audit fees payable/paid to:		
– Auditors of the Company	–	–
– Baker Tilly International network firms	14	25
Depreciation of property, plant and equipment	285	379
Depreciation of right-of-use assets	1,275	1,710
Gain on disposal of property, plant and equipment	–	(4)
Impairment loss on property, plant and equipment	–	364
Impairment loss on right-of-use assets	–	13,285
Fair value loss on biological assets	–	1,175
Property, plant and equipment written off	80	352
Rental income	(138)	(132)

Staff costs (inclusive of directors' remuneration):

– Salaries and bonuses	137	304
– Staff benefits	–	10
	137	314

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 11. DISCONTINUED OPERATIONS (cont'd)

(i) The analysis of the loss from discontinued operations are as follows (cont'd):

(c) Loss from disposal of subsidiaries

	Group 2024 \$'000
Consideration received, satisfied by cash	45,228
Remaining 10% of HLHA disposal consideration receivable (Note 18)	4,804
	50,032
Less: Net assets	(43,412)
Less: Disposal transaction costs	(5,767)
Less: Reclassification of cumulative foreign currency translation reserve	(3,850)
Loss from disposal of subsidiaries	(2,997)

(ii) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group 2024 \$'000	2023 \$'000
Operating cash flows	(91)	(420)
Investing cash flows	–	461
Total cash flows	(91)	41

(iii) Details of assets and liabilities of the disposal group as at the completion date of disposal were as follows:

	Group 2024 \$'000
<b>Assets directly associated with disposal group:</b>	
Property, plant and equipment	3,104
Right-of-use assets	45,434
Biological assets	357
Inventories	89
Prepayments	39
Other receivables and deposits	148
	49,171
<b>Liabilities directly associated with disposal group:</b>	
Lease liabilities	764
Trade payables	3
Other payables and accruals	580
Deferred tax liabilities	4,412
	5,759
<b>Net assets of the disposal group</b>	43,412
<b>Reserve directly associated with disposal group:</b>	
Foreign currency translation reserve	3,850

(iv) The segment information of discontinued operations is disclosed in Note 39.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 12. LOSS PER SHARE

The calculation of the basic and diluted loss per share based on the Group's loss for the financial year attributable to the ordinary equity holders of the Company divided by the weighted average number of ordinary shares outstanding.

- (i) From continuing operations and discontinued operations

	Group (Restated)
	2024      2023
Loss for the financial year attributable to equity holders of the Company (\$'000)	(12,927)      (23,208)
Weighted average number of ordinary shares for basic and diluted earnings per shares ('000)	517,844      517,844
Basic and diluted earnings per share (cents per share)	(2.50)      (4.48)

- (ii) From continuing operations

	Group
	2024      2023
Loss for the financial year attributable to equity holders of the Company (\$'000)	(7,640)      (7,554)
Weighted average number of ordinary shares for basic and diluted earnings per shares ('000)	517,844      517,844
Basic and diluted earnings per share (cents per share)	(1.48)      (1.46)

- (iii) From discontinued operations

	Group
	2024      2023
Loss for the financial year attributable to equity holders of the Company (\$'000)	(5,287)      (15,654)
Weighted average number of ordinary shares for basic and diluted earnings per shares ('000)	517,844      517,844
Basic and diluted earnings per share (cents per share)	(1.02)      (3.02)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements \$'000	Building and structure \$'000	Office premises \$'000	Computers \$'000	Furniture and fittings \$'000	Machinery and equipment \$'000	Motor vehicles \$'000	Office equipment \$'000	Renovation \$'000	Freehold land \$'000	Total \$'000
<b>Group 2024</b>											
<b>Cost</b>											
At 1 January 2024	1,844	2,777	850	163	313	12,011	1,597	138	206	1,594	21,493
Additions	-	-	-	32	5	46	260	7	62	-	412
Disposals	-	-	-	-	-	-	(706)	-	-	-	(706)
Written off	-	-	-	(17)	-	-	(199)	-	-	-	(216)
Transfer to disposal group assets (Note 11(iii))	(1,865)	(2,844)	-	(16)	(29)	(12,147)	(203)	(58)	(15)	(1,612)	(18,789)
Currency translation differences	21	67	-	2	7	136	19	-	-	18	270
At 31 December 2024	-	-	850	164	296	46	768	87	253	-	2,464
<b>Accumulated depreciation and impairment losses</b>											
At 1 January 2024	1,617	1,741	60	133	59	11,509	964	103	182	-	16,368
Depreciation charge	18	153	24	15	29	99	170	11	18	-	537
Disposals	-	-	-	-	-	-	(513)	-	-	-	(513)
Written off	-	-	-	(17)	-	-	(119)	-	-	-	(136)
Transfer to disposal group assets (Note 11(iii))	(1,655)	(1,947)	-	(15)	(24)	(11,733)	(247)	(49)	(15)	-	(15,685)
Currency translation differences	20	53	-	1	2	131	11	1	-	-	219
At 31 December 2024	-	-	84	117	66	6	266	66	185	-	790
<b>Net carrying value</b>											
31 December 2024	-	-	766	47	230	40	502	21	68	-	1,674

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 13. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold improvements \$'000	Building and structure \$'000	Office premises \$'000	Computers \$'000	Furniture and fittings \$'000	Machinery and equipment \$'000	Motor vehicles \$'000	Office equipment \$'000	Renovation \$'000	Freehold land \$'000	Total \$'000
<b>Group 2023</b>											
<b>Cost</b>											
At 1 January 2023	2,192	2,824	850	156	99	15,925	1,502	132	197	1,621	25,498
Additions	34	-	-	9	214	-	110	7	9	-	383
Disposals	-	-	-	-	-	(3,650)	-	-	-	-	(3,650)
Written off	(352)	-	-	-	-	-	-	-	-	-	(352)
Currency translation differences	(30)	(47)	-	(2)	-	(264)	(15)	(1)	-	(27)	(386)
At 31 December 2023	1,844	2,777	850	163	313	12,011	1,597	138	206	1,594	21,493
<b>Accumulated depreciation and impairment losses</b>											
At 1 January 2023	1,556	1,295	36	123	50	14,892	756	92	162	-	18,962
Depreciation charge	22	179	24	11	9	141	219	11	20	-	636
Impairment losses	66	298	-	-	-	-	-	-	-	-	364
Disposals	-	-	-	-	-	(3,275)	-	-	-	-	(3,275)
Currency translation differences	(27)	(31)	-	(1)	-	(249)	(11)	-	-	-	(319)
At 31 December 2023	1,617	1,741	60	133	59	11,509	964	103	182	-	16,368
<b>Representing</b>											
Accumulated depreciation	802	1,335	60	133	59	11,509	964	103	182	-	15,147
Accumulated impairment losses	815	406	-	-	-	-	-	-	-	-	1,221
	1,617	1,741	60	133	59	11,509	964	103	182	-	16,368
<b>Net carrying value</b>											
31 December 2023	227	1,036	790	30	254	502	633	35	24	1,594	5,125

Office premises with net carrying value of \$766,000 (2023: \$790,000) has been pledged to bank to secure the bank borrowings (Note 27).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 13. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Computers \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Office equipment \$'000	Renovation \$'000	Total \$'000
<b>Company</b>						
<b>2024</b>						
<b>Cost</b>						
At 1 January 2024	99	48	611	38	127	923
Additions	28	–	–	6	–	34
Disposal	–	–	(101)	–	–	(101)
At 31 December 2024	127	48	510	44	127	856
<b>Accumulated depreciation</b>						
At 1 January 2024	81	22	257	34	127	521
Depreciation charge	10	4	102	3	–	119
Disposal	–	–	(101)	–	–	(101)
At 31 December 2024	91	26	258	37	127	539
<b>Net carrying value</b>						
At 31 December 2024	36	22	252	7	–	317
<b>2023</b>						
<b>Cost</b>						
At 1 January 2023	90	48	501	38	127	804
Additions	9	–	110	–	–	119
At 31 December 2023	99	48	611	38	127	923
<b>Accumulated depreciation</b>						
At 1 January 2023	75	18	117	32	127	369
Depreciation charge	6	4	140	2	–	152
At 31 December 2023	81	22	257	34	127	521
<b>Net carrying value</b>						
At 31 December 2023	18	26	354	4	–	402

## 14. RIGHT-OF-USE ASSETS

### *The Group as a lessee*

#### Nature of the Group's leasing activities

The Group's leasing activities comprise the following:

- (i) The Group leases motor vehicles from non-related parties. The leases have an average tenure of between three to five years.
- (ii) The Group also makes annual lease payments for a leasehold land and improvements.
- (iii) In addition, the Group leases certain office equipment and these leases are either short-term or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 14. RIGHT-OF-USE ASSETS (cont'd)

### *The Group as a lessee (cont'd)*

#### Nature of the Group's leasing activities (cont'd)

	Leasehold land and improvements \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>			
<b>2024</b>			
<b>Cost</b>			
At 1 January 2024	70,575	748	71,323
Disposals	–	(486)	(486)
Transfer to disposal group assets (Note 11(iii))	(71,845)	–	(71,845)
Currency translation differences	1,270	–	1,270
At 31 December 2024	–	262	262
<b>Accumulated depreciation</b>			
At 1 January 2024	24,393	428	24,821
Depreciation charge	1,275	100	1,375
Disposal	–	(445)	(445)
Transfer to disposal group assets (Note 11(iii))	(26,411)	–	(26,411)
Currency translation differences	743	–	743
At 31 December 2024	–	83	83
<b>Net carrying value</b>			
At 31 December 2024	–	179	179
<b>2023</b>			
<b>Cost</b>			
At 1 January 2023	71,766	486	72,252
Additions	–	262	262
Currency translation differences	(1,191)	–	(1,191)
At 31 December 2023	70,575	748	71,323
<b>Accumulated depreciation</b>			
At 1 January 2023	9,825	216	10,041
Depreciation charge	1,711	212	1,923
Impairment losses	13,285	–	13,285
Currency translation differences	(428)	–	(428)
At 31 December 2023	24,393	428	24,821
<b>Net carrying value</b>			
At 31 December 2023	46,182	320	46,502

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 15. INTANGIBLE ASSETS

	Group Mining license	
	2024 \$'000	2023 \$'000
<b>Cost</b>		
At 1 January	–	–
Addition	244	–
At 31 December	244	–
<b>Accumulated depreciation</b>		
At 1 January	–	–
Amortisation charge	100	–
At 31 December	100	–
<b>Net carrying amount</b>		
At 31 December	144	–

Intangible assets refer to the mining license granted to the Group's subsidiary, HSCH Capital Co., Ltd. by Cambodia's Ministry of Mines and Energy. This license provides the legal right to extract mineral resources from a designated area within the country. The license is issued for a period of two years and the rights granted by this license is classified as intangible assets. This asset is being amortised on a straight-line basis over the license period. The amortisation expense is included in the 'administrative expenses'.

## 16. INVESTMENT IN ASSOCIATED COMPANIES

The Group's investments in associated companies are summarised below:

	Group	
	2024 \$'000	2023 \$'000
<b>Unquoted equity shares</b>		
Carrying amount:		
Jewel A Development Co., Ltd.*	7,564	7,393
HSCH Capital Co., Ltd. (Note 17)	–	2
	7,564	7,395

The following information relates to associated companies of the Group, which in the opinion of the management are material to the Group:

Name of company	Principal activities	Place of incorporation and business	Proportion of ownership interest	
			2024 %	2023 %
Associated company held by HLH Development Pte. Ltd.				
Jewel A Development Co., Ltd.*	Property development and real estate	Cambodia	17.61	17.61

\* Audited by independent overseas member firms of Baker Tilly International.

The activity of the associated company is strategic to the Group as the associated company provides the Group with access to expertise in property development and real estate services.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 16. INVESTMENT IN ASSOCIATED COMPANIES (cont'd)

Summarised financial information of Jewel A Development Co., Ltd. ("Jewel A") based on its FRS financial statements (not adjusted for the Group's share of those amounts) and a reconciliation to the carrying amounts of the investment in the consolidated financial statements are as follows:

	Jewel A	
	2024 \$'000	2023 \$'000
Revenue	–	–
Loss before tax	(259)	(567)
Loss for the financial year	(259)	(567)
Other comprehensive income	1,234	443
Total comprehensive income/(loss) for the financial year	975	(124)

The above loss for the financial year includes the following:

Depreciation and amortisation	12	16
Non-current assets	185	55
Current assets	42,850	41,924
Current liabilities	(82)	(1)
Net assets	42,953	41,978

The above amounts of assets and liabilities include the following:

	Jewel A	
	2024 \$'000	2023 \$'000
Cash and cash equivalents	1,311	1,810

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associated company recognised in these consolidated financial statements:

	Group	
	2024 \$'000	2023 \$'000
Net assets of the associated company	42,953	41,978
Proportion of the Group's ownership interest in the associated company	7,564	7,393
Carrying amount of the Group's interest in the associated company	7,564	7,393

## 17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 \$'000	2023 \$'000
<b>Unquoted equity shares</b>		
Gross investment	100,129	100,129
Impairment loss	(42,010)	(40,622)
Net carrying amount	58,119	59,507

Movements in impairment loss are as follows:

Balance at beginning of financial year	40,622	6,228
Allowance made	1,388	34,394
Balance at end of financial year	42,010	40,622

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 17. INVESTMENTS IN SUBSIDIARIES (cont'd)

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activities	Place of incorporation and operation	Number of subsidiaries held by the Company	
		2024	2023
Investment holding	Singapore	3	3
Investment holding, property investment	Cambodia	2	3
Agricultural research and experimentation, agriculture plantation, processing and distribution	Cambodia	–	1
Property development and real estate	Cambodia	1	1
Mining	Cambodia	1	–
Dormant	Singapore	1	1
		8	9

(a) The subsidiaries as at 31 December 2024 are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest	
			2024 %	2023 %
Subsidiaries held by the Company				
HLH Agri International Pte.Ltd.*	Singapore	Investment holding	100	100
HLH Development Pte.Ltd.*	Singapore	Investment holding	100	100
Hong Lai Huat International Pte. Ltd.*	Singapore	Investment holding	100	100
Subsidiaries held by HLH Agri International Pte. Ltd.				
HLH Global Trading Pte.Ltd.*	Singapore	Dormant	100	100
H.L.H.I. (Cambodia) Company Limited** (Note 11)	Cambodia	Investment holding, property investment	–	49
HLH Agriculture (Cambodia) Co., Ltd.** (Note 11)	Cambodia	Agriculture plantation, processing and distribution	–	100
Subsidiary held by HLH Development Pte. Ltd.				
DSView Company Limited®	Cambodia	Investment holding, property investment	100	100
Subsidiaries held by Hong Lai Huat International Pte. Ltd.				
Public Housing Development (Cambodia) Ltd.** <sup>(i)</sup>	Cambodia	Investment holding, property investment	49	49
PH One Development (Cambodia) Limited** <sup>(i)</sup>	Cambodia	Property development and real estate	49	49
HSCH Capital Co., Ltd.** <sup>(ii)</sup>	Cambodia	Mining	–	–

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 17. INVESTMENTS IN SUBSIDIARIES (cont'd)

(a) The subsidiaries as at 31 December 2024 are as follows (cont'd):

- \* Audited by Baker Tilly TFW LLP.
- \*\* Audited by independent overseas member firms of Baker Tilly International.
- @ Not required to be audited under the laws of the country of incorporation.
- (i) A director of the subsidiaries of the Company holds the remaining 51% interest in these subsidiaries, in trust for the Group, pursuant to deeds of trust agreement between the director and the companies in the Group. Accordingly, 100% interests of these subsidiaries have been consolidated in the consolidated financial statements of the Group.
- (ii) A director of the subsidiary of the Company holds 70% (2023: 35%) interest in this subsidiary, in trust for the Group, pursuant to deeds of trust agreement between the director and the company in the Group. Accordingly, this subsidiary has been consolidated in the consolidated financial statements of the Group after the Group obtained control of this subsidiary on 26 August 2024 (Note 17(b)).

(b) Acquisition of a subsidiary

On 26 August 2024, the Group acquired 1,750 shares in HSCH Capital Co., Ltd. for an aggregate consideration of US\$14,000 (equivalent to \$19,000). As a result of this acquisition, the Group's shareholding in HSCH Capital Co., Ltd. increased from 35% to 70% and HSCH Capital Co., Ltd. became a subsidiary of the Group. The fair value of identifiable assets and liabilities of HSCH Capital Co., Ltd. at acquisition date and effect of cash flows on acquisition towards the Group have not been disclosed because the information is not material.

(c) Summarised financial information of subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiary that has NCI that are considered by management to be material to the Group:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interests held by NCI
<b>2024</b>		
HSCH Capital Co., Ltd.	Cambodia	30%

The following are the summarised financial information (before inter-company eliminations) of the Group's subsidiary with NCI that are considered by management to be material to the Group.

### Summarised Statement of Financial Position

	HSCH Capital Co., Ltd.	
	2024	2023
	\$'000	\$'000
Non-current assets	274	–
Current assets	60	–
Current liabilities	(1,043)	–
<b>Net liabilities</b>	<b>(709)</b>	<b>–</b>
<b>Net liabilities attributable to NCI</b>	<b>(213)</b>	<b>–</b>

The summarised statement of comprehensive income and statement of cash flows of HSCH Capital Co., Ltd. are not disclosed because there are no significant transactions during the financial year ended 31 December 2024.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Non-current</b>				
<i>Other receivable</i>				
Non-refundable deposits	–	40	–	–
<b>Current</b>				
<i>Trade receivables</i>				
Trade receivables from:				
– Sale of development properties	–	160	–	–
– Others	69	–	–	–
	69	160	–	–
<i>Other receivables</i>				
Other receivables and deposits	360	969	18	4
Consideration receivable <sup>(b)</sup>	4,804	–	–	–
Less: allowance for impairment loss	–	(378)	–	–
Amount due from associated company <sup>(a)</sup>	–	198	–	–
	5,164	789	18	4
<i>Prepayments</i>				
Prepayments	213	360	75	75
	5,446	1,309	93	79

(a) Amount due from associated company was non-trade in nature, interest-free and repayable on demand.

(b) Consideration receivable as at 31 December 2024 arose from the disposal of HLHA (Note 11).

## 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Non-current</b>				
<i>Financial assets measured at FVTPL</i>				
Investments in life insurances, at fair value <sup>(a)</sup>				
– Life Insurance Policy I	152	146	152	146
– Life Insurance Policy II	102	97	102	97
	254	243	254	243
<b>Current</b>				
<i>Financial assets measured at FVTPL</i>				
Quoted equity instruments <sup>(b)</sup>	20	40	–	–

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (cont'd)

### (a) Life insurance policies

During the financial year ended 31 December 2020, the Group entered into two life insurance policies – Prulife Vantage Achiever Prime for two Executive Directors of the Group with a single premium amounting to \$311,000. The total sum insured of Policy I and Policy II is \$1,000,000 individually and will mature in 2101 and 2103 respectively. At the time of death of the insured, 100% of the insured amount plus the accumulated investment returns will be payable to the Group.

At the date of inception of the policies, the total surrender values of Policy I and Policy II amounted to \$144,000 and \$96,000 respectively. The difference between the premium paid and the surrender values was recognised as prepayments and amortised over the respective policies' years.

The fair values of the life insurances are based on the surrender values of the insurance policies as stated in the annual statements received from the insurance company at the end of the reporting period and are classified as Level 2 on the fair value hierarchy.

### (b) Quoted equity instruments

Investments in quoted equity securities offers the Group the opportunity for return through dividend income and fair value gains. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year and are classified as Level 1 on the fair value hierarchy.

Changes in the fair value of financial assets at fair value through profit or loss, amounting to a loss of \$20,000 (2023: gain of \$40,000) have been included in profit or loss for the financial year as part of "other expenses" (2023: "other income").

## 20. DEVELOPMENT PROPERTIES

	Group	
	2024 \$'000	2023 \$'000
Development properties under construction		
– Freehold land	30,372	29,638
– Development costs	146	142
	30,518	29,780
Less: Allowance for write-down of development properties	(7,148)	(1,097)
	23,370	28,683
Completed development properties held for sale	17,659	17,239
	41,029	45,922

Movements in allowance for write-down on development properties during the financial year are as follows:

	Group	
	2024 \$'000	2023 \$'000
Balance at beginning of financial year	1,097	–
Additions	6,051	1,097
Balance at end of financial year	7,148	1,097

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 20. DEVELOPMENT PROPERTIES (cont'd)

Description and location	% owned	Site area (square metre)	Gross floor area (square metre)	Stage of completion at the end of reporting period (expected year of completion)
Freehold land located at Toul Kork District, Cambodia	100% (2023: 100%)	11,817	11,817	NA (2023: NA)
D'Seaview, a mixed-use development property in Preah Sihanouk Province, Cambodia	100% (2023: 100%)	9,818	92,566	100% (2023: 100%)

Development properties are classified as current assets in accordance with SFRS(I) 1-1 *Presentation of Financial Statements* as it is expected to be realised in the normal operating cycle of the Group.

As at 31 December 2023, the freehold land of the development properties under construction with carrying value of \$28,683,000 and the completed development properties with carrying value of \$17,239,000 were pledged to bank to secure bank borrowings. During the financial year, the bank borrowings were fully repaid, and accordingly the development properties pledges have been released (Note 27).

## 21. BIOLOGICAL ASSETS

	Group	
	2024 \$'000	2023 \$'000
At 1 January	339	1,499
Additions to cassava	15	199
Loss on fair value of biological assets	-	(1,175)
Decrease due to harvest	(7)	(180)
Transfer to disposal group assets (Note 11(iii))	(357)	-
Currency translation differences	10	(4)
At 31 December	-	339

### Valuation of biological assets

The fair values of the Group's biological assets at 31 December 2023 have been determined on the basis of valuations carried out by independent professional valuer having an appropriate recognised professional qualification and recent experience in the location and category of the assets being valued. The fair value measurement of biological assets is categorised as Level 3 in the fair value hierarchy.

Fair value as at 31 December 2023	Valuation techniques	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
\$339,000	Income approach	Selling prices less harvesting costs: \$65 Harvest yield: 7.03 tons/hectare Planted area: 2,102 hectares Contributory asset charges: \$588,188 Discount rate: 16.79%	The estimated fair value increases with higher selling prices, harvest yield and planted area.  The estimated fair value decreases with higher contributory asset charges and discount rate.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 22. INVENTORIES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Raw materials	–	4	–	–
Consumables	–	75	–	–
Machineries and spare parts	–	12	–	–
Finished goods	–	–	–	–
	–	91	–	–

In 2024, raw materials, consumables, machineries and spare parts and changes in finished goods included as cost of sales amounted to \$2,000 (2023: \$342,000).

## 23. AMOUNTS DUE FROM/TO SUBSIDIARIES

	Company	
	2024 \$'000	2023 \$'000
Due from (non-trade)	57,556	76,322
Due to (non-trade)	19,527	29,742

The amounts due from/to subsidiaries are unsecured, interest-free, repayable on demand and are to be settled in cash.

## 24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash at banks and on hand	8,989	1,647	7,120	253
Short-term fixed deposits with financial institutions	18,470	2,288	–	–
Cash and cash equivalents	27,459	3,935	7,120	253

## 25. LEASE LIABILITIES

Carrying amount of lease liabilities

	Group	
	2024 \$'000	2023 \$'000
Current	35	144
Non-current	77	885
	112	1,029
<u>Lease expense not included in the measurement of lease liabilities</u>		
Lease expense – short-term leases (Note 8)	17	10
Interest expense on lease liabilities (Note 6 and Note 11)	10	79

During the financial year, total cash flows for leases amounted to \$189,000 (2023: \$216,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 25. LEASE LIABILITIES (cont'd)

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

	Group	
	2024 \$'000	2023 \$'000
Balance at 1 January	1,029	945
Changes from financing cash flows:		
– Repayments	(162)	(127)
– Interest paid	(10)	(79)
Non-cash changes:		
– Interest expenses	10	79
– New leases	–	157
– Transfer to disposal group liabilities (Note 11(iii))	(764)	–
– Currency translation differences	9	54
Balance at 31 December	112	1,029

## 26. DEFERRED TAX LIABILITIES

	Accelerated tax depreciation \$'000	Fair value gains/(losses) on biological assets \$'000	Tax losses \$'000	Right- of-use assets \$'000	Lease liabilities \$'000	Others \$'000	Total \$'000
<b>Group</b>							
At 1 January 2023	(2,620)	(744)	(2,475)	12,388	(153)	17	6,413
(Credited)/charged to profit or loss for the financial year	315	(145)	717	(2,999)	(1)	(220)	(2,333)
Currency translation differences	(47)	15	30	(153)	3	4	(148)
At 31 December 2023	(2,352)	(874)	(1,728)	9,236	(151)	(199)	3,932
Charged to profit or loss for the financial year	–	–	–	–	–	216	216
Transfer to disposal group liabilities (Note 11(iii))	2,222	884	1,748	(9,419)	153	–	(4,412)
Currency translation differences	130	(10)	(20)	183	(2)	–	281
<b>At 31 December 2024</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>17</b>	<b>17</b>

The use of these tax losses is subject to the agreement of tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which the companies operate. The unutilised tax losses do not expire under current tax legislation, except for the unutilised tax losses arising from a Cambodia subsidiary which are available for carry forward up to 5 years from the year of loss and will expire in the following years:

	Group	
	2024 \$'000	2023 \$'000
<b>Financial year</b>		
2024	–	1,538
2025	–	2,049
2026	–	1,767
2027	–	2,382
2028	–	1,115
	<b>–</b>	<b>8,851</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 26. DEFERRED TAX LIABILITIES (cont'd)

The Group has unutilised tax losses of approximately \$14,265,000 (2023: \$16,122,000) that are available for offset against future taxable profits of the Group for which deferred tax assets amounting to approximately \$2,425,000 (2023: \$2,741,000) are not recognised due to uncertainty of the recoverability.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries and joint venture for which deferred tax liabilities have not been recognised is \$3,696,000 (2023: \$4,322,000). No liability has been recognised in respect of these temporary differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such temporary differences will not reverse in the foreseeable future.

	Others \$'000
<b>Company</b>	
At 1 January 2023, 31 December 2023 and 31 December 2024	17

## 27. BORROWINGS

	<b>Group</b>		<b>Company</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<i>Non-current</i>				
Bank Loan 1 <sup>(a)</sup>	–	123	–	123
Bank Loan 3 <sup>(c)</sup>	–	311	–	311
Bank Loan 4 <sup>(d)</sup>	–	5,851	–	–
	–	6,285	–	434
<i>Current</i>				
Bank Loan 1 <sup>(a)</sup>	123	218	123	218
Bank Loan 2 <sup>(b)</sup>	179	529	179	529
Bank Loan 3 <sup>(c)</sup>	311	521	311	521
Bank Loan 4 <sup>(d)</sup>	–	459	–	–
Bank overdraft 1 <sup>(e)</sup>	–	1,690	–	–
Bank overdraft 2 <sup>(f)</sup>	–	628	–	628
	613	4,045	613	1,896
	613	10,330	613	2,330

(a) Bank Loan 1

Bank Loan 1 is denominated in SGD and bears interest at 3.00% (2023: 3.00%) per annum. It is repayable in 60 equal instalments and will be fully repaid in June 2025 in accordance with the terms of the loan agreement.

(b) Bank Loan 2

Bank Loan 2 is denominated in SGD and bears interest at 3.00% (2023: 3.00%) per annum. It is repayable in 60 equal instalments and will be fully repaid in June 2025 in accordance with the terms of the loan agreement.

This loan is secured by a corporate guarantee provided by one of the Company's subsidiaries.

In the previous financial year ended 31 December 2023, the Group had breached the financial covenant of Bank Loan 2 for not maintaining sufficient cash balance for certain bank account. Therefore, the corresponding non-current portion of Bank Loan 2 amounting to \$179,000 was reclassified as current liabilities as at 31 December 2023. On 27 February 2024, the Group received one-off indulgence from the bank for the breach of financial covenant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 27. BORROWINGS (cont'd)

### (c) Bank Loan 3

Bank Loan 3 is denominated in SGD and bears interest at 3.00% (2023: 3.00%) per annum. It is repayable in 60 equal instalments and will be fully repaid in July 2025 in accordance with the terms of the loan agreement.

This loan is secured by corporate guarantees provided by certain of the Company's subsidiaries.

### (d) Bank Loan 4

Bank Loan 4 is denominated in USD and bears interest at 8.50% (2023: 8.50%) per annum. It is repayable in 120 equal instalments and will be fully repaid in April 2033 in accordance with the terms of the loan agreement.

This loan is secured by land and building constructed at freehold land located at Toul Kork District, Cambodia under development properties (Note 20) which provided by certain of the Company's subsidiaries. During the financial year, the bank borrowings were fully repaid.

### (e) Bank overdraft 1

Bank overdraft 1 is denominated in USD and bears interest rate of 10% (2023: 10%) per annum as at 31 December 2024 and interest rate may varies at the discretion of the bank based on market factors. The bank overdraft 1 is secured by the development properties (Note 20), a limited corporate guarantee of US\$15 million from the Company and a limited personal guarantee of US\$15 million from a director. During the financial year, the bank overdraft was fully repaid.

### (f) Bank overdraft 2

Bank overdraft 2 is denominated in USD and bears interest rate of 7.50% (2023: 7.50%) per annum as at 31 December 2024 and interest rate may varies at the discretion of the bank based on market factors. The bank overdraft 2 is secured by a mortgaged office premise under property, plant and equipment (Note 13) and corporate guarantees provided by certain of the Company's subsidiaries. During the financial year, the bank overdraft was fully repaid.

### *Reconciliation of movements of bank loans to cash flows arising from financing activities:*

	Group	
	2024 \$'000	2023 \$'000
Balance at 1 January	8,012	3,070
Changes from financing cash flows:		
– Repayments	(7,586)	(1,613)
– Interest paid	(658)	(716)
– New loan	–	6,596
Non-cash changes:		
– Interest expenses	658	716
– Currency translation differences	187	(41)
Balance at 31 December	613	8,012

## 28. TRADE PAYABLES

These amounts are non-interest bearing and normally settled on 60-days' terms.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 29. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Other payables	1,658	2,150	15	7
Amounts due to a joint venture	442	685	–	–
Deposits received	1,090	1,638	–	–
Accrued operating expenses	680	878	585	308
	<b>3,870</b>	<b>5,351</b>	<b>600</b>	<b>315</b>

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

Amounts due to a joint venture are non-trade, unsecured, non-interest bearing and are repayable on demand in cash.

## 30. CONTRACT LIABILITIES

Contract liabilities relate to advance consideration received from customers from the Group's property development project. Contract liabilities were recognised as revenue when the control of the property is transferred to the customers.

The following table provides information about contract liabilities from contracts with customers in respect of the Group's property development project:

	2024 \$'000	2023 \$'000	1.1.2023 \$'000
<b>Group</b>			
Trade receivables from sale of development properties	–	160	432
Contract liabilities	<b>126</b>	<b>346</b>	<b>581</b>

## 31. LOAN FROM CONTROLLING SHAREHOLDER

Loan from controlling shareholder is non-trade in nature, interest-free, unsecured and is repayable on demand.

**Reconciliation of movements of loan from controlling shareholder to cash flows arising from financing activities:**

	Group	
	2024 \$'000	2023 \$'000
Balance at 1 January	558	–
Changes from financing cash flows:		
– New loan and payment on behalf	340	558
– Repayments	(545)	–
Balance at 31 December	<b>353</b>	<b>558</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 32. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of issued shares '000	Issued share capital \$'000	Number of issued shares '000	Issued share capital \$'000
At 1 January and December	517,844	121,023	517,844	121,023

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

## 33. OTHER RESERVES

	Group			Company	
	2024	(Restated) 2023	(Restated) 1.1.2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital reserve	414	414	414	(459)	(459)
Foreign currency translation reserve	630	(6,106)	(5,567)	–	–
	1,044	(5,692)	(5,153)	(459)	(459)

### Capital reserve

Capital reserve of the Group and the Company relates to adjustment on share capital issued in relation to the settlement of certain debts of the Group and the Company and net reserve on consolidation taken directly to shareholders' interests in accordance with the Group's accounting policy. The balance is not available for distribution as dividends in any form.

### Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and the translation of monetary items that form part of the Group's net investment in foreign operations.

## 34. RELATED PARTY TRANSACTIONS

- (a) Other than as disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties during the financial year on terms agreed by the parties concerned. The balances with related parties are unsecured, interest-free and repayable on demand unless otherwise stated.

	Group	
	2024	2023
	\$'000	\$'000
Staff costs <sup>(i)</sup>	61	127
Collections of sales receipts on behalf of joint venture	392	685

- (i) Staff costs of \$61,000 (2023: \$127,000) were paid to individuals who are close family members of directors. These individuals are occupying managerial positions of the Company and its subsidiaries.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 34. RELATED PARTY TRANSACTIONS (cont'd)

(b) Key management personnel compensation is analysed as follows:

	Group	
	2024 \$'000	2023 \$'000
Comprise amounts paid to:		
– Directors of the Company	1,609	1,177
– Other key management personnel	53	127
	<b>1,662</b>	<b>1,304</b>

## 35. CONTINGENT LIABILITIES

The Company has undertaken to provide financial support to certain subsidiaries for deficiencies in their shareholders' funds and to extend adequate funding to meet their operational needs.

In the previous financial year ended 31 December 2023, the Company has provided corporate guarantee of \$15,000,000 to bank for bank overdraft of \$1,690,000 taken by its subsidiaries. The bank overdraft is fully repaid during the year financial year, and no new guarantees provided to the subsidiaries as at 31 December 2024.

## 36. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

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

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<i>Financial assets</i>				
Financial assets at amortised cost	32,692	4,884	64,694	76,579
Financial assets at fair value through profit or loss	274	283	254	243
<i>Financial liabilities</i>				
Financial liabilities at amortised cost	5,335	17,660	20,740	32,787

### (b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Group's financial performance. The policies for managing each of these risks are summarised below. The directors review and agree policies and procedures for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which the Group manages and measures financial risk.

#### *Foreign currency risk*

The Group has currency exposure arising from transactions, assets and liabilities that are denominated in currencies other than the respective functional currencies of entities in the Group. The foreign currencies in which the Group's currency risk arises are mainly United States dollars ("USD").

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 36. FINANCIAL INSTRUMENTS (cont'd)

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

#### Foreign currency risk (cont'd)

Currently, the Group does not hedge against the foreign currency exposure as the cash flows from purchases partially offset the cash flows from sales transactions and the time between the date of settlement and the date of collections are relatively short. The Group's net investments in Cambodia are not hedged as currency positions in USD are considered to be long-term in nature. The remaining exposure is not considered by management to be significant.

In order to minimise foreign currency risk, the Group has implemented policies and guidelines to facilitate the management of the foreign exchange risk. Whenever practicable, the Group will endeavour to match the currency of sales and purchases to minimise the net exposure and also to minimise excess foreign currency held by utilising bank facilities to bridge the short-term foreign currency needs due to the short-term gap between receivables and payables. The choice of invoicing currency will be made such that the Group's total currency exposure is minimised. It is not the Group's policy to take speculative positions in foreign currencies.

At the end of the reporting period, the Group and the Company have the following financial assets and financial liabilities denominated in foreign currencies based on information provided to key management:

	Group		Company	
	2024 USD \$'000	2023 USD \$'000	2024 USD \$'000	2023 USD \$'000
Amounts due from subsidiaries	1,190	40,990	204	13
Cash and cash equivalents	26,063	183	6,801	27
Other receivables	4,889	198	–	–
Amount due to a joint venture	(442)	(685)	–	–
Amounts due to subsidiaries	(10,953)	(22,664)	(10,916)	(22,664)
Borrowings	–	(628)	–	(628)
<b>Net financial assets/(liabilities) denominated in foreign currencies</b>	<b>20,747</b>	<b>17,394</b>	<b>(3,911)</b>	<b>(23,252)</b>

The following table demonstrates the sensitivity to a reasonably possible change in USD against SGD, with all other variables held constant, of the Group and the Company's loss after tax:

	Group		Company	
	Increase/(decrease) in loss after tax		Increase/(decrease) in loss after tax	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
USD/SGD				
– Strengthened 5% (2023: 5%)	(861)	(722)	162	965
– Weakened 5% (2023: 5%)	861	722	(162)	(965)

#### Interest rate risk

The Group's and the Company's exposure to interest rate risk arises primarily from borrowings and interest-bearing deposits placed with various financial institutions. Borrowings at variable rates expose the Group and the Company to cash flow interest rate risk (i.e. the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates). Borrowings at fixed rates expose the Group and the Company to fair value interest rate risk (i.e. the risk that the value of a financial instrument will fluctuate due to changes in market rates).

The sensitivity analysis for interest rate risk for those financial assets and financial liabilities at variable interest rates is not disclosed as the effect on the profit or loss is considered not significant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 36. FINANCIAL INSTRUMENTS (cont'd)

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

#### ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets including investment securities and cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

It is the Group's policy that guidelines are in place to ensure that the credit sales are only made to customers with appropriate credit standing.

The credit risk on liquid funds is limited because the counterparties are reputable financial institutions.

At the end of the reporting period, the Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities or if they operate within the same industry. The Company has no significant concentration of credit risk except for the amounts due from subsidiaries as disclosed in Note 23.

Before taking into account any collateral held, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position.

For sales of development properties, the Group is contractually entitled to forfeit the deposit paid from the customers if the payment is overdue and repossess the sold property for resale. The credit loss risk in respect of trade receivables is mitigated by these financial safeguards.

During the financial year ended 31 December 2024, the Group obtained completed development properties with carrying amount of \$98,000 (2023: \$80,000) by taking repossession of the sold property. Repossessed completed development properties are presented within "Development Properties" and will be sold as soon as practicable.

The Group determines concentrations of credit risk by monitoring the country sector profile of the Group's trade receivables as at the end of the reporting period is as follows:

	2024		2023	
	\$'000	%	\$'000	%
<u>By geographical area</u>				
Cambodia	69	100	160	100

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 36. FINANCIAL INSTRUMENTS (cont'd)

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

#### ***Credit risk (cont'd)***

##### *Significant increase in credit risk*

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

##### *Definition of default*

The Group considers information developed internally or obtained from external sources indicating that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group) as constituting an event of default for internal credit risk management purposes as historical experience indicates that such receivables are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 36. FINANCIAL INSTRUMENTS (cont'd)

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

#### ***Credit risk (cont'd)***

##### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

##### *Estimation techniques and significant assumptions*

There has been no significant change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

##### *Trade receivables*

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions with consideration of current macroeconomic conditions on the ability of the customers to settle the receivables.

##### *Other financial assets at amortised cost*

Other financial assets at amortised cost include other receivables and deposits, amounts due from subsidiaries and cash and cash equivalents.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 36. FINANCIAL INSTRUMENTS (cont'd)

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

#### Credit risk (cont'd)

##### Credit quality of financial assets

The table below details the credit quality of the Group's and the Company's financial assets at amortised cost:

2024 Group	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
Trade receivables	Lifetime ECL	69	–	69
Other receivables and deposits	12-month ECL	5,164	–	5,164
Cash and cash equivalents	N.A. Exposure Limited	27,459	–	27,459
<b>Company</b>				
Other receivables and deposits	12-month ECL	18	–	18
Amounts due from subsidiaries	Lifetime ECL	57,556	–	57,556
Cash and cash equivalents	N.A. Exposure Limited	7,120	–	7,120
<b>2023 Group</b>				
Trade receivables	Lifetime ECL	160	–	160
Other receivables and deposits	Lifetime ECL	380	(378)	2
	12-month ECL	787	–	787
Cash and cash equivalents	N.A. Exposure Limited	3,935	–	3,935
<b>Company</b>				
Other receivables and deposits	12-month ECL	4	–	4
Amounts due from subsidiaries	Lifetime ECL	76,322	–	76,322
Cash and cash equivalents	N.A. Exposure Limited	253	–	253

The credit loss exposure for the Group's and the Company's financial assets at amortised cost have been assessed to be insignificant and accordingly, no credit loss allowances are required as at 31 December 2024 and 31 December 2023 except for impairment loss of \$Nil (2023: \$378,000) provided on other receivables as at 31 December 2024.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 36. FINANCIAL INSTRUMENTS (cont'd)

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

#### *Liquidity risk*

Liquidity and cash flow risks are the risks that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company maintain sufficient cash and bank balances and internally generated cash flows to finance its activities.

The Group and the Company adopt prudent liquidity risk management by maintaining sufficient cash and available funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments:

	Within one year \$'000	Within two to five years \$'000	More than five years \$'000	Total \$'000
<b>Group</b>				
<b>2024</b>				
Trade payables	387	–	–	387
Other payables and accruals	3,870	–	–	3,870
Borrowings	619	–	–	619
Lease liabilities	36	86	–	122
Loan from controlling shareholder	353	–	–	353
	<b>5,265</b>	<b>86</b>	<b>–</b>	<b>5,351</b>
<b>2023</b>				
Trade payables	392	–	–	392
Other payables and accruals	5,351	–	–	5,351
Borrowings	5,250	4,386	4,275	13,911
Lease liabilities	152	544	2,502	3,198
Loan from controlling shareholder	558	–	–	558
	<b>11,703</b>	<b>4,930</b>	<b>6,777</b>	<b>23,410</b>
<b>Company</b>				
<b>2024</b>				
Other payables and accruals	600	–	–	600
Amounts due to subsidiaries	19,527	–	–	19,527
Borrowings	619	–	–	619
	<b>20,746</b>	<b>–</b>	<b>–</b>	<b>20,746</b>
<b>2023</b>				
Other payables and accruals	315	–	–	315
Amounts due to subsidiaries	29,742	–	–	29,742
Borrowings	1,934	438	–	2,372
Loan from controlling shareholder	400	–	–	400
Financial guarantee (Note 35)	1,690	–	–	1,690
	<b>34,081</b>	<b>438</b>	<b>–</b>	<b>34,519</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 37. FAIR VALUES OF FINANCIAL INSTRUMENTS

### (a) *Fair value hierarchy*

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

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

### (b) *Fair value measurements of assets and liabilities that are measured at fair value*

Fair values have been determined for measurement purposes based on the following methods:

#### Biological assets

The basis of determining fair values for measurement at the end of the reporting period is disclosed in Note 21.

#### Financial assets at fair value through profit or loss

The basis of determining fair values for measurement at the end of the reporting period is disclosed in Note 19.

There were no transfers between Levels 1 and 2 of the fair value hierarchy in the period.

### (c) *Fair values of financial instruments by classes that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values*

The carrying amounts of trade receivables, other receivables and deposits, cash and cash equivalents, borrowings, trade payables, other payables and accruals, and amounts due from/to subsidiaries approximate their respective fair values due to their relatively short-term nature of these financial instruments and where the effect of discounting is immaterial.

The carrying values of the Group's non-current borrowings as disclosed in Note 27 approximate their fair values at the end of the reporting period as there are no significant changes in the interest rates available to the Group at the end of the reporting period. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

## 38. CAPITAL MANAGEMENT

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 shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders and issue new shares. Adjusted capital comprises all components of equity (that is, share capital and reserves) and debts (including borrowings, lease liabilities and loan from controlling shareholder).

There were no changes in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 38. CAPITAL MANAGEMENT (cont'd)

The gearing ratio is calculated as borrowings, lease liabilities and loan from controlling shareholder divided by total capital which include equity attributable to the equity holders of the Company. The Group's policy is to maintain gearing ratio below 60%.

	Group (Restated)	
	2024 \$'000	2023 \$'000
Borrowings	613	10,330
Lease liabilities	112	1,029
Loan from controlling shareholder	353	558
	<b>1,078</b>	<b>11,917</b>
Equity attributable to the equity holders of the Company, representing total capital of the Company	<b>105,092</b>	<b>111,283</b>
Gearing ratio	<b>1%</b>	<b>11%</b>

## 39. SEGMENT INFORMATION

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 *Operating Segments*. This disclosure standard has no impact on the reported results or financial position of the reporting entity.

For management purposes, the Group is organised into the following major strategic operating segments: agriculture division, property development and real estate division, and others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the type of products and services are as follows:

(i) *Agriculture division*

The agriculture division carries on the business of agricultural development, cultivation, branding and merchandising, and distribution of cassava, and includes the co-operation agreements with third parties to operate the agriculture land, and the agriculture-related resort business.

(ii) *Property development and real estate division*

The property development and real estate division is carrying on the business of investment and prime development of commercial and residential properties.

(iii) *Others*

Others segment comprises:

- (a) the Company who is engaged in the business of investment holding generating income from management services provided to related companies and dividend; and
- (b) other subsidiaries whose scope of activities and financial results are not material enough to be reported under a separately reportable segment or which are currently dormant.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 39. SEGMENT INFORMATION (cont'd)

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The segment information provided to management for the reportable segments are as follows:

	Discontinued operations	← Continuing operations →			
	Agriculture division \$'000	Property development and real estate division \$'000	Others \$'000	Elimination \$'000	Total \$'000
<b>2024</b>					
<b>Revenue</b>					
External sales	70	102	–	–	172
Inter-segment sales	–	50	3,100	(3,150)	–
Total revenue	70	152	3,100	(3,150)	172
Segment loss	(5,287)	(7,774)	(1,241)	1,150	(13,152)
Depreciation of property, plant and equipment and right-of-use assets	(1,560)	(234)	(118)	–	(1,912)
Amortisation of intangible assets	–	(100)	–	–	(100)
Property, plant and equipment written off	(80)	–	–	–	(80)
Finance costs	–	(586)	(82)	–	(668)
Income tax expense	–	(582)	–	–	(582)
Loss from disposal of subsidiaries	(2,997)	–	–	–	(2,997)
(Loss)/gain on disposal of property, plant and equipment	–	(20)	141	–	121
Gain on disposal of right-of-use assets	–	253	–	–	253
(Loss)/gain on change in fair value of financial assets at fair value through profit or loss	–	(20)	11	–	(9)
Net gain on repossession of development properties	–	82	–	–	82
Write-down of development properties	–	(6,051)	–	–	(6,051)
Interest income	–	83	2	–	85
Share of loss of associates	–	(46)	–	–	(46)
Share of profit of a joint venture	–	3,691	–	–	3,691
<b>Segment assets</b>	–	102,811	7,782	–	110,593
<i>Segment assets include:</i>					
Additions to non-current assets	–	621	35	–	656
Investment in associated companies	–	7,564	–	–	7,564
Investment in a joint venture	–	26,824	–	–	26,824
<b>Segment liabilities</b>	–	4,486	1,228	–	5,714

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 39. SEGMENT INFORMATION (cont'd)

The segment information provided to management for the reportable segments are as follows (cont'd):

	Discontinued operations	← Continuing operations →			
		Property development and real estate division	Others	Elimination	Total
	Agriculture division \$'000	division \$'000	division \$'000	division \$'000	division \$'000
2023 (Restated)					
<b>Revenue</b>					
External sales	451	(184)	–	–	267
Inter-segment sales	50	–	2,000	(2,050)	–
Total revenue	501	(184)	2,000	(2,050)	267
Segment loss	(15,654)	(6,041)	(769)	(744)	(23,208)
Bad debts written off	–	(124)	–	–	(124)
Depreciation of property, plant and equipment and right-of-use assets	(2,089)	(318)	(152)	–	(2,559)
Fair value loss on biological assets	(1,175)	–	–	–	(1,175)
Finance costs	(69)	(618)	(108)	–	(795)
Income tax credit/(expense)	2,122	137	(59)	–	2,200
Gain on disposal of property, plant and equipment	4	–	–	–	4
Gain on change in fair value of financial assets at fair value through profit or loss	–	40	–	–	40
Write-down of development properties	–	(1,097)	–	–	(1,097)
Impairment loss on property, plant and equipment	(364)	–	–	–	(364)
Impairment loss on right-of-use assets	(13,285)	–	–	–	(13,285)
Interest income	–	103	1	–	104
Net loss on repossession of development properties	–	(48)	–	–	(48)
Property, plant and equipment written off	(352)	–	–	–	(352)
Share of loss of associates	–	(101)	–	–	(101)
Share of loss of a joint venture	–	(1,385)	–	–	(1,385)
<b>Segment assets</b>	51,916	80,454	976	–	133,346
<i>Segment assets include:</i>					
Additions to non-current assets	306	221	118	–	645
Investment in associated companies	–	7,395	–	–	7,395
Investment in a joint venture	–	22,405	–	–	22,405
<b>Segment liabilities</b>	5,399	13,545	3,119	–	22,063

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 39. SEGMENT INFORMATION (cont'd)

### *Geographical information*

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets (Restated)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Singapore	–	–	1,278	1,546
Cambodia	102	267	35,107	79,881
	102	267	36,385	81,427

Non-current assets information presented above are non-current assets as presented on the statements of financial position excluding non-refundable deposit and financial assets at fair value through profit and loss.

### *Information about major customer*

Revenue is derived from 2 (2023: 1) external customers who individually contributed 10% or more of the Group's revenue and are attributable to property development and real estate division.

	Group	
	2024 \$'000	2023 \$'000
Customer A	–	237
Customer B	201	–
Customer C	148	–
	349	237

## 40. SUBSEQUENT EVENTS

### *Letter of demand received from Shanghai Baoye (Cambodia) Co., Ltd*

The Group's wholly-owned subsidiary, PH One Development (Cambodia) Limited, has received a letter of demand for payment from Shanghai Baoye (Cambodia) Co., Ltd ("SBC"). SBC was the main contractor for the Group's first mixed-use development project, D'Seaview, located in Sihanoukville, Cambodia, which was completed on 30 April 2020. The letter of demand alleges an outstanding payment claim of US\$10,959,000 and demands payment by 20th February 2025, threatening legal action if payment is not made. The Group disputes these claims, asserting that they are baseless and unsupported by evidence. In response, the Group has engaged its legal representatives to issue a formal reply, supported by evidence, refuting the claims and asserting a counterclaim against SBC for compensation amounting to US\$10,000,000, due to SBC's numerous failures and breaches of contract, which caused significant delays in the project, forcing the Group to engage third parties to complete the remaining works.

As at the date of authorisation of these financial statements, SBC has not responded to the counterclaim. Management believes that the claims made by SBC are baseless and unjustified as such no provision has been made in these financial statements as management does not anticipate any obligation arising from the claim.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 41. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES

During the current financial year, the Group has made a prior year adjustment to the share of results of the joint venture in profit or loss, in respect of over-recognition of expenses related to uncompleted development properties, by restating comparative figures for the prior period's financial statements in accordance with SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

As disclosed in Note 11, the financial performance of the disposal group was presented as discontinued operations in the Group's consolidated statement of comprehensive income. Accordingly, the comparative consolidated statement of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

The effects of the above matters on the comparative figures are as follows:

	As previously reported \$'000	Adjustment \$'000	As restated \$'000
<b>Group</b>			
<b>For the financial year ended 31 December 2023</b>			
<b>Consolidated Statement of Comprehensive Income</b>			
Revenue	267	(451)	(184)
Cost of sales	(267)	348	81
Gross loss	–	(103)	(103)
Other income	1,110	(135)	975
Administrative expenses	(6,747)	2,768	(3,979)
Impairment loss on property, plant and equipment	(364)	364	–
Impairment loss on right-of-use assets	(13,285)	13,285	–
Fair value loss on biological assets	(1,175)	1,175	–
Other expenses	(1,396)	353	(1,043)
Finance costs	(795)	69	(726)
Share of loss of a joint venture	(1,950)	565	(1,385)
Loss before tax	(25,973)	18,341	(7,632)
Income tax credit	2,200	(2,122)	78
Loss for the financial year	(23,773)	23,773	–
Loss from continuing operations	–	(7,554)	(7,554)
Loss from discontinued operations, net of tax	–	(15,654)	(15,654)
 Loss for the financial year attributable to equity holders of the Company	 (23,773)	 23,773	 –
Loss from continuing operations	–	(7,554)	(7,554)
Loss from discontinued operations, net of tax	–	(15,654)	(15,654)
 Other comprehensive loss: <i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive loss of a joint venture	(348)	(16)	(364)
Other comprehensive loss for the financial year, net of tax	(523)	(16)	(539)
 Total comprehensive loss for the financial year and total comprehensive loss attributable to equity holders of the Company	 (24,296)	 549	 (23,747)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 41. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (cont'd)

The effects of the above matters on the comparative figures are as follows (cont'd):

	As previously reported \$'000	Adjustment \$'000	As restated \$'000
<b>Group</b>			
<b>31 December 2023</b>			
<b>Statement of Financial Position</b>			
<b>Non-current assets</b>			
Investment in a joint venture	21,568	837	22,405
<b>Equity</b>			
Accumulated losses	(4,906)	858	(4,048)
Foreign currency translation reserve	(6,085)	(21)	(6,106)
Total equity	110,446	837	111,283
<b>Consolidated Statement of Changes in Equity</b>			
Accumulated losses	(4,906)	858	(4,048)
Foreign currency translation reserve	(6,085)	(21)	(6,106)
<b>For the financial year ended 31 December 2023</b>			
<b>Consolidated Statement of Cash flows</b>			
Cash flows from operating activities			
Loss before tax	(25,973)	25,973	–
– Continuing operations	–	(7,632)	(7,632)
– Discontinued operations	–	(17,776)	(17,776)
Share of loss of a joint venture	1,950	(565)	1,385
<b>1 January 2023</b>			
<b>Statement of Financial Position</b>			
<b>Non-current assets</b>			
Investment in a joint venture	17,173	288	17,461
<b>Equity</b>			
Retained earnings	18,867	293	19,160
Foreign currency translation reserve	(5,562)	(5)	(5,567)
Total equity	134,742	288	135,030
<b>Consolidated Statement of Changes in Equity</b>			
Retained earnings	18,867	293	19,160
Foreign currency translation reserve	(5,562)	(5)	(5,567)

## 42. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors dated 10 April 2025.



# STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2025

ISSUED AND FULLY PAID-UP CAPITAL	–	\$121,022,617
NUMBER OF SHARES ISSUED	–	517,844,114
CLASS OF SHARES	–	ORDINARY SHARES
VOTING RIGHTS	–	ONE VOTE PER SHARE

The Company does not hold any treasury shares and subsidiary holdings.

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	683	11.62	29,574	0.01
100 – 1,000	1,012	17.22	537,530	0.10
1,001 – 10,000	2,636	44.84	11,500,989	2.22
10,001 – 1,000,000	1,514	25.76	108,734,123	21.00
1,000,001 & above	33	0.56	397,041,898	76.67
TOTAL	5,878	100.00	517,844,114	100.00

## TWENTY LARGEST SHAREHOLDERS

TOP TWENTY SHAREHOLDERS	NO. OF SHARES	%
1 DATO DR ONG BEE HUAT, PBM	213,802,465	41.29
2 PHILLIP SECURITIES PTE LTD	25,749,309	4.97
3 ONG JIA MING	20,599,765	3.98
4 ONG KIAN HENG	16,931,177	3.27
5 WONG WEN-YOUNG	13,841,850	2.67
6 NG CHUEN GUAN (HUANG JUNYUAN)	12,485,000	2.41
7 TIGER BROKERS (SINGAPORE) PTE. LTD.	12,400,133	2.40
8 LAU YEN ENG	10,410,833	2.01
9 DBS NOMINEES PTE LTD	9,027,801	1.74
10 ABN AMRO CLEARING BANK N.V.	6,152,754	1.19
11 CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	4,569,799	0.88
12 ANG POON BENG	4,000,285	0.77
13 HSU HUNG-CHUN	4,000,000	0.77
14 TOH TIAM HOCK	3,731,688	0.72
15 UNITED OVERSEAS BANK NOMINEES PTE LTD	3,208,921	0.62
16 JIB SPECIALIST CONSULTANTS PTE LTD	3,200,000	0.62
17 TEO HO PIN	3,000,000	0.58
18 GOH GUAN SIONG (WU YUANXIANG)	2,988,336	0.58
19 KOH TIAK CHYE	2,766,787	0.53
20 IFAST FINANCIAL PTE LTD	2,307,989	0.45
	375,174,892	72.45

# STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2025

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 18 March 2025)

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
DATO DR ONG BEE HUAT, PBM	213,802,465	41.29	10,410,833 <sup>(1)</sup>	2.01

**Note:**

(1) Dato Dr Ong Bee Huat, Pbm, deemed interest 10,410,833 shares held by his spouse.

## COMPLIANCE WITH RULE 723 OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) LISTING MANUAL

Based on information available and to the best knowledge of the Company as at 18 March 2025, approximately 50.05% of the ordinary shares of the Company are held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual.









HONG LAI HUAT  
GROUP LIMITED

SGX MAINBOARD (CTO.SB)

逢來發集團有限公司

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