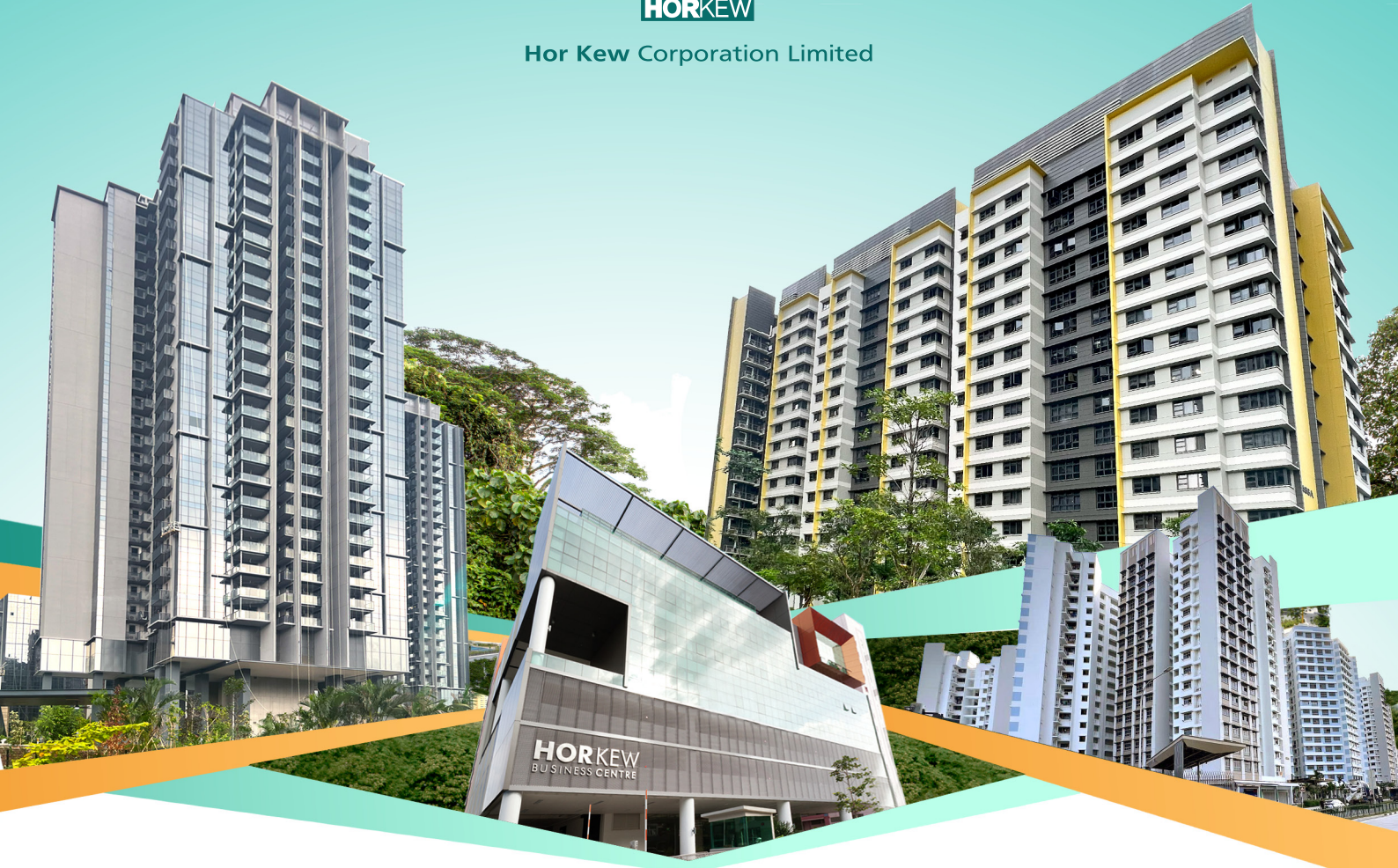




Hor Kew Corporation Limited



BUILDING A BRAND NEW FUTURE

ANNUAL REPORT 2023

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OUR VISION

Our vision is to be a top-notch integrated building group in the region, leveraging on prefabrication technology and operational excellence to provide high value-added services to our customers.

OUR MISSION

We are fully dedicated to customers' satisfaction. We pledge ourselves to a policy of responding sensitively to our customers' progressive needs.

We commit ourselves to on-time completion of our projects, and to continuous improvement in our quality and cost effectiveness through employee re-training and effective utilisation of resources.

OUR CORE VALUES



INTEGRITY

The cornerstone of our success.



quick ADAPTATION
to changing environments.
The fittest survivor is the
most flexible.



corporate, social and
environmental
RESPONSIBILITY
We build for you. We
contribute to society.



continual PERSEVERANCE

The spirit of tenacity will see
us through.

HOR KEW CORPORATION LIMITED IS A BUILDING CONSTRUCTION GROUP, PROVIDING AN INTEGRATED RANGE OF CONSTRUCTION RELATED PRODUCTS AND SERVICES.



The Group's origin can be traced back to 1979 when Hor Kew Private Limited became the main business vehicle.

In 1983, the Group was awarded the first main building contract. This contract, with a value of \$28.5 million, was for the building of eight blocks of residential apartments.

In 1986, the Group embarked on the first property development project. Since then, the Group has completed several property development projects.

In 1990, the Group diversified its operations vertically and started the business of manufacturing and supply of prestressed and precast reinforced concrete building components as well as prefinished architectural precast components.

In 1994, the Group further enhanced its vertical integration by venturing into the manufacturing and supply of prefabricated architectural metal component business. The Group also has precast and prefabrication operations in Malaysia.

The vertical integration of the Group's operations continues till today, as this enhances better control over the quality and progress of building projects undertaken, thus providing high value-added services to its customers.

Over the years, the Group has successfully completed many projects, and has achieved and received numerous awards.

By leveraging on its steady track record and expertise in the construction industry, the Group has grown to become a main board public listed construction group in Singapore.

CHAIRMAN'S MESSAGE



MR BENJAMIN AW CHI-KEN
*Executive Chairman and
Chief Executive Officer*

DEAR SHAREHOLDERS,

We are proud to hereby report that we achieved strong financial performance for the financial year ended 31 December 2023 (“FY2023”). In FY2023, the Group had improved over the previous financial year in terms of both the top line and bottom line, and its gross profit margin had also increased. Our FY2023 revenue exceeded \$100 million, and this was the highest revenue level seen after the financial year ended 31 December 2013. The profit before tax in FY2023 was not only healthy but also almost equal to the combined profit before tax of the previous four financial years.

Needless to say, the above excellent results in FY2023 were only possible with the combined team efforts of everyone in the Hor Kew Group. With this team spirit, our business is ensured of even greater success moving forward.

A REVIEW OF THE BUSINESS IN FY2023

In recent years, the Group’s strategy has been to focus on the prefabrication segment of the construction industry, by producing precast concrete and prefabricated metal building

components. In FY2023, the Group intensified efforts to further boost its order books and maximise production capacity, thereby increasing its revenue significantly.

When bidding for projects, we only tendered at prices that were expected to yield reasonable profits all the way till project completion. For each and every project, controlling raw materials and manpower costs is the key to achieving healthy profit margins. We have always been working hard at this, and have seen good results as shown in the improvement of our profit margin in FY2023 despite operating in a cost-inflationary environment. We had introduced certain new cost savings initiatives in our operations, and these were reported at monthly management meetings for evaluations and discussions.

We have always been vigilant in managing the credit risk of our business. In this aspect, we only tendered for projects with main contractors with strong financial track records. We maintained tight credit control at all times, vigilantly ensuring timely customer collections and where necessary swiftly implementing certain measures to minimise default losses.

CHAIRMAN'S MESSAGE

Our stakeholders are our valued business partners. By building and maintaining strong relationships with customers, suppliers and employees, we form a powerful network to help us compete against other industry players. At the same time, we strive to increase productivity and efficiency with as lean a workforce as possible, yet never compromising on product quality or workers' safety.

We are fully aware of the need to keep improving our products in order to cater to industry regulations, to beat the competition and to better serve the needs of our esteemed customers. The Group has been consistently adopting new technologies and introducing innovative new products to satisfy customer demands and increase market share. We always engage in Research and Development work to enhance the designs and quality of our existing products.

For the last few years, the Group has been trimming its borrowings to minimize finance costs. However, our finance costs increased significantly in FY2023 despite a reduction in Group borrowings, due to the soaring of interest rates in the previous year. Interest rates are expected to be adjusted downwards in the coming year, but nevertheless we shall continue to repay our loans and negotiate with banks on better financing rates.

CONCLUSION

Whilst the local construction industry is expected to continue to be robust in the coming year, we recognise that there will still be various challenges and uncertainties for us ahead. However, we also believe that the strong Hor Kew brand name shall continue to serve us well in continuing to secure profitable contracts. After all, we not only survived the economic rout caused by the COVID-19 but have emerged stronger financially. We have the conviction that by working together as a team, our Group shall enjoy continued success and reach greater heights in the future.

On behalf of the Board of Directors, I would like to thank our valued business partners and customers for their continued support. To our shareholders, I express my heartfelt gratitude for your vote of confidence by staying the course with us. Last but not least, my earnest appreciation to all my colleagues for the hard work and dedication you have put in during the year. Let us work together as a team towards a better year 2024 and beyond!



MR BENJAMIN AW CHI-KEN

Executive Chairman and Chief Executive Officer

主席汇报

尊敬的股东,

我们欣然汇报，在截至2023年12月31日止财政年度（「2023财年」）录得强劲的财务表现。在2023财年，本集团不论在收益还是在利润方面，都较上一个财政年度有所增长，毛利率也有所上升。2023财年，我们录得收益超过1亿元，是自2013年12月31日止财政年度以来录得最高水平的收益。2023财年的除税前利润十分稳健，甚至近乎相等于前四个财政年度的除税前利润总和。

毋庸置疑，2023财年内取得如此优秀的业绩，好速集团全体员工的团体努力功不可没。我们将以这股团体精神砥砺前行，确保业务更上一层楼。

回顾2023财年的业务

近年来，本集团的策略一直集中于建造业的预制领域，生产预制混凝土及预制金属建筑物构件。在2023财年，本集团在增加订单和扩大产能方面加大力度，大幅增加收益。

我们在投标项目时，我们只会以预计能在整个项目直到完成为止期间产生合理利润水平的价格进行投标。在每一个项目，为实现稳健的利润率，控制好原材料和人工成本至关重要。我们一直在这方面竭尽全力，在2023财年的成本通胀环境之下，毛利率有所提升，努力成果有

目共睹。我们在业务运作中新推出一些节约成本的措施，每个月在管理层会议上汇报成果，以便进行评估和讨论。

我们在管理业务信贷风险方面一直采取谨慎态度，只向拥有稳健财务记录的总承包商投标项目。我们一直严格监控信贷情况，时刻确保准时从客户收到款项，并在必要的情况下迅速采取若干措施，尽量减少拖欠所造成损失。

持份者是贵重的业务伙伴。我们透过与客户、供货商和员工建立和维持稳固的关系，建立强大的网络，使我们能与其他同业企业保持竞争。与此同时，我们尽力精简工作队伍，提高产能效益，但在产品质量、员工安全方面绝不妥协。

我们深明，要在符合行业规定下跑赢竞争对手，更好地满足尊贵客户的需求，就需要不断对产品进行改良。本集团一直在采用新技术，推出创新产品，从而满足客户需求，增加市场份额。为改良现有产品的设计和品质，我们在研发工作方面始终不辞劳苦，全力以赴。

过去几年来，本集团一直在缩减借贷，尽量减少财务成本。然而，由于去年利率飙升，即使本集团借贷减少，2023财年的财务成本仍然大幅增加。预计未来一年利率将会调低，但我们将继续与银行磋商，争取以更优惠的融资利率偿还贷款。

结语

本地建筑业在未来一年预期将继续稳健增长，但我们明白日后仍需应付各种不同的挑战和不确定因素。然而，我们也相信，好逑集团的良好品牌声誉将协助我们争取盈利丰厚的合约。再说，我们不但没有被COVID-19对经济造成的大衰退所击倒，反而建立了更稳健的财务状况。我们坚信，通过团队一致努力，我们将确保本集团在未来继续取得成功，再创高峰。

我谨代表董事会感谢一如既往地支持我们的每位商业伙伴与客户。对我们的股东，我为你们对好逑的信任致以万分谢意。最后，对我的同事们，我也衷心地珍惜你们辛勤的工作与奉献。让我们为共创一个更美好的2024年和未来而携手努力！

胡志庆先生

执行主席兼执行总裁



OPERATIONS REVIEW



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The Group generated revenue of \$104.8 million for the financial year ended 31 December 2023 (“FY2023”), which represented an increase of \$28.3 million over revenue of \$76.5 million for the financial year ended 31 December 2022 (“FY2022”). This increase was due to higher delivery volumes in FY2023 from stronger order books.

The Group also recorded a higher gross profit of \$22.7 million in FY2023 compared to \$15.9 million in FY2022, mainly due to higher revenue and higher profit margins for those projects delivered in FY2023. The Group’s gross profit margin increased from 20.8% in FY2022 to 21.6% in FY2023 mainly because of better tender prices.

The Group earned a higher interest income from fixed deposits of \$0.7 million in FY2023 compared to \$0.3 million in FY2022 mainly due to higher interest rates.

The Group’s other income decreased \$0.4 million from \$4.0 million in FY2022 to \$3.6 million in FY2023, mainly due to \$0.8 million fall in gain on disposal of property, plant and equipment partly offset by \$0.4 million increase in fair value gain on investment properties.

General and administrative expenses increased \$0.1 million from \$12.0 million in FY2022 to \$12.1 million in FY2023, mainly due to increase in loss on foreign exchange of \$0.1 million.

Finance costs increased from \$1.8 million in FY2022 to \$2.8 million in FY2023, mainly due to interest rate hikes.

After review of expected credit loss allowance for trade receivables, the Group provided for higher net impairment losses on financial and contract assets of \$4.5 million for FY2023, which was higher than that of \$3.6 million for FY2022. This was mainly due to higher revenue in FY2023.

The Group recorded a profit before tax of \$7.6 million in FY2023 (FY2022: profit before tax of \$2.8 million).

The Group provided for overall tax expense of \$0.2 million in FY2023, as income tax provision of \$2.5 million was partially offset by a deferred tax credit of \$2.3 million (FY2022: tax expense of \$1.1 million).

Profit after tax of the Group for FY2023 was \$7.4 million (FY2022: profit after tax of \$1.7 million).

OPERATIONS REVIEW

The Group had a higher comprehensive loss from unfavourable currency movements in foreign subsidiaries in FY2023 of \$0.9 million, compared to a comprehensive loss of \$0.8 million in FY2022, due to weakening of the Malaysian ringgit against the Singapore dollar.

The Group reported total comprehensive income of \$6.5 million in FY2023 (FY2022: total comprehensive income of \$0.9 million).

STATEMENT OF FINANCIAL POSITION

Total non-current assets increased from \$82.4 million as at 31 December 2022 to \$83.8 million as at 31 December 2023. There was \$3.4 million increase in non-current trade receivables being retention sums receivable from customers for projects due to higher volume of completed projects during the year. Property, plant and equipment fell \$4.3 million from 31 December 2022 mainly due to depreciation and disposals. Investment properties increased by \$0.6 million from 31 December 2022 due to fair value gains.

Current assets of the Group decreased by \$12.0 million from 31 December 2022 to 31 December 2023 mainly due to \$9.0 million decrease in current trade receivables from efforts in collections. Inventories decreased \$2.5 million due to tighter inventory management and contract assets fell \$2.8 million due to increase in subsequent billings to customers. Cash and cash equivalents increased by \$3.0 million mainly due to trade collections being in excess of payments.

Total assets of the Group decreased \$10.6 million, from \$169.4 million as at 31 December 2022 to \$158.8 million as at 31 December 2023.

Current trade and other payables decreased by \$4.4 million mainly due to timely settlement of supplier invoices. Contract liabilities decreased by \$6.6 million from 31 December 2022 due to decrease in advance collections from customers.

Non-current borrowings increased by \$22.6 million whilst current borrowings decreased by \$28.5 million mainly because a \$25.0 million term loan that was refinanced in the year 2023 was classified under current borrowings in FY2022, but under non-current borrowings in FY2023. Total current and non-current borrowings decreased by \$5.9 million mainly due to repayment of loans.

As a result of the above, total current liabilities of the Group decreased \$39.2 million, from \$96.2 million as at 31 December 2022 to \$57.0 million as at 31 December 2023. The above also led to total non-current liabilities of the Group increasing \$22.1 million, from \$8.0 million as at 31 December 2022 to \$30.1 million as at 31 December 2023.

Total liabilities of the Group decreased by \$17.2 million from 31 December 2022 and stood at \$87.1 million as at 31 December 2023.

Shareholders' equity of the Group increased by \$6.5 million and was recorded at \$71.7 million as at 31 December 2023 due to the comprehensive income earned in FY2023.

STATEMENT OF CASH FLOWS

The Group generated \$15.3 million in its operating activities in FY2023 mainly due to increased revenue and higher profits.

It used \$1.9 million in its investing activities mainly due to purchase of property, plant and equipment.

It used \$9.0 million in its financing activities in FY2023 mainly for repayments of borrowings and interest payments.

Overall, the Group's cash increased by \$4.5 million in FY2023, and the cash and cash equivalents stood at \$7.4 million as at 31 December 2023.

BOARD OF DIRECTORS



MR BENJAMIN AW CHI-KEN
*Executive Chairman and
Chief Executive Officer*

Mr Benjamin Aw Chi-Ken was appointed as the Executive Chairman and Chief Executive Officer on 1 April 2020. Mr Benjamin Aw is responsible for the overall strategic decisions of the Group.

Mr Benjamin Aw is a member of the Nominating Committee.

He oversees the business development, corporate matters, financial planning, general management and investment decisions of the Group.

Prior to joining the Group, Mr Benjamin Aw started his career by working in the banks as a Personal Financial Adviser and Relationship Manager with both offshore financial institutions and a local bank. In addition to his banking experience, Mr Benjamin Aw has accumulated more than 8 years of hands-on experience as a professional in mechanical and electrical elevator transportation systems and the construction industry holding various positions in regional, managerial, agencies and manufacturers roles.

Mr Benjamin Aw holds a Bachelor of Arts degree with First Class Honours in Accounting and Finance from University of North London, London, United Kingdom and a Degree in Masters of Science in Finance from The City University, London, United Kingdom.

Mr Benjamin Aw was first appointed to the Board of Directors on 27 February 2014 and last re-elected on 29 April 2022.

He will be due for re-election at the forthcoming Annual General Meeting.



MS ELICIA AW YING YING
Executive Director

Ms Elicia Aw Ying Ying is an Executive Director and is responsible for directing the day to day business operations as well as the strategic management of the Group's subsidiaries Prefab Technology Pte Ltd, Prefab Technology 3 Pte Ltd, Prefab Technology Sdn Bhd and Prefab Metal Sdn Bhd.

Ms Elicia Aw joined the Group in 2002 as a Project Manager and in year 2011 was appointed as the General Manager of Prefab Technology Pte Ltd and Prefab Technology 3 Pte Ltd. She continues to play a pivotal role in overseeing and directing the design and manufacture of prestressed and precast reinforced concrete building components as well as the prefabricated architectural metal components.

Ms Elicia Aw holds a Bachelor of Engineering (Civil) degree with Honours from the National University of Singapore.

Ms Elicia Aw was first appointed to the Board of Directors on 27 February 2014 and last re-elected on 28 April 2023.

BOARD OF DIRECTORS



DR LOW SEOW CHAY
*Non-Executive and
Independent Director*

Dr Low Seow Chay is a Non-Executive and Independent Director of the Company.

Dr Low is the Chairman of the Company's Audit Committee, and a member of the Nominating Committee and Remuneration Committee.

Dr Low Seow Chay is the Independent Director of LK Technology Holdings Ltd (Hong Kong). He is also the Director of Clean Water Tech Pte Ltd and the Adviser for RHT Digital & Media Pte Ltd.

Dr Low holds a Doctorate degree in Mechanical Engineering from University of Manchester, United Kingdom.

Dr Low was first appointed to the Board of Directors on 3 April 2000 and last re-elected on 30 April 2021.

He will be retiring from the Board of Directors after the forthcoming Annual General Meeting.



MR WILLIAM CHEW YEW MENG
*Non-Executive and
Independent Director*

Mr William Chew Yew Meng is a Non-Executive and Independent Director of the Company.

He is a member of the Company's Audit Committee, and Chairman of the Nominating Committee and Remuneration Committee.

Mr William Chew was a founding member of FAST, a non-profit organisation providing social support, humanitarian aid and skills training for foreign domestic workers, since 2005. He became the Chief Executive Director of FAST in 2013. On 31 December 2023, he retired from FAST.

As the Charter President of the Lions Club of Singapore Centennial, Mr William Chew is actively involved in serving the needy and the community.

Mr William Chew obtained his Bachelor of Arts Degree in Social Work and Sociology from the National University of Singapore. He holds a Master's Degree in Mass Communication from Oklahoma City University, United States of America and holds a post graduate in Training and Development from ITD, United Kingdom.

Mr William Chew was first appointed to the Board of Directors on 3 April 2000 and last re-elected on 29 April 2022.

He will be retiring from the Board of Directors after the forthcoming Annual General Meeting.

BOARD OF DIRECTORS



MR LEE SEN CHOON
*Non-Executive and
Independent Director*

Mr Lee Sen Choon is a Non-Executive and Independent Director of the Company.

Mr Lee is also a member of the Company's Audit Committee, Nominating Committee and Remuneration Committee.

He is the Managing Partner of UHY Lee Seng Chan & Co and has more than 30 years of experience in the areas of accounting, auditing, taxation and corporate secretarial practices. He sits on the board of another public listed company as Independent Director.

Mr Lee holds a Bachelor of Science degree with Honours from the Nanyang University and a Post-graduate Diploma in Management from University of Salford. He is also a fellow member of the Institute of Chartered Accountants in England and Wales, as well as a practicing member of the Institute of Singapore Chartered Accountants.

Mr Lee was first appointed to the Board of Directors on 1 January 2003 and last re-elected on 28 April 2023.

He will be retiring from the Board of Directors after the forthcoming Annual General Meeting.



KEY MANAGEMENT

MR MICHAEL SOH CHIA YANG

Mr Michael Soh Chia Yang is the Financial Controller and is responsible for the Group's accounting, tax planning, banking and compliance with financial reporting and regulatory requirements.

Prior to joining the Group in 2017, Mr Michael Soh had 14 years of experience covering audit, financial reporting and operational accounting. His audit experience came from two of the Big Four accounting firms and his accounting experience came from a local listed company, a German Multinational Corporation and an established shipping company.

Mr Michael Soh holds a Bachelor of Accountancy degree from the Nanyang Technological University.



MR STEVEN AW SOON HWEE

Mr Steven Aw Soon Hwee is the Managing Director of Prefab Technology Pte Ltd, the Group's subsidiary engaged in the design and manufacture of prestressed and precast reinforced concrete building components.

Having joined the organisation since 1983, he oversees the day-to-day operational matters of the subsidiary and is responsible for the overall strategic business decisions and development of it.

Mr Steven Aw has a wealth of more than 30 years of experience in the building and construction industry and his contribution towards the prefabrication division has significantly enhanced the overall objectives and goals of the Group.

MS AW LAY SIM

Ms Aw Lay Sim is the Group Human Resource Director. She oversees the human resource, administration and information technology functions of the Group as well as facility management of the investment property in Singapore.

Having been with the organisation since 1984, Ms Aw has accumulated more than 30 years of hands-on experience in the building and construction industry. She plays a pivotal role in ensuring due compliance in respect of the various legal and statutory requirements relating to the employment of foreign workers in Singapore as well as other human resource, administrative, information technology and facilities management matters.

Ms Aw holds a Bachelor of Arts (Economics and Geography) degree from the Wilfrid Laurier University, Canada.

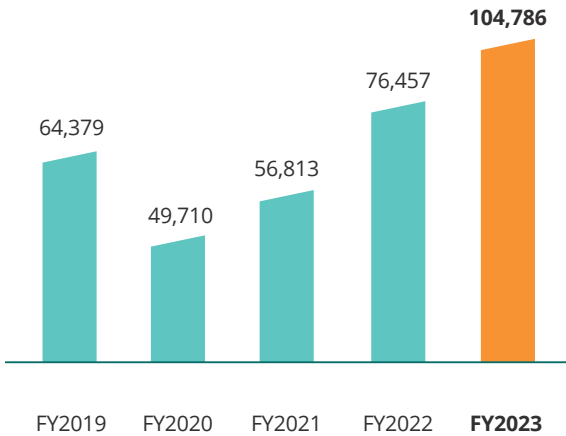
SUMMARISED FINANCIAL HIGHLIGHTS

	FY2019 \$'000	FY2020 \$'000	FY2021 \$'000	FY2022 \$'000	FY2023 \$'000
Financial Performance					
Revenue	64,379	49,710	56,813	76,457	104,786
Profit before Tax	520	373	3,961	2,814	7,581
Profit Attributable to Shareholders	900	332	4,022	1,721	7,412
Assets and Liabilities					
Non-Current Assets	91,573	89,227	88,013	82,449	83,769
Net Current Assets/(Liabilities)	2,293	(18,180)	11,991	(9,233)	17,975
Non-Current Liabilities	(33,768)	(10,596)	(35,730)	(8,025)	(30,075)
Equity and Non-Controlling Interests	60,098	60,451	64,274	65,191	71,669
Per Share Basis					
Basic Earnings Per Share (cents)	1.73	0.64	7.72	3.31	14.24
Net Assets Per Share (\$)	1.15	1.16	1.23	1.25	1.38

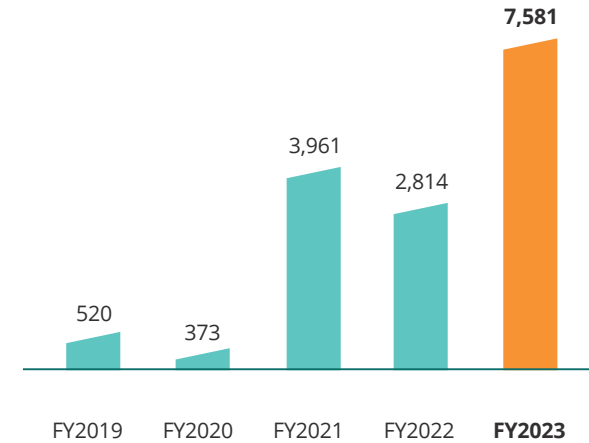


SUMMARISED FINANCIAL HIGHLIGHTS

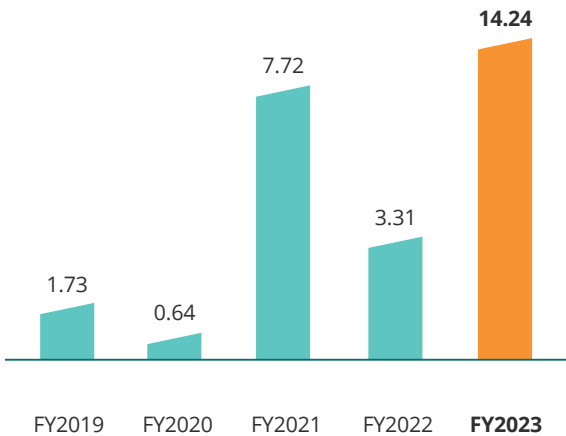
REVENUE (\$'000)



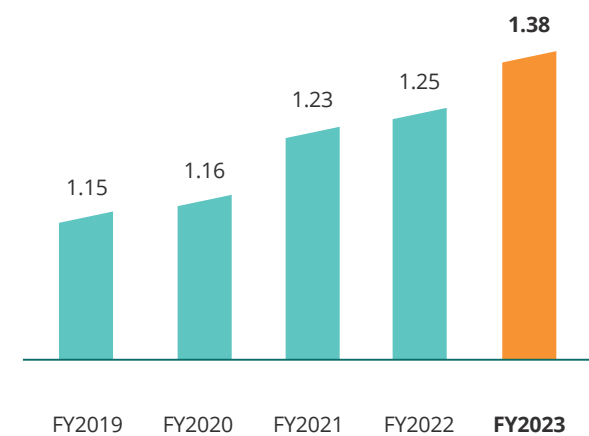
PROFIT BEFORE TAX (\$'000)



BASIC EARNINGS PER SHARE (EPS) (cents)



NET ASSETS PER SHARE (\$)



CORPORATE INFORMATION

DIRECTORS

Executive

Benjamin Aw Chi-Ken
(Executive Chairman and Chief Executive Officer)
Elicia Aw Ying Ying

Non-Executive and Independent

Dr Low Seow Chay
Lee Sen Choon
William Chew Yew Meng

COMPANY SECRETARIES

Koh Ee Koon (resigned on 31 December 2023)
Judy Koh Geok Hoon
Chng Thian Hooi (appointed on 02 January 2024)

REGISTERED OFFICE

66 Kallang Pudding Road
#07-01 Hor Kew Business Centre
Singapore 349324

REGISTRAR AND SHARE TRANSFER OFFICE

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712

INDEPENDENT AUDITOR

Baker Tilly TFW LLP
Chartered Accountants of Singapore
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Partner-in-charge: Ng Wei Lun
(Appointed since financial year ended 31 December 2021)

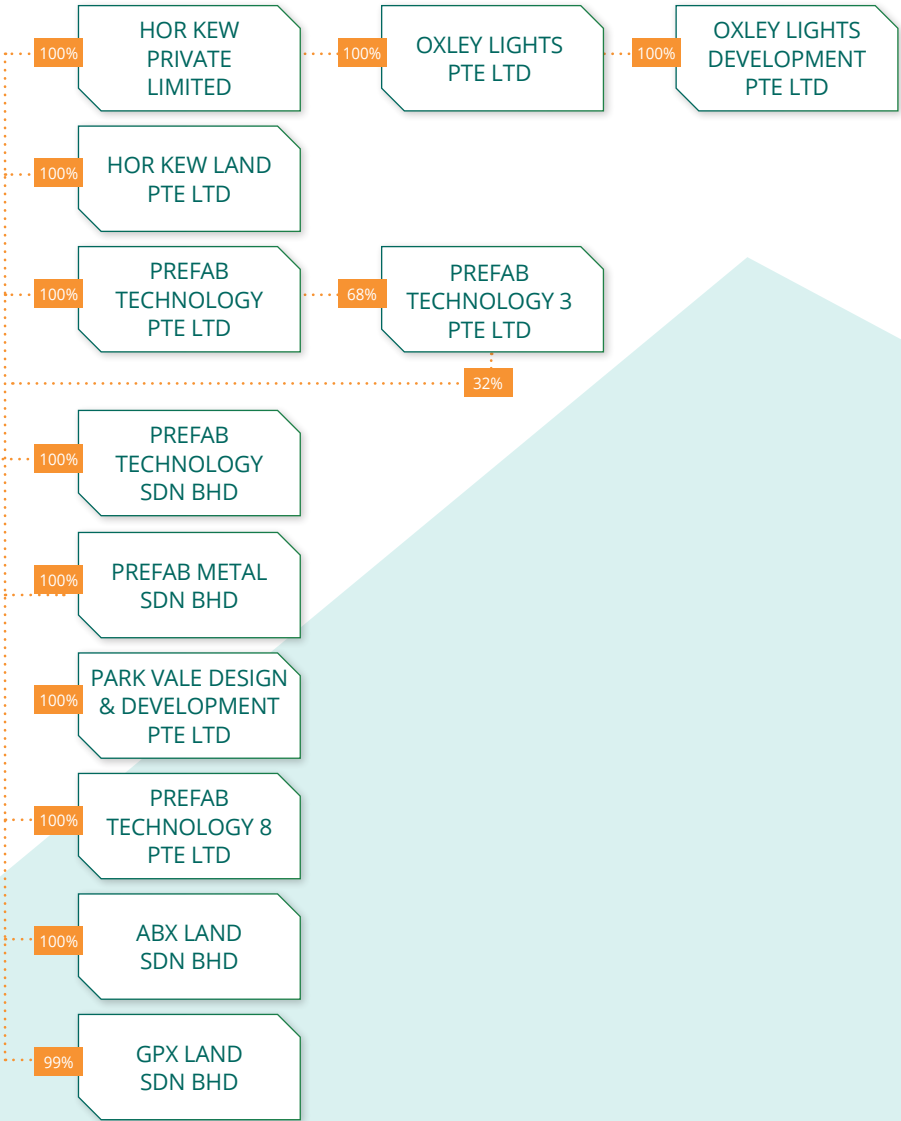
BANKERS

United Overseas Bank Limited
DBS Bank Limited

CORPORATE STRUCTURE



Hor Kew Corporation Limited



CORPORATE GOVERNANCE REPORT

The Board of Directors (the “Board”) of Hor Kew Corporation Limited (the “Company”) and its subsidiary companies (collectively, the “Group”) are committed to maintaining a high standard of corporate governance which is essential to the long term sustainability of the Group’s business and performance.

This report outlines the Group’s corporate governance processes and practices that were in place throughout the financial year ended 31 December 2023, with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “Code”), which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The Board believes that for the financial year ended 31 December 2023, the Company has generally adhered to the principles, provisions and recommendations as set out in the Code and where there are deviations from the Code, the reasons for the deviations are explained accordingly.

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.*

Provision 1.1 of the Code: Directors are fiduciaries who act objectively in the best interests of the Company

The Board oversees the conduct of the Group’s affairs and is accountable to shareholders for the long-term performance and financial soundness of the Group, as well as protect and enhance long term value and returns for all shareholders. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Group by holding Management accountable for performance.

Apart from its statutory duties and responsibilities, the Board’s role is to:

1. guide the formulation of the Group’s overall long-term strategic plans and performance objectives as well as operational initiatives;
2. establish and oversee the processes of evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
3. review and approve annual budgets, major funding proposals, investment and divestment proposals;
4. monitor the performance and compensation of senior management personnel;
5. evaluate principal risks of the Group’s businesses and ensure the implementation of appropriate systems to manage these risks;

6. review the financial performance of the Group;
7. set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and duly met;
8. consider sustainability issues such as environmental and social factors; and
9. assume responsibility for corporate governance.

Each director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company, as soon as practicable after the relevant facts have come to his knowledge. Where a director has a conflict or potential conflict of interest in relation to any matter, he should immediately declare his interest and recuse himself and refrain from participating in discussions regarding a transaction or proposed transaction in which he has an interest or is conflicted, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussions.

Provision 1.2 of the Code: Directors' induction, training and development

Newly appointed Directors are provided with background information about the Company and the Group and are invited to visit the Group's operations and facilities to have a good understanding of the Group's business and operations.

Board members are encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as Directors. In addition, the Company works closely with professionals to apprise Directors with updates on risk management and key changes to relevant regulatory requirements and accounting standards.

Provision 1.3 of the Code: Matters requiring Board's approval

Although the day-to-day management of the Company is delegated to the Executive Directors, the approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, major corporate actions such as share issuance, the release of the Group's results and announcement to shareholders, declaration of dividends and interested person transactions. The Board sets clear guidelines to Management that the afore-mentioned matters require its approval, and clearly communicates it to Management in writing.

Provision 1.4 of the Code: Board Committees

The Board has established three Board committees, namely Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") with clearly defined terms of reference. The terms of reference, committee structures and membership are reviewed on a regular basis by the Board, along with the committee structures and membership, to ensure their continued relevance.

CORPORATE GOVERNANCE REPORT

Provision 1.5 of the Code: Board Meetings and Attendance

The Board met two times during the financial year to discuss key activities and business strategies, review the operations and performance, as well as address key policy matters of the Group. The Directors were furnished with relevant information beforehand in order to enable them to obtain further explanations where necessary, and be adequately briefed prior to the respective meetings. Minutes of the meetings are also available to the respective Board members. In addition, ad-hoc and non-scheduled meetings are convened by Board members to deliberate on urgent and substantive matters. The Company's Constitution allows for telephone, audio and video conferencing, or other electronic means of communication to facilitate participation at the meetings of the Board.

Details of Directors' attendance at Board and Board Committee meetings held during the financial year ended 31 December 2023 are summarised as follows:

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of meetings held	2	2	1	1
Name of Director	ATTENDANCE			
Benjamin Aw Chi-Ken	2	NA	1	1 ⁽¹⁾
Elicia Aw Ying Ying	2	NA	NA	NA
Dr Low Seow Chay	1	1	1	1
Lee Sen Choon	2	2	1	1
William Chew Yew Meng	2	2	1	1

Note:

(1) Attendance at meetings was on a "By Invitation" basis.

NA - Not Applicable

Matters that are specifically reserved to the Board for its decision making are:

1. financial results announcements, annual financial statements and reports;
2. material acquisition and disposal of assets and investments;
3. major investment and funding decisions;
4. share issuances, dividends and other distributions to shareholders;
5. convening shareholders' meetings;
6. capital expenditure exceeding a prescribed limit; and
7. interested person transactions of a material nature.

Provision 1.6 of the Code: Access to information

The Board receives complete and adequate information on an on-going basis. Management provides the Executive Directors with monthly management accounts and the rest of the Board members with half-yearly management accounts. The agenda for Board meetings is prepared in consultation with the Executive Chairman and CEO and is circulated one week in advance of each meeting to Board members.

Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Board obtains independent professional advice as and when necessary so as to discharge their duties and responsibilities effectively.

Provision 1.7 of the Code: Access to Management and Company Secretary

Management personnel who can provide additional insight into the matters at hand are invited to be present at the relevant time during a Board meeting. Furthermore, the Board has separate and independent access to the Company Secretary and senior executives, and there is no restriction of access to the senior management team of the Company or the Group at all times in carrying out its duties. Non-Executive Directors have also been invited to various functions whereby they may be informally introduced to officers of the Group.

The Company Secretary attends all formal Board meetings and ensures that Board procedures are followed, and that all applicable rules and regulations are complied with. The minutes of Board and Audit Committee meetings are circulated to the Board. The appointment and removal of the Company Secretary is subject to the approval of the Board.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

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

Provision 2.1 of the Code: Director independence

Provision 2.2 of the Code: Independent directors make up a majority of the Board

Provision 2.3 of the Code: Non-executive directors make up a majority of the Board

Provision 2.4 of the Code: Board Composition

The Board has five members, comprising two Executive Directors and three Independent and Non-Executive Directors as follows:

Benjamin Aw Chi-Ken	(Executive Chairman and Chief Executive Officer (“CEO”))
Elicia Aw Ying Ying	(Executive Director)
Dr Low Seow Chay	(Independent and Non-Executive Director)
Lee Sen Choon	(Independent and Non-Executive Director)
William Chew Yew Meng	(Independent and Non-Executive Director)

The Board has examined its size and is satisfied that it is an appropriate size for effective decision making, taking into account the nature and scope of the Company’s operations.

The Chairman is not independent, but Independent Directors, and whom are also Non-Executive Directors, constitute a majority of the Board. The Board deems the current Independent Directors competent as they are respected individuals from different backgrounds whose core competencies, qualifications, skillsets and experiences are extensive and complementary to the Company.

The Company has a board diversity policy (the “Policy”) that takes into consideration criteria such as qualification, education background, age, gender, professional experience, business perspectives and expertise in various fields and in the relevant industry as well as other distinguishing qualities of the individual. The Board believes this approach reflects an appropriate balance between delivering business performance, growing shareholder returns, and progressing diversity.

Each Director has been appointed on the strength of his calibre, experience, grasp of corporate strategy and potential to contribute to the Company and its businesses. As each of the Directors brings valuable insights from different perspectives vital to the strategic interests of the Company, the Board considers that its Directors possess the necessary competencies to provide Management with a diverse and objective perspective on issues so as to lead and govern the Company effectively.

CORPORATE GOVERNANCE REPORT

The Nominating Committee (“NC”) monitors the Policy’s implementation and progress on an annual or regular basis. The NC will also review this Policy, on a regular basis or as appropriate, to ensure its effectiveness. If any revisions to the Policy may be required, the NC will recommend to the Board for consideration and approval.

The Board consists of high calibre members with a wealth of experience and knowledge in business, as can be seen from the directors’ profiles on pages 10 to 13.

The directors hold educational qualifications in diverse disciplines and fields that are relevant for leading the Group. There is a director with a Bachelor’s degree in Civil Engineering which is highly relevant as the Group is in the construction business. There is a director with Bachelor’s degree in Accounting and Finance, and another is a fellow member of the Institute of Chartered Accountants in England and Wales as well as a practicing member of the Institute of Singapore Chartered Accountants. The other two directors have a Doctorate degree in Mechanical Engineering and a Master’s degree in Mass Communication respectively.

The Non-Executive Directors are also directors of other companies for a number of years, and the Executive Directors have been involved in the running of the Group’s business for many years. Together they contribute valuable direction and insight, drawing from their vast experience in a wide range of matters relating to accounting, finance, the construction business, corporate governance and compliance matters.

The Board recognises the importance and value of gender diversity in the composition of the Board, and that gender diversity is an essential aspect of a well-balanced Board. When making recommendations to the Board for the appointment of a director, the NC will ensure that:

1. Female candidates are included for consideration;
2. The requirement to present female candidates to the Board for consideration will be made known where external consultants are used for the search; and
3. There are best efforts made to obtain at least one female representation on the Board.

There is currently one female Director on the Board, which shows the Company’s efforts in trying to achieve gender diversity as set out by the Policy.

The Board believes that its current composition and size provide a well-balanced and appropriate mix of skills, expertise, talents, experience and diversity to serve the needs and plans of the Group.

The Board recognises that Independent Directors may over time develop significant insights in the Group’s businesses and operations, and can continue to provide noteworthy and valuable contributions to the Board.

The independence of the Independent Directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form, such as the number of years which they have served on the Board.

CORPORATE GOVERNANCE REPORT

Under Rule 210(5)(d)(iii) of the SGX-ST Listing Manual, which took effect on 1 January 2022, the continued appointment of an independent director who has served an aggregate period of more than nine years (whether before or after the listing) will be subject to a two-tier voting process, to be approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the CEO, and associates of such directors and CEO. Such resolutions may remain in force until the earlier of the following: (i) the retirement or resignation of that director, or (ii) the conclusion of the 3rd Annual General Meeting (“AGM”) of the Company following the passing of the resolutions.

Currently, Dr Low Seow Chay, Mr Lee Sen Choon and Mr William Chew Yew Meng have served on the Board for more than nine years from the date of their first appointment.

The Board has subjected their independence status to a particularly rigorous review.

The Board is of the view that Dr Low Seow Chay, Mr Lee Sen Choon and Mr William Chew Yew Meng have demonstrated strong independent character and judgement over the years in discharging their duties and responsibilities as Independent Directors of the Company with the utmost commitment in upholding the interest of the non-controlling shareholders. They have expressed individual viewpoints, debated issues and objectively scrutinized and challenged the Management. They have sought clarification and amplification as they deemed necessary, including through direct access to the Management.

Taking into account the above, and also having weighed the need for the Board’s renewal against tenure for relative benefit, the Board has affirmed that Dr Low Seow Chay, Mr Lee Sen Choon and Mr William Chew Yew Meng continue to be considered Independent Directors, notwithstanding they have served on the Board for more than nine years.

At the AGM held on 30 April 2021, the Company passed the respective resolutions proposing the re-election of Dr Low Seow Chay, Mr Lee Sen Choon and Mr William Chew Yew Meng and their continued appointment as Independent Directors, adopting the two-tier voting process ahead of the SGX-ST Listing Manual Rule 210(5)(d)(iii) which came into effect on 1 January 2022.

On 11 January 2023, the SGX-ST removed the two-tier voting process used by SGX listed companies to retain independent directors who have served for more than nine years. With this change, a director will not be considered independent if he had been a director for an aggregate period of more than nine years, whether before or after listing. As a transitional arrangement allowed by the SGX-ST, an independent director whose tenure exceeds the nine-year limit can continue to serve as independent director until the AGM held for the financial year ending on or after 31 December 2023.

With the above changes, Dr Low Seow Chay, Mr Lee Sen Choon and Mr William Chew Yew Meng will only serve as Independent Directors until the conclusion of the Company’s next AGM on 30 April 2024.

Provision 2.5 of the Code: Meeting of Independent Directors without Management

The Non-Executive and Independent Directors meet regularly without the presence of Management and Executive Directors to review any matters that might be raised privately. The Chairman of such meetings will then provide feedback to the Board and/or the Executive Chairman and CEO as appropriate.

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.*

Provision 3.1 of the Code: Separation of the roles of the Chairman and the Chief Executive Officer (“CEO”)

Provision 3.2 of the Code: Division of responsibilities between the Chairman and CEO

Provision 3.3 of the Code: Lead Independent Director

The Board is of the view that, based on the Group’s current scope and nature of operations, it is in the best interests of the Group to adopt a single leadership structure, whereby the Chairman and CEO (or equivalent) is the same person, so as to facilitate effective decision-making for the needs of the Group’s businesses.

The corporate governance duties of the Executive Chairman and CEO include:

1. leading the Board to ensure its effectiveness on all aspects of its role and setting its agenda;
2. promoting high standards of corporate governance;
3. ensuring that the Directors receive complete, accurate and timely information;
4. ensuring effective communication with shareholders;
5. encouraging constructive relations within the Board;
6. facilitating effective contribution of Non-Executive Directors;
7. encouraging constructive relations between the Board and Management;
8. facilitating the effective contribution of Non-Executive Directors in particular; and
9. promoting a culture of openness and debate at the Board level.

All major proposals and decisions made by the Executive Chairman and CEO are discussed and reviewed by the AC. His performance and appointment to the Board is reviewed periodically by the NC and his remuneration package is reviewed periodically by the RC. As the AC and RC consist of all independent directors and majority of the NC members are independent directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against an uneven concentration of power and authority in a single individual.

CORPORATE GOVERNANCE REPORT

To provide leadership in situations where the Executive Chairman is conflicted, and especially since the Chairman is not independent, the Board has appointed Dr Low Seow Chay as the Lead Independent Director of the Board since 12 November 2013 to work closely with other Independent Directors as and when necessary and meet with them without the presence of other Directors to discuss matters that are decided at Board meetings.

As Lead Independent Director, Dr Low Seow Chay is also available to shareholders where they have concerns and for which contact through the normal channels of communication with the Executive Chairman and CEO or Management are inappropriate or inadequate.

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.*

Provision 4.1 of the Code: Role of the NC

Provision 4.2 of the Code: Composition of NC

The NC comprises the three Independent and Non-Executive Directors and the Executive Chairman and CEO who have been tasked with the authority and responsibility to devise an appropriate process to review and evaluate the performance of the Board as a whole as well as each Director on the Board. The chairman of the NC is an Independent and Non-Executive Director, and is not a substantial shareholder or directly or indirectly, associated with a substantial shareholder of the Company. The members of the NC are as follows:

William Chew Yew Meng (Chairman)
Dr Low Seow Chay
Lee Sen Choon
Benjamin Aw Chi-Ken

The primary responsibilities of the NC are:

1. To make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including making recommendations on the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board, as well as ensuring that there are procedures in place for the selection and appointment of Directors.
2. To regularly review the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary.
3. To be responsible for assessing nominees or candidates for appointment or election to the Board, determining whether or not such nominees or candidates have the requisite qualifications and whether or not they are independent.

CORPORATE GOVERNANCE REPORT

4. To determine, on an annual basis, if a Director is independent. If the NC determines that a Director, who has one or more of the relationships as set out in the Code is in fact independent, the NC would disclose in full, the nature of the Director's relationship and bear responsibility for explaining why the Director should be considered independent.
5. To recommend Directors who are retiring by rotation to be nominated for re-election.
6. To decide whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations.
7. To be responsible for assessing the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board.

Provision 4.3 of the Code: Board renewal and succession planning

The Company does not have a formal criterion of selection for the appointment of new Directors to the Board. When the need for a new Director arises, or where it is considered that the Board would benefit from the services of a new Director with particular skills or to replace a retiring Director, the NC, in consultation with the Board, will determine the selection criteria and select candidates with the appropriate expertise and experience for the position. In its search and nomination process for a new Director, the NC may rely on search companies, personal contacts and recommendations for the right candidates. The NC ensures that the newly appointed Director is aware of his duties and obligations.

Board appointment is made by the Board after the NC has, upon reviewing the resume of the proposed Director and conducting appropriate interviews, recommended the appointment to the Board. The NC is also in charge of re-nominating retiring Directors, having regard to their contributions and performance. Pursuant to the Constitution of the Company, one-third of the Directors shall retire from office at the Company's AGM every year, provided that all Directors shall retire from office at least once every three years. Newly appointed Director by the Board is required to retire at the next AGM following his appointment. Retiring Directors are eligible to offer themselves for re-election. Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own performance or re-nomination as Director.

Provision 4.4 of the Code: Circumstances affecting Director's independence

As described under Principle 2 of this report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to complete a checklist to confirm his independence. Furthermore, the NC determines annually, and as and when circumstances require, whether a Director is independent, taking into consideration the disclosures by the Director of any relationships with the Company, its related corporations, its substantial shareholders or its officers and the checklist completed by each independent director. Having made its review, the NC is of the view that all Independent Directors have satisfied the criteria for independence.

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Provision 4.5 of the Code: Multiple listed company directorships and other principal commitments

All Directors are required to declare their board representations. The NC has reviewed the contribution by each Director taking into consideration the Director's number of listed board representations and other principal commitments. The NC and the Board are of the view that, setting maximum number of listed company board representation that a Director may hold is not meaningful, as long as the Director is able to devote sufficient time and attention to the Company's affairs. As such, the Board does not propose the maximum number of listed company board representations which Directors may hold until such need arises. Notwithstanding the number of listed company board representations and other principal commitments some of the Directors are holding, the NC considers the conduct of meeting, the decision-making process, attendance and participation of each Board member to be satisfactory.

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.*

Provision 5.1 and 5.2 of the Code: Assessment of effectiveness of the Board and Board Committees and assessing the contribution by individual directors

The Board, through the NC, has used its best effort to ensure that directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience and the relevant skills set which are critical to the Group's business. It has also ensured that each director, with his special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

With the Board's approval, the NC has established a formal review process to assess the performance and effectiveness of the Board as a whole and of its Board Committees annually, as well as the contribution by the Chairman of the Board and each individual director to the effectiveness of the Board. The NC proposed objective performance criteria including Board composition, size and expertise, Board information and timeliness, as well as Board commitment and accountability. In assessing each Director's performance and contribution to the effectiveness of the Board, the NC takes into consideration factors such as attendance, preparedness, candour and participation at Board and Board Committee meetings.

The NC assesses the performance of the Board and its Board Committees annually, using objective and appropriate criteria which were recommended by the NC and approved by the Board. For a financial year under review, all directors will complete an assessment form designed to seek their view on the various aspects of the Board and its Board Committees' performance and competencies so as to assess the overall effectiveness of the Board and its Board Committees. The consolidated responses are presented to the NC for review before submitting to the Board for discussion and to determine the areas for improvement and enhancement of the effectiveness of the Board and its Board Committees.

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For the current financial year under review that is FY2023, the NC met once for the evaluation of the Board and Board Committees on 28 February 2024. Each member of the NC abstains from voting on any resolution in respect of the assessment of his own performance or re-nomination as a Director.

Following this review for FY2023, the NC is of the view that the Board and its Board Committees operate effectively and that each director is contributing to the overall effectiveness of the Board and its Board Committees. The NC is also of the opinion that the independence of the Non-Executive Directors is maintained. The Board has accepted the views of the NC on the above.

There was no external consultant involved in the Board evaluation process in FY2023.

Details of Board members' qualifications and experience including the year of initial appointment and last re-election, are presented in this Annual Report under the heading "Board of Directors".

The Board has accepted the NC's nomination and has recommended the following Director, who has given his consent for re-election, to be put forward for re-election at the forthcoming AGM:-

Benjamin Aw Chi-Ken (Retiring pursuant to Article 91)

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information as set out in Appendix 7.4.1 relating to the retiring Directors seeking re-election at the forthcoming AGM is disclosed below:-

Name of Director	Benjamin Aw Chi-Ken
Date of first appointment	27 February 2014
Date of last re-appointment (if applicable)	29 April 2022
Age	46
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and succession planning, and having assessed Benjamin Aw Chi-Ken's working experiences and leaderships in the Group, is of the view that Benjamin Aw Chi-Ken has the requisite experiences to assume the responsibilities as Executive Director of the Company.

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Name of Director	Benjamin Aw Chi-Ken
Whether appointment is executive, and if so, the area of responsibility	Executive Director and responsible for the overall strategic decisions of the Group. He is also overseeing the business development, corporate matters, financial planning, general management and investment decisions of the Group.
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	Executive Chairman and CEO. Member of Nominating Committee.
Professional qualifications	Bachelor of Arts degree (First Class Honours) in Accounting and Finance from University of North London, London, United Kingdom. Degree in Masters of Science in Finance from The City University, London, United Kingdom.
Working experience and occupation(s) during the past 10 years	Prior to joining the Group, Mr Benjamin Aw started his career by working in the banks as a Personal Financial Adviser and Relationship Manager with both offshore financial institutions and a local bank. In addition to his banking experience, Mr Benjamin Aw has accumulated more than 8 years of hands on experience as a professional in mechanical and electrical elevator transportation systems and the construction industry holding various positions in regional, managerial, agencies and manufacturers roles.
Shareholding interest in the listed issuer and its subsidiaries	Yes.

CORPORATE GOVERNANCE REPORT

Name of Director	Benjamin Aw Chi-Ken
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	<p>Brother of Ms Elicia Aw Ying Ying, Executive Director of Hor Kew Corporation Limited.</p> <p>Nephew of Mr Dennis Aw Khoon Hwee (deceased), substantial shareholder of Hor Kew Corporation Limited.</p> <p>Nephew of Mr Aw Soon Hwee, substantial shareholder of Hor Kew Corporation Limited.</p> <p>Son of Dr Aw Leng Hwee (deceased), substantial shareholder of Hor Kew Corporation Limited.</p>
Conflict of interest (including any competing business)	No.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes.
<p>Other Principal Commitments* Including Directorships#</p> <p>* "Principal Commitments" has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p>	
Past (for the last 5 years)	No.
Present	Executive Director of XJ Elevator Engineering Private Limited, XJ Elevator Private Limited, Hor Kew Holdings Pte Ltd, Hor Kew International Pte Ltd, Hor Kew Pte Ltd, Hor Kew Land Pte Ltd, Oxley Lights Pte Ltd, Oxley Lights Development Pte Ltd, Prefab Technology Pte Ltd, Prefab Technology 3 Pte Ltd, Prefab Technology 8 Pte Ltd, Park Vale Design & Development Pte Ltd, ABX Land Sdn Bhd and GPX Land Sdn Bhd.

CORPORATE GOVERNANCE REPORT

Name of Director	Benjamin Aw Chi-Ken
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No.
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No.
(c) Whether there is any unsatisfied judgment against him?	No.
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No.
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No.
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No.

CORPORATE GOVERNANCE REPORT

Name of Director	Benjamin Aw Chi-Ken
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No.
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No.
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No.
<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,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No.
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No.

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Name of Director	Benjamin Aw Chi-Ken
Disclosure applicable to the appointment of Director only.	
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Yes. Mr Benjamin Aw Chi-Ken is currently the Executive Chairman of the Company, which is listed on the SGX-ST.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	Not Applicable. This is a re-election of a director, and Mr Benjamin Aw Chi-Ken has prior experience as a director of an issuer listed on the SGX-ST.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Provision 6.1 of the Code: RC to recommend remuneration framework and packages

Provision 6.2 of the Code: Composition of RC

The RC ensures that there is a formal and transparent procedure for fixing the remuneration packages of individual Directors and key management personnel. The RC comprises the following three Independent and Non-Executive Directors. The chairman of the RC is an Independent and Non-Executive Director:

William Chew Yew Meng (Chairman)
Dr Low Seow Chay
Lee Sen Choon

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The overriding principle is that no Director should be involved in deciding his own remuneration. The RC has adopted written terms of reference that define its membership, roles, functions and administration.

The primary responsibilities of the RC are as follows:

1. To review and recommend to the Board a framework of remuneration for all Directors and key management personnel, and to determine the specific remuneration packages and terms of employment for each of the Directors and key management personnel.
2. To review and recommend to the Board any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith.
3. To carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.
4. As part of its review, the RC shall ensure that:
 - (i) all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, share options and benefits-in-kind should be covered.
 - (ii) the remuneration packages should be comparable within the industry and comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual Executive Directors' and senior executives' performance.
 - (iii) the remuneration packages of employees related to Executive Directors and substantial shareholders are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility.

Provision 6.3 of the Code: RC to consider and ensure all aspects of remuneration are fair

The Group advocates a performance based remuneration system for Executive Directors and key executives that is flexible and responsive to the market, comprising a base salary and other fixed allowances, as well as variable performance bonus and participation in any long-term incentive scheme involving the offer of shares or grant of options.

In determining such remuneration packages, the RC will ensure that they are adequate by considering, in consultation with the Executive Chairman and CEO, amongst other things, the respective individual's responsibilities, skills, expertise and contribution to the Group's performance, and whether they are competitive and sufficient to ensure that the Group is able to attract and retain the best available executive talent, meanwhile keeping tabs that they are not excessive.

The RC has adopted a framework which consists of a base fee to remunerate Non-Executive Directors based on their appointments and roles in the respective Committees, as well as the fees payable by comparable companies. Fees for the Non-Executive Directors will be tabled at the forthcoming AGM to be held on 30 April 2024 for shareholders' approval.

CORPORATE GOVERNANCE REPORT

Provision 6.4 of the Code: Expert advice on remuneration

The members of the RC are familiar with executive compensation matters as they have prior experience in managing businesses and/or are holding other directorships. The RC has access to expert advice regarding executive compensation matters, if required. The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2023.

Level and Mix of Remuneration

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

Provision 7.1 and 7.3 of the Code: Remuneration of Executive Directors and key management personnel are appropriately structured to link rewards to performance

In performing its function, the RC endeavours to establish an appropriate remuneration policy to attract, retain and motivate Executive Directors and key management personnel, while at the same time ensure that the reward in each case takes into account individual performance as well as the Group's performance.

The Group adopts a remuneration policy for key management personnel comprising a fixed component and a variable component. The fixed component is in the form of a base salary and allowances. The variable component is in the form of a variable bonus that is linked to the Group's financial performance and each key management personnel's individual performance.

The Executive Directors have service terms of fixed duration periods with the Company, and their remuneration is based on service agreements with the Company. Similar to the remuneration policy of key management personnel, these service agreements incorporate a fixed component in the form of a base salary and allowances, and also a variable component that is in the form of a variable bonus that is linked to the Group's financial performance and each Executive Director's individual performance. Additionally, Executive Directors of the Company are entitled to profit-sharing payouts and other benefits in their service agreements.

Prior to the expiry of each Executive Director's service agreement, the RC will review the performance of that Executive Director during his or her service term and assess if he or she can sign another service term with the Company, or a replacement is required for the Company. The RC also reviews the terms and conditions of the expiring service agreement. The RC then makes recommendations to the Board for the new service agreement, be it for an existing or a new Executive Director, at the same time highlighting any changes to the terms and conditions from the previous service agreement. The recommendations by the RC need to be approved by the full Board to be valid.

CORPORATE GOVERNANCE REPORT

The Executive Directors owe fiduciary duties to the Company. The Company is of the view that it should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties. The Company does not make use of contractual provisions to allow reclaim of incentive components of remuneration from Executive Directors and key management personnel previously paid out, in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

The RC confirms that there is no onerous termination clause in any of the service agreements.

Provision 7.2 of the Code: Remuneration of Non-Executive Directors dependent on contribution, effort, time spent and responsibilities

The Independent Directors receive directors' fees for their effort and time spent, responsibilities and contribution to the Board, subject to shareholders' approval at AGMs. The Independent Directors are not over-compensated to the extent that their independence may be compromised.

Disclosure on Remuneration

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

Provision 8.1 and 8.3 of the Code: Remuneration disclosures of Directors and key management personnel; Details of employee share schemes

The compensation packages for the directors and the key management personnel comprise a fixed component (in the form of a basic salary) and a variable component (normally consist of cash-based annual bonus) and benefits-in-kind, where applicable, considering amongst other factors, the individual's performance, the performance of the Group and industry practices.

When determining the fixed and variable components, the individual performance is taken into consideration and remuneration recommendations are reviewed by the RC in the light of any annual guidance from the National Wages Council, competitive market practices and information gathered from market surveys. This is further reviewed along with the Group's performance, taking into consideration specific key performance indicators (involving financial and non-financial indicators) tracked over time as compared to the targets to be achieved by the Group based on its short and long term objectives. The Board exercises its discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Group. The overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Group's risk profile.

CORPORATE GOVERNANCE REPORT

A breakdown showing the level and mix of each Director's remuneration for the financial year ended 31 December 2023 is set out below:

REMUNERATION BANDS OF DIRECTORS AND TOP EXECUTIVES

Remuneration Bands/ Name of Director	Salary ⁽¹⁾ %	Bonus/ Profit-sharing %	Directors' Fees ⁽²⁾ %	Total %
\$1,000,000 to below \$1,250,000				
Benjamin Aw Chi-Ken	28	72	-	100
Elicia Aw Ying Ying	27	73	-	100
Below \$250,000				
Dr Low Seow Chay	-	-	100	100
Lee Sen Choon	-	-	100	100
William Chew Yew Meng	-	-	100	100

Notes:

- (1) Salary is inclusive of allowances, Central Provident Fund contribution and benefits-in-kind.
- (2) Directors' fees are only payable after approval by shareholders at the forthcoming AGM.

The Board is aware of the recommendation of the Code that the Company should fully disclose the remuneration of each individual Director and the CEO on a named basis. However, the Company does not believe it is in its interest to disclose such details having regard to the highly competitive human resource environment and the confidential nature of remuneration matters.

CORPORATE GOVERNANCE REPORT

The Board is of the view that the information disclosed in the Annual Report would be sufficient for the shareholders to have an adequate understanding of the Company's remuneration policies and practices.

Name of top key management personnel (who is not a director)	Salary ⁽¹⁾ %	Bonus/ Profit-sharing %	Total %
\$500,000 to below \$750,000 Steven Aw Soon Hwee ⁽²⁾	26	74	100
\$250,000 to below \$500,000 Aw Lay Sim ⁽²⁾	73	27	100
Below \$250,000 Michael Soh Chia Yang	67	33	100

Notes:

- (1) Salary is inclusive of allowances, Central Provident Fund contribution and benefits-in-kind.
- (2) Steven Aw Soon Hwee and Aw Lay Sim are respectively the uncle and auntie of both Benjamin Aw Chi-Ken and Elicia Aw Ying Ying.

The aggregate remuneration for the top three (2022: three) key management personnel of the Group amounted to \$1,194,000 (2022: \$796,000) for the financial year ended 31 December 2023.

The Board is aware of the recommendation of the Code that the Company should report to the shareholders each year on the remuneration of at least the top five key management personnel (who are not also directors or the CEO). However, the Group's key management team comprises of Executive Directors and three key management personnel. The Board is of the view that the current size of the key management team is appropriate, taking into account the nature and scope of the operations of the Group.

The Company does not have any employee share scheme.

Provision 8.2 of the Code: Remuneration disclosures of related employees

Steven Aw Soon Hwee is a substantial shareholder of the Company and Aw Lay Sim is the sister of Steven Aw Soon Hwee.

Elise Aw Yue Ying, Executive Manager of subsidiary Prefab Technology Pte Ltd, is the sister of Benjamin Aw Chi-Ken and Elicia Aw Ying Ying, and the niece of Steven Aw Soon Hwee and Aw Lay Sim. Her remuneration was less than \$100,000 for FY2023.

James Aw Hong Hwee, Business Development Director of subsidiary Hor Kew Private Limited, is the brother of Steven Aw Soon Hwee and Aw Lay Sim, and the uncle of Benjamin Aw Chi-Ken and Elicia Aw Ying Ying. His remuneration was less than \$100,000 for FY2023.

Other than these, there were no employees of the Group who are substantial shareholders of the Company, or immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded \$100,000 during the financial year.

CORPORATE GOVERNANCE REPORT

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.*

Provision 9.1 of the Code: Board determines the nature and extent of risks

The Group has established a Risk Assessment Framework for the identification of key risks within the Group's business, namely Business and Strategic Risks, Financial Risks and Operational Risks.

The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units, followed by the operating segments and ultimately the Management and the Board, working as a team. A self-assessment process, conducted regularly by the Management, was introduced to ensure that the Group's risk management controls are effective.

Minimum acceptable controls have been implemented to enhance the Group's internal control function in areas such as finance, operations, compliance and information technology. The internal control measures aim to ensure that the Group's assets are safeguarded, proper accounting records are maintained, and that financial information used within the business and for publication is reliable.

The risk management system has been integrated throughout the Group and has become an essential part of its business planning and monitoring process. On an annual basis, the Management reports to the Board on the Group's risk profile, evaluates results and counter-measures to mitigate or transfer identified potential risks so as to ensure that the process is operating effectively as planned.

Provision 9.2 of the Code: Assurance from CEO, CFO and other key management personnel

For the financial year ended 31 December 2023, the Board has:

1. received assurance from the CEO and the Financial Controller ("FC") that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
2. received assurance from the CEO, the FC and other key management personnel that adequate and effective risk management and internal control systems have been put in place to ensure compliance with all the relevant regulatory requirements and safeguard the interests of the Company and its shareholders.

Based on the framework of risk management controls and internal controls established and maintained by the Group, the work performed by the Management, the reviews undertaken by the independent auditor and internal audit function, and the written assurances from the CEO and the FC that the financial records have been properly maintained, the Board, with the concurrence of the AC, is of the opinion that the Group's internal control and risk management systems in place are effective and adequate to address financial, operational, compliance and information technology controls risks which the Group considers relevant and material to its operations.

Audit Committee

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

Provision 10.1 of the Code: Duties of AC

Provision 10.2 of the Code: Composition of AC

Provision 10.3 of the Code: AC does not comprise former partners or directors of the Company's auditing firm

Provision 10.4 of the Code: Primary reporting line of the internal audit function is to AC; Internal audit function has unfettered access to Company's documents, records, properties and personnel

Provision 10.5 of the Code: AC meets with the auditors without the presence of Management annually

The role of the AC is to assist the Board in the execution of its corporate governance responsibilities within the established Board's references and requirements. The financial statements, accounting policies and system of internal accounting controls are responsibilities that fall under the ambit of the AC. The AC has its set of written terms of reference defining its scope of authority and its major functions.

The AC comprises three members who are all Non-Executive and Independent Directors as follows:

Dr Low Seow Chay (Chairman)
Lee Sen Choon
William Chew Yew Meng

Being also directors of other companies, all the members of the AC have recent and relevant accounting or related financial management expertise or experience, and are qualified to discharge the AC's responsibilities.

In performing its functions, the AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation from the Management, and has been given full discretion to invite any Director or executive officer to attend its meetings, as well as reasonable resources to enable it to discharge its functions properly.

CORPORATE GOVERNANCE REPORT

Internal Audit Function

The AC is tasked to oversee the implementation of an effective system of internal controls as well as putting in place a risk management framework to continually identify, evaluate and manage significant business risks of the Group. The AC has the mandate to authorise special reviews or investigations, where appropriate in discharging its responsibilities.

The size of the operations of the Group does not warrant the Group having an in-house internal audit function at this juncture. The internal audit function of the Group is therefore currently outsourced to In.Corp Business Advisory Pte. Ltd. ("Internal Auditor") which reports directly to the AC. The AC decides on the firm that is to be appointed as the outsourced Internal Auditor, as well as its remuneration and terms of engagement. The Internal Auditor has the requisite skill sets and experience and have carried out their function according to the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Internal Auditor supports the AC in its role to assess the adequacy and effectiveness of the Group's overall system of operational, financial, technology and compliance related controls and this aids the AC in discharging its responsibilities.

To ensure the adequacy of the internal audit function, the AC reviews and approves the risk based internal audit plan on an annual basis. The internal audit function is adequately staffed with sufficiently experienced and qualified professionals who conduct their reviews in accordance with the International Professional Practices Framework Standards.

The internal audit function is independent of all the areas and activities which are covered under the scope of review and the team members have unfettered access to all documents and personnel relating to the areas or activities which are covered under the annual internal audit plan.

The Internal Auditor has reported its audit findings and recommendations directly to the AC. The internal audit findings report has also been given to the independent auditor to ensure effective use of resources and to avoid duplication of effort.

The AC is satisfied that the internal audit function is independent, effective and adequately resourced.

The main functions of the AC are as follows:

1. Reviews the audit plan of the Independent Auditor of the Company and the co-operation given by the Management to the Independent Auditor;
2. Reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
3. Receives assurance from the CEO and the FC that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances;

CORPORATE GOVERNANCE REPORT

4. Reviews the half-yearly and full-year announcements on the financial performance and financial position of the Group and the Company before their submission to the Board;
5. Reviews the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company and Independent Auditor's report on those financial statements before their submission to the Board;
6. Reviews the adequacy and effectiveness of the Group's material internal controls, including financial, operational and compliance controls and risk management;
7. Meets with the Independent Auditor, Internal Auditor, other Committees and Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
8. Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes, and any reports received from regulators;
9. Reviews the cost effectiveness of the audit and the independence and objectivity of the Independent Auditor and Internal Auditor;
10. Reviews the nature and extent of non-audit services, if any, provided by the Independent Auditor;
11. Reviews the nature and extent of internal audit services provided by the Internal Auditor;
12. Recommends to the Board on proposals to the shareholders on the appointment and removal of the Independent Auditor, approves the remuneration and terms of engagement of the Independent Auditor and Internal Auditor, and reviews the adequacy, effectiveness, independence, scope and results of the external audit and internal audit;
13. Reports actions and minutes of the AC meetings to the Board with such recommendations as the AC considers appropriate;
14. Reviews interested person transactions in accordance with the requirements of the SGX-ST Listing Manual; and
15. 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. The Company publicly discloses and clearly communicates to employees, the existence of a whistleblowing policy and procedures for raising such concerns.

The AC has the expressed power to conduct or authorise investigations into any matters within its terms of reference. Minutes of the AC meetings are regularly submitted to the Board for its information and review.

The AC convened two meetings during the financial year. The AC meets with the Independent Auditor and the Internal Auditor, in each case without the presence of the Company's Management, at least once a year.

CORPORATE GOVERNANCE REPORT

The Company has complied with Rule 712 and Rule 716 of the SGX-ST Listing Manual in relation to the appointment of its Independent Auditor. In accordance with Rule 716 of the SGX-ST Listing Manual, the Board and the AC confirm that they are satisfied that the appointment of different auditing firms for its subsidiary companies would not compromise the standard and effectiveness of the audit of the Group.

The Company's Independent Auditor, Baker Tilly TFW LLP ("Baker Tilly"), carry out their annual statutory audit to the extent of their scope as laid out in their audit plan. Internal control weaknesses noted during their audit, and their recommendations for improvement thereof are reported to the AC.

The Management will follow up on the Independent Auditor's recommendations as part of its role in the review of the Group's internal control system.

There was no non-audit related work carried out by the Independent Auditor in the current financial year, and accordingly, no non-audit fees were paid to Baker Tilly.

For the financial year ended 31 December 2023, remuneration paid or payable to Baker Tilly in relation to audit services are detailed as below:-

	2023	2022
	\$'000	\$'000
Fee for audit services	135	135

The AC has recommended to the Board that Baker Tilly be nominated for re-appointment as Independent Auditor at the forthcoming AGM.

None of the AC members are former partners or directors of Baker Tilly.

Whistleblowing Policy

The Company has established a Code of Conduct and Business Ethics that sets the principles of the code of conduct and business ethics which applies to all employees of the Group. This code covers areas such as conduct in workplace, business conduct, protection of the Company's assets, confidentiality of information and conflict of interest, etc. Directors, key management personnel and employees are expected to observe and uphold high standards of integrity which are in compliance with the Company's policies and the law and regulations of the countries in which it operates.

The Group has put in place a whistleblowing framework, endorsed by the Board and the AC, which provides the mechanisms whereby employees may, in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to Dr Low Seow Chay, Chairman of the AC.

Details of the whistleblowing policies, together with the dedicated whistleblowing communication channel has been made available to all employees. The whistleblowing framework has a well-defined process which ensures independent investigation of issues and concerns raised and appropriate follow-up action and provides assurance that employees will be protected from reprisal within the limits of the law or victimisation for whistleblowing in good faith.

Anonymous reporting will also be attended to and anonymity honoured. The whistleblowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant.

The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

There were no reported incidents pertaining to whistle blowing during the financial year ended 31 December 2023 and until the date of this Annual Report.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Provision 11.1 of the Code: Company provides shareholders with the opportunity to participate effectively and vote at general meetings

The Company supports active shareholder participation at general meetings. To facilitate participation by shareholders, all general meetings of the Company are held in Singapore, at the Company's premises at 66 Kallang Pudding Road, Hor Kew Business Centre, Singapore 349324.

Shareholders are informed of the rules, including voting procedures that govern general meetings of shareholders. The Company's Constitution provides that shareholders of the Company are allowed to vote in person or by way of duly appointed proxies.

Pursuant to Rule 730A(2) of the Listing Manual, all resolutions proposed at the AGMs and at any adjournment thereof shall be put to the vote by way of poll. All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM. Each share is entitled to one vote. An external firm is appointed as scrutineers for the AGM voting process, which is independent of the firm appointed to undertake the electronic poll voting process. The detailed results setting out the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET after the AGM.

CORPORATE GOVERNANCE REPORT

All shareholders of the Company can retrieve soft copies of the Annual Report and Notice of AGM from SGXNET. Shareholders are encouraged to participate by raising their queries before or at the AGM as the case may be.

Shareholders may submit questions related to the resolutions to be tabled for approval at the AGM five business days in advance of the AGM, via email or by post to the registered office of the Company at 66 Kallang Pudding Road, #07-01 Hor Kew Business Centre, Singapore 349324. The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on SGXNet by 26 April 2024. For questions raised by shareholders during the AGM, the responses to such questions will be included in the minutes of the AGM which will be published on the SGXNET within one month after the AGM.

Voting for all resolutions at general meetings will be conducted by poll and the voting results, including the total numbers and percentages of votes cast for or against each resolution are announced via the SGXNET on the same day.

Provision 11.2 of the Code: Separate resolution on each substantially separate issue

Separate resolutions are proposed on each substantially separate issue, and tabled for approval by shareholders at general meetings, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the Company explains the reasons and material implications in the notice of meeting.

Provision 11.3 of the Code: All Directors attend general meetings

All Directors are required to attend the AGM and the Chairman of the Board and the respective Chairman of the AC, NC and RC are present and available to address shareholders’ queries or concerns.

The Company’s Independent Auditor will also be present and available to assist the Directors in addressing any relevant queries by shareholders relating to the conduct of the audit and the preparation and content of the Independent Auditor’s Report.

Provision 11.4 of the Code: Company’s Constitution allow for absentia voting of shareholders

All shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group’s strategies and visions. If shareholders are unable to attend the meetings, the Constitution of the Company allows for shareholders who are not relevant intermediaries to appoint not more than two proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries to appoint more than two proxies to attend, speak and vote at general meetings. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 48 hours before the time set for the general meetings.

Provision 11.5 of the Code: Minutes of general meeting are published on the Company's corporate website

The Company Secretary prepares minutes of general meetings which include substantial and relevant comments or queries from shareholders and responses from the Board and the Management, and such minutes are available to shareholders upon their request.

The Company does not publish minutes of general meetings of shareholders on its corporate website. The minutes of general meetings will be published on the SGXNET as soon as practicable within one (1) month from the date of the Company's AGM.

Provision 11.6 of the Code: Dividend policy

The Company is committed to rewarding shareholders fairly and sustainably. Its dividend policy is to assess at each of the Company's results announcement if it is able to provide a return to shareholders through the payment of dividends, and to pay shareholders sustainable dividends over time in line with the Group's long-term growth prospects. The form, frequency and amount of dividends will need to take into consideration the Group's earnings, financial conditions, capital requirements, cash flow projections, development plans, general business and economic conditions, and other factors as the Directors may deem appropriate, so as to ensure that the best interests of the Company are served.

Any declaration and pay-out of dividends would be clearly communicated to shareholders via the Company's announcements released on SGXNET. In the event that no dividend is declared, the reasons for such will be disclosed in the Company's results announcements in accordance with the Listing Manual of the SGX-ST.

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.*

Provision 12.1 of the Code: Company provides avenues for communication between the Board and shareholders

Provision 12.2 and 12.3 of the Code: Company has in place an investor relations policy and the policy sets out mechanism of communication between the shareholders and the Company

The Company's investor relations policy is to endeavour to actively engage and promote regular, timely, effective and fair communication with shareholders and investors.

Half-year and full year financial results, annual reports, public announcements, price sensitive information, circulars to shareholders and all other disclosures of information on material matters required by the Listing Manual, will be promptly disseminated to shareholders through announcements made via the SGXNET. The Company does not practise selective disclosure of material information. Where there is inadvertent disclosure made to a select group, the Company will ensure the same disclosures are made publicly available to all shareholders as promptly as possible through SGXNET.

CORPORATE GOVERNANCE REPORT

The Company welcomes the views of shareholders on matters affecting the Group, whether at general meetings or on an ad-hoc basis. Shareholders are informed of these meetings through SGXNET, notices published in the newspapers or circulars sent to all shareholders.

At general meetings, shareholders are well informed of the rules, including voting procedures that govern general meetings of shareholders, and are also given the opportunity to pose any questions to the Board or Management relating to the Group's business or financial performance.

The Company has a section on its corporate website which provides the different avenues for which shareholders and other stakeholders may contact the Company with their views, feedback or questions. The Company has also established internal procedures for following up and responding to stakeholders' queries as soon as applicable. This allows an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

Provision 13.1 and 13.2 of the Code: Engagement with material stakeholder groups

Provision 13.3 of the Code: Corporate website to engage stakeholders

Relationship with Stakeholders

The Company values input from all of its stakeholder groups, and maintains its corporate website to communicate and engage with all stakeholders. The Company identifies stakeholders as groups that have an impact or have the potential to be impacted by its business, as well as those external organisations that have expertise in aspects that the Company considers material.

The Company's corporate website is at www.horkew.com.sg, and provides information about the Company such as its corporate profile, vision and mission, core values and various businesses.

Sustainability Report

In line with our commitment to sustainable business, we will separately publish our sustainability report for the financial year ended 31 December 2023. The report will be prepared with reference to Global Reporting Initiative (GRI) standards and details the Group's policies, processes and performance for its material Economic, Environmental, Social and Governance factors for the financial year.

DEALING IN SECURITIES

The Company has adopted an internal code based on Rule 1207 (19) of the SGX-ST Listing Manual in relation to dealings in the securities of the Company.

Pursuant to the internal code, Directors and officers of the Company are prohibited from dealing in the Company's securities during the period commencing one month before the announcement of the Company's half-year and full-year results and at any time when in possession of any unpublished material price sensitive information. It has been highlighted that Directors and officers are expected to observe insider trading laws at all times. They are also advised not to deal in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS ("IPTs")

As a listed company on the Singapore Exchange, the Company is required to comply with Chapter 9 of the Singapore Exchange Listing Manual on interested person transactions. To ensure compliance with Chapter 9, the AC, as well as the Board, meets half-yearly to review if the Company will be entering into any interested person transaction. If the Company is intending to enter into an interested person transaction, the AC and the Board will ensure that the transaction is carried out based on normal commercial terms and will not be prejudicial to the interest of the Company and its minority shareholders.

The Company does not have a general mandate from shareholders for IPTs pursuant to Rule 920 of the Listing Manual of the SGX-ST.

When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

The AC is satisfied that the review procedures for IPTs and the reviews to be made half-yearly by the AC in relation thereto are adequate to ensure that the IPTs will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company confirms that there were no IPTs of \$100,000 or more entered into during the financial year ended 31 December 2023.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and any of its subsidiary companies involving the interests of the Chief Executive Officer, any Director or controlling shareholder during the financial year ended 31 December 2023.

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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Hor Kew Corporation Limited (the "Company") and its subsidiary corporations (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023.

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 60 to 137 are properly drawn up so as to give a true and fair view of the financial positions of the Group and the Company as at 31 December 2023, and of the financial performance, changes in equity and cash flows of the Group and 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); 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 of the Company in office at the date of this statement are:

Benjamin Aw Chi-Ken (Executive Chairman and Chief Executive Officer)
Elicia Aw Ying Ying
Dr Low Seow Chay
Lee Sen Choon
William Chew Yew Meng

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' STATEMENT

Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and/or 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 and corporations in which interest are held	Shareholdings registered in the name of director			Shareholdings in which the director is deemed to have an interest		
	At 1.1.2023	At 31.12.2023	At 21.1.2024	At 1.1.2023	At 31.12.2023	At 21.1.2024
The Company (Ordinary shares)						
Benjamin Aw Chi-Ken	3,683,882	3,683,882	3,683,882	-	-	-
Elicia Aw Ying Ying	611,625	611,625	611,625	-	-	-
Dr Low Seow Chay	4,166	4,166	4,166	-	-	-

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 Audit Committee at the date of this statement comprises three (3) directors, all of whom are independent. The Audit Committee members are as follows:

Dr Low Seow Chay (Chairman)
Lee Sen Choon
William Chew Yew Meng

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act. Their functions are detailed in the Corporate Governance Report.

In performing its functions, the Audit Committee met with the Company's independent and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- Assistance provided by the Company's management to the independent and internal auditors;
- Half yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- Interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

DIRECTORS' STATEMENT

Independent auditor

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

On behalf of the Board of Directors

Benjamin Aw Chi-Ken
Executive Chairman and Chief Executive Officer

Elicia Aw Ying Ying
Executive Director

Singapore
9 April 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Hor Kew Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hor Kew Corporation Limited (the "Company") and its subsidiary companies (the "Group") as set out on pages 60 to 137, which comprise the statements of financial position of the Group and the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

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

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

Impairment of trade receivables and contract assets

As disclosed in Notes 14 and 20 to the financial statements, the net carrying amount of the Group's trade receivables and contract assets totaling \$29,491,000 (2022: \$37,896,000), after deducting impairment losses of \$21,502,000 (2022: \$18,798,000), accounted for approximately 19% (2022: 22%) of the Group's total assets as at 31 December 2023. During the financial year, net impairment loss on trade receivables and contract assets amounting to \$4,456,000 (2022: \$3,604,000) was recognised.

INDEPENDENT AUDITOR'S REPORT

To the members of Hor Kew Corporation Limited

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

Key Audit Matters (cont'd)

Impairment of trade receivables and contract assets (cont'd)

Management determines the expected credit losses ("ECL") of trade receivables and contract assets by applying the simplified approach and using the provision matrix to measure the lifetime ECL for trade receivables and contract assets. The ECL rates for each category of debtors are estimated based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions. Given the significance of the trade receivables and contract assets to the Group and the determination of ECL requires significant judgements and estimations, we have identified this as a key audit matter.

Our procedures to address the key audit matter

We obtained an understanding and evaluated the Group's ECL assessment for trade receivables and contract assets. We assessed the reasonableness of management's judgement and assumptions applied in the ECL model such as management's determination of historical credit loss rates, the application of respective ECL rates for each category of past due status of debtors and debtors regarded as credit-impaired, and management's consideration of current and future economic conditions specific to its trade receivables and contract assets. We checked the arithmetic accuracy of management's computation of ECL and tested management's categorisation of debtors by their past due status.

We also reviewed the adequacy of disclosures relating to the ECL assessment of trade receivables and contract assets and the Group's credit risk made in the financial statements. The key sources of estimation uncertainty in relation to ECL of trade receivables and contract assets are included in Note 3 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2023, 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.

INDEPENDENT AUDITOR'S REPORT

To the members of Hor Kew Corporation Limited

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

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.

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.

INDEPENDENT AUDITOR'S REPORT

To the members of Hor Kew Corporation Limited

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the members of Hor Kew Corporation Limited

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Wei Lun.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

9 April 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	Group	
		2023 \$'000	2022 \$'000
Revenue	5	104,786	76,457
Cost of sales		(82,108)	(60,562)
Gross profit		22,678	15,895
Interest income		672	253
Other income	6	3,583	3,980
Expenses			
General and administrative expenses		(12,102)	(11,951)
Finance costs	7	(2,794)	(1,759)
Net impairment loss on trade receivables and contract assets		(4,456)	(3,604)
Profit before tax	8	7,581	2,814
Tax expense	9	(169)	(1,093)
Profit for the financial year		7,412	1,721
Other comprehensive loss:			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation		(933)	(803)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value loss on financial assets at fair value through other comprehensive income		(1)	(1)
Other comprehensive loss for the financial year, net of tax		(934)	(804)
Total comprehensive income for the financial year		6,478	917
		Cents	Cents
Earnings per share	10		
Basic		14.24	3.31
Diluted		14.24	3.31

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current assets					
Property, plant and equipment	11	32,800	37,126	481	440
Investment properties	12	41,457	40,905	-	-
Investment in subsidiary companies	13	-	-	61,217	58,933
Trade receivables	14	7,106	3,720	-	-
Insurance asset	15	556	560	-	-
Deferred tax assets	16	1,850	138	-	-
Total non-current assets		83,769	82,449	61,698	59,373
Current assets					
Development properties	17	16,546	17,576	-	-
Inventories	18	8,985	11,489	-	-
Trade receivables	14	21,268	30,279	-	-
Other receivables	19	1,645	1,386	15,894	15,921
Contract assets	20	1,117	3,897	3,386	1,898
Tax recoverable		95	-	-	-
Financial assets at fair value through other comprehensive income	21	9	10	9	10
Cash and cash equivalents	22	25,354	22,362	253	22
Total current assets		75,019	86,999	19,542	17,851
Total assets		158,788	169,448	81,240	77,224

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current liabilities					
Borrowings	23	28,779	6,164	180	259
Deferred tax liabilities	16	1,296	1,861	-	-
Total non-current liabilities		30,075	8,025	180	259
Current liabilities					
Trade payables	24	20,509	26,538	-	-
Other payables	25	7,207	5,600	33,025	32,421
Contract liabilities	20	963	7,620	-	-
Borrowings	23	26,254	54,828	223	184
Tax payables		2,111	1,646	68	68
Total current liabilities		57,044	96,232	33,316	32,673
Total liabilities		87,119	104,257	33,496	32,932
Net assets		71,669	65,191	47,744	44,292
Equity					
Share capital	27	68,323	68,323	68,323	68,323
Other reserves	28	(8,277)	(7,343)	(4)	(3)
Accumulated profits/(losses)		11,623	4,211	(20,575)	(24,028)
Total equity		71,669	65,191	47,744	44,292

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Share capital \$'000	Other reserves \$'000	Accumulated profits/(losses) \$'000	Total equity \$'000
Group				
Balance at 1 January 2022	68,323	(6,539)	2,490	64,274
Profit for the financial year	-	-	1,721	1,721
Other comprehensive loss for the financial year, net of tax				
- Currency translation differences arising from consolidation	-	(803)	-	(803)
- Fair value loss on financial assets at fair value through other comprehensive income	-	(1)	-	(1)
Total comprehensive (loss)/income for the financial year	-	(804)	1,721	917
Balance at 31 December 2022	68,323	(7,343)	4,211	65,191
Profit for the financial year	-	-	7,412	7,412
Other comprehensive loss for the financial year, net of tax				
- Currency translation differences arising from consolidation	-	(933)	-	(933)
- Fair value loss on financial assets at fair value through other comprehensive income	-	(1)	-	(1)
Total comprehensive (loss)/income for the financial year	-	(934)	7,412	6,478
Balance at 31 December 2023	68,323	(8,277)	11,623	71,669
Company				
Balance at 1 January 2022	68,323	(3)	(24,407)	43,913
Profit and total comprehensive income for the financial year	-	-	379	379
Balance at 31 December 2022	68,323	(3)	(24,028)	44,292
Profit for the financial year	-	-	3,453	3,453
Other comprehensive loss for the financial year, net of tax				
- Fair value loss on financial assets at fair value through other comprehensive income	-	(1)	-	(1)
Total comprehensive (loss)/income for the financial year	-	(1)	3,453	3,452
Balance at 31 December 2023	68,323	(4)	(20,575)	47,744

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Group	
	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	7,581	2,814
Adjustments for:		
Depreciation of property, plant and equipment	6,277	6,904
Fair value gain on investment properties	(552)	(224)
Amortisation of prepaid insurance premiums	2	2
Gain on termination of lease	-	(19)
Gain on disposal of property, plant and equipment	(40)	(820)
Net impairment loss on trade receivables and contract assets	4,456	3,604
Interest expense	2,794	1,759
Interest income	(672)	(253)
Unrealised loss on foreign exchange	2,528	2,407
Operating cash flows before working capital changes	<u>22,374</u>	<u>16,174</u>
Changes in operating assets and liabilities:		
Inventories	2,299	(2,498)
Receivables	884	(17,533)
Contract assets	2,780	(2,912)
Contract liabilities	(6,657)	7,214
Payables	(4,425)	7,534
Currency translation adjustments	131	337
Cash generated from operations	<u>17,386</u>	<u>8,316</u>
Income tax paid	(2,076)	(31)
Net cash generated from operating activities	<u>15,310</u>	<u>8,285</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	602	1,388
Purchases of property, plant and equipment (Note A)	(2,456)	(6,108)
Net cash used in investing activities	<u>(1,854)</u>	<u>(4,720)</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Group	
	2023	2022
	\$'000	\$'000
Cash flows from financing activities		
Drawdown of borrowings	1,207	4,742
Interest paid	(2,731)	(1,698)
Interest paid on lease liabilities	(63)	(61)
Repayment of borrowings	(8,539)	(8,874)
Uplift in fixed deposits pledged	1,151	-
Net cash used in financing activities	(8,975)	(5,891)
Net increase/(decrease) in cash and cash equivalents	4,481	(2,326)
Cash and cash equivalents at beginning of financial year	3,331	5,834
Effects of exchange rate changes on cash and cash equivalents	(140)	(177)
Cash and cash equivalents at end of financial year	7,672	3,331
Cash and cash equivalents are represented by:		
Cash and cash equivalents on the consolidated statement of financial position (Note 22)	25,354	22,362
Fixed deposits pledged (Note 22)	(17,682)	(19,031)
Cash and cash equivalents per consolidated statement of cash flows	7,672	3,331
Note A - Purchases of property, plant and equipment ("PPE")		
Aggregate cost of PPE acquired (Note 11)	3,341	6,714
Less: Additions to right-of-use assets (Note 30)	(885)	(606)
Net cash outflow for purchases of PPE	2,456	6,108

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

1 Corporate information

Hor Kew Corporation Limited (the “Company”) (Co. Reg. No. 199903415K) is domiciled and incorporated in Singapore as a private limited liability company on 18 June 1999. It was converted to a public company on 29 March 2000 and is listed on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 66 Kallang Pudding Road, #07-01 Hor Kew Business Centre, Singapore 349324.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are disclosed in Note 4. There have been no significant changes in the nature of these activities during the financial year.

2 Material accounting policies

2.1 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 (“\$”) (rounded to the nearest thousand (\$’000) except when otherwise indicated), and 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 following accounting policies.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 Material accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Use of estimates and judgements

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

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

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and current 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 and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial performance or position of the Group and the Company except as disclosed below:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 Material accounting policies (cont'd)

2.1 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 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies at the end of the reporting period. Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The Group applies the acquisition method to account for business combination from the acquisition date.

The financial statements of the subsidiary companies are prepared for the same reporting date as the parent company.

2.3 Subsidiary companies

Subsidiary companies 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 subsidiary companies are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.4 Property, plant and equipment

Freehold land are stated at cost less any accumulated impairment losses while freehold properties and leasehold land and buildings are stated at deemed costs, upon election of the optional exemption in SFRS(I) in 2017, less accumulated depreciation and any accumulated impairment losses. Property, plant and equipment (other than right-of-use assets) are initially measured at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 Material accounting policies (cont'd)

2.4 Property, plant and equipment (cont'd)

Depreciation

No depreciation is provided on freehold land.

Leasehold land and buildings are amortised evenly over the terms of the leases, expire at various dates between 2024 and 2027.

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

	Years
Freehold properties	50
Leased factory premises	over the lease term of 3 years
Plant and machinery and factory equipment	3 to 12
Motor vehicles	3 to 8
Office equipment, furniture and fittings	1 to 10
Renovation	5
Moulds	1 to 5

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.5 Investment properties

Investment properties include those portions of properties that are held to earn rental income and/or for capital appreciation or for a currently indeterminate use. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 Material accounting policies (cont'd)

2.6 Development properties

Development properties are properties held or developed for sale in the ordinary course of business. Development properties are measured at the lower of cost and net realisable value. The costs are assigned by using specific identification which includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities. Net realisable value represents the estimated selling price less cost to complete and costs to be incurred in selling the property.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Raw materials are stated at cost on a weighted average basis. The cost of finished goods and work-in-progress includes raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.8 Revenue recognition

Sale of precast and prefabricated components

The Group manufactures and supplies precast and prefabricated components to customers. The Group recognises revenue when (or as) a performance obligation is satisfied i.e. when “control” of the goods underlying the particular performance obligation is transferred to customers. A performance obligation represents a good (or a bundle of goods) that is distinct or a series of distinct goods that are substantially the same. The Group recognises revenue over time by measuring the progress towards complete satisfaction of performance obligations. The Group has determined that the output method based on units delivered reflects the over-time transfer of control to customers and when the Group has the right to consideration from the customers. The amount of revenue recognised is based on the contractual price. The Group will progressively bill its customer in accordance with the billing terms in the sales contracts. No element of financing is deemed present.

Contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date. Contract liabilities relate to advance consideration received from customers and billings in excess of revenue recognised to-date. Contract liabilities are recognised as revenue as and when the Group satisfies the performance obligations under its contracts.

Where a retention sum is withheld by the customer in accordance with the contract or the industry practices, it is classified as receivables as the retention sum provides the customer with assurance that the related product sold will function as intended because it complies with agreed-upon specifications.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 Material accounting policies (cont'd)

2.8 Revenue recognition (cont'd)

Management fee

Management fee income is recognised when services are rendered. A contract asset is recognised when the Company has performed under the contract but has not yet billed the customer. Contract assets are transferred to receivables when the right to consideration become unconditional.

Rental income

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

2.9 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the “functional currency”). 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 and presentation currency.

Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and accumulated in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 Material accounting policies (cont'd)

2.10 Leases

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

When the Group entity is the lessee

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

Lease liabilities

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

The lease liabilities are presented within “borrowings” in the statements of financial position.

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

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.

The right-of-use assets are presented within “property, plant and equipment” in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 Material accounting policies (cont'd)

2.10 Leases (cont'd)

When the Group entity is the lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations):

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

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

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For the leases of leasehold land and buildings, the following factors are considered to be most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Group typically includes the extension option in lease liabilities; and
- Otherwise, the Group considers other factors including its historical lease periods and the costs and business disruption required to replace the leased asset.

As at 31 December 2023, potential future cash outflow of \$3,182,000 (2022: \$3,182,000) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee.

Deferred income tax assets

The Group recognises deferred income tax assets on deductible temporary differences to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the deductible temporary differences can be utilised and that the Group is able to satisfy the continuing ownership test.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits and/or taxable temporary differences. The unrecognised potential deferred tax assets of the Group and the carrying amounts of the Group's deferred assets at the end of the reporting period are disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

3 Critical accounting judgement and key sources of estimation uncertainty (cont'd)

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:

Calculation of loss allowance

When measuring ECL, the Group and Company use reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Group uses a provision matrix to calculate ECL for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The Group determined the ECL of trade receivables and contract assets by using a provision matrix that is based on its historical observed default rates. 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.

As the calculation of loss allowance on trade receivables, other receivables and contract assets is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of receivables. Details of ECL measurement and carrying amounts of trade receivables, contract assets, other receivables and amounts due from subsidiary companies at the end of the reporting period are disclosed in Notes 33, 14, 20 and 19 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

3 Critical accounting judgement and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Allowance for inventories

Management determines whether an allowance is required for any shortfall in net realisable value of inventories by reviewing the inventory listing on a periodic basis. The review involves a comparison of the carrying value of the inventory items with the respective net realisable value as well as the forecasted demand for the inventories. Following the review, management sets up the necessary allowance for any shortfall in the net realisable value of the inventories.

The carrying amounts of the Group's inventories at the end of the reporting period and the amount of inventories written down for the financial year are disclosed in Note 18.

Impairment of investment in subsidiary companies

Management assesses impairment of investment in subsidiary companies whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable or indicate that the recoverable amount of the investment may be higher than the carrying amount. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the investment is estimated to determine the impairment loss or write-back of impairment. Fair value less cost to sell calculation is based on observable market prices or market valuations less incremental costs for disposing asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the investment or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of the Company's investment in subsidiary companies at the end of the reporting period and write-back of impairment losses for the financial year are disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

4 Group entities

The subsidiary companies at 31 December are:

Name of entity (Country of incorporation/ place of business)	Principal activities	Ownership interest	
		2023 %	2022 %
Subsidiary companies held by the Company			
Hor Kew Private Limited (Singapore)	Investment holding	100	100
Hor Kew Land Pte Ltd (Singapore)	Dormant	100	100
Park Vale Design & Development Pte Ltd (Singapore) ⁽¹⁾	Dormant	100	100
Prefab Technology Pte Ltd (Singapore)	Design, manufacture and sale of prestressed and precast reinforced concrete building components	100	100
Prefab Technology 3 Pte Ltd (Singapore)	Design, manufacture and sale of prefabricated architectural metal components	32	100
Prefab Technology 8 Pte Ltd (Singapore) ⁽¹⁾	Rental of machinery	100	100
GPX Land Sdn. Bhd. (Malaysia) ⁽²⁾	Dormant	99	99
ABX Land Sdn. Bhd. (Malaysia) ⁽²⁾	Property investment and development	100	100
Prefab Technology Sdn. Bhd. (Malaysia) ⁽³⁾	Design, manufacture and sale of precast concrete building components	100	100
Prefab Metal Sdn. Bhd. (Malaysia) ⁽³⁾	Design, manufacture and sale of prefabricated metal components	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

4 Group entities (cont'd)

Name of entity (Country of incorporation/ place of business)	Principal activities	Ownership interest	
		2023 %	2022 %
Subsidiary company held by Prefab Technology Pte Ltd			
Prefab Technology 3 Pte Ltd (Singapore)	Design, manufacture and sale of prefabricated architectural metal components	68	-
Subsidiary company held by Hor Kew Private Limited			
Oxley Lights Pte Ltd (Singapore)	Investment holding	100	100
Subsidiary company held by Oxley Lights Pte Ltd			
Oxley Lights Development Pte Ltd (Singapore)	Property investment and development	100	100

All the companies are audited by Baker Tilly TFW LLP, Singapore except for the following:

- (1) Audited by T S Choo & Co, Singapore
- (2) Audited by Baker Tilly Malaysia, independent member firm of Baker Tilly International in Malaysia
- (3) Audited by Tee & Partners, Malaysia

In accordance to Rule 716 of the Singapore Exchange Securities Trading Limited Listing Manual, the Board of Directors of the Company and Audit Committee confirmed that they are satisfied that the appointment of different auditing firms for its subsidiary companies would not compromise the standard and effectiveness of the audit of the Group.

During the financial year, Prefab Technology 3 Pte Ltd ("PFT3") issued additional 6,800,000 and 900,000 ordinary shares to Prefab Technology Pte Ltd ("PFT") and to the Company respectively. Upon the issuance of new ordinary shares, PFT3 is now 68% and 32% directly held by PFT and the Company respectively. As the Company wholly-owned PFT, the Group's effective ownership interest in PFT3 remains 100%. As such, there is no change in ownership interest nor loss of control in PFT3. The increase in the paid-up capital of PFT3 does not have any financial impact on the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

5 Revenue

The following table provides a disaggregation disclosure of the Group's revenue by primary geographical market, major product line and timing of revenue recognition.

	2023	2022
	%	%
<i>Primary geographical market</i>		
Singapore	104,786	76,457
<i>Major product line</i>		
Precast concrete building components	79,597	39,455
Prefabricated metal components	25,189	37,002
	104,786	76,457
<i>Timing of revenue recognition</i>		
Over time	104,786	76,457

The Group applies the practical expedient in SFRS(I) 15 *Revenue from Contracts with Customers* and does not disclose information about its remaining performance obligation if:

- The performance obligation is part of a contract that has an original expected duration of one year or less; or
- The Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

6 Other income

	Group	
	2023	2022
	\$'000	\$'000
Commission income	285	222
Fair value gain on investment properties (Note 12)	552	224
Gain on disposal of property, plant and equipment	40	820
Gain on termination of lease	-	19
Government grant income	71	409
Rental income from:		
- Investment properties (Note 12)	920	1,002
- Dormitory and subleasing of right-of-use assets	217	381
- Others	337	18
Sales of scrap materials	433	498
Sundry income	728	387
	3,583	3,980

Government grant income of \$Nil (2022: \$315,000) relates to foreign worker levy rebates received from the Singapore Government to support businesses employing foreign workers on work permits and S-passes that had to suspend operations during the circuit breaker period. The foreign worker levy rebates scheme had also been extended up to 2022 by the Singapore Government.

7 Finance costs

	Group	
	2023	2022
	\$'000	\$'000
Interest expense on:		
- Bills payables and trust receipts	208	107
- Fixed advance facility	304	201
- Lease liabilities	63	61
- Term loans	2,219	1,390
	2,794	1,759

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

8 Profit before tax

	Group	
	2023	2022
	\$'000	\$'000
Profit before tax is arrived at after charging/(crediting):		
Amortisation of prepaid insurance premiums (Note 15)	2	2
Auditors' remuneration paid/payable to:		
- Auditors of the Company	149	135
- Baker Tilly International network firm	6	5
- Other auditors - non-network firms	26	20
Depreciation of property, plant and equipment (Note 11)	6,277	6,904
Directors' fees:		
- Directors of the Company	98	98
- Director of a subsidiary company	6	6
Fees for non-audit services paid to:		
- Auditors of the Company	-	-
- Baker Tilly International network firm	-	-
- Other auditors - non-network firms	-	-
Net impairment loss on trade receivables and contract assets	4,456	3,604
Inventories written down (Note 18)	47	63
Loss on foreign exchange	2,528	2,407
Rental expense (Note 30 (a))	115	69
Reversal of inventories written down (Note 18)	(7)	(286)
Staff costs*	12,106	10,167

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

8 Profit before tax (cont'd)

	Group	
	2023	2022
	\$'000	\$'000
* Staff costs		
Short-term employee benefits	11,748	9,811
Contribution to defined contribution plans	358	356
Total staff costs	<u>12,106</u>	<u>10,167</u>

9 Tax expense

	Group	
	2023	2022
	\$'000	\$'000
Income tax:		
- Current year	2,460	885
- (Over)/under provision in respect of prior years	(15)	62
	<u>2,445</u>	<u>947</u>
Deferred income tax:		
- Current year (Note 16)	22	146
- Over provision in respect of prior years (Note 16)	(30)	-
- Recognition of deferred taxation in respect of prior years (Note 16)	(2,268)	-
	<u>(2,276)</u>	<u>146</u>
	<u>169</u>	<u>1,093</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9 Tax expense (cont'd)

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable to profit in the countries where the Group operates due to the following factors:

	Group	
	2023	2022
	\$'000	\$'000
Profit before tax	7,581	2,814
Tax at the domestic rates applicable to profit in the countries where the Group operates	1,264	464
Losses cannot be carried forward	710	516
Expenses not deductible for tax purposes	678	404
Income not subject to tax	(138)	(91)
Singapore statutory stepped income exemption	(35)	(40)
Deferred tax assets not recognised	49	157
Utilisation of deferred tax assets not recognised previously	(363)	(411)
(Over)/under provision of income tax in respect of prior years	(15)	62
Over provision of deferred taxation in respect of prior years	(30)	-
Recognition of deferred taxation in respect of prior years	(2,268)	-
Others	317	32
	169	1,093

The above tax reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The statutory income tax rate applicable is 17% (2022: 17%) for companies incorporated in Singapore and 24% (2022: 24%) for companies incorporated in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

10 Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following:

	Group	
	2023	2022
	\$'000	\$'000
Profit for the financial year attributable to equity holders of the Company	7,412	1,721
	'000	'000
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	52,067	52,067
	Cents	Cents
Basic and diluted earnings per share	14.24	3.31

Basic earnings per share is calculated based on the Group's profit for the financial year attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

The diluted earnings per share is the same as the basic earnings per share as there is no dilutive share outstanding during the relevant period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11 Property, plant and equipment

	Freehold properties \$'000	Leasehold land and buildings \$'000	Plant and machinery and factory equipment \$'000	Motor vehicles \$'000	Office equipment, furniture and fittings \$'000	Renovation \$'000	Moulds \$'000	Total \$'000
Group								
2023								
Cost								
At 1 January 2023	28,807	18,109	9,886	2,287	2,633	819	9,886	72,427
Additions	-	644	61	313	159	-	2,164	3,341
Currency translation differences	(720)	(101)	(177)	(12)	(10)	(3)	(437)	(1,460)
Disposals/write-off	-	-	-	(228)	-	-	(1,792)	(2,020)
At 31 December 2023	28,087	18,652	9,770	2,360	2,782	816	9,821	72,288
Accumulated impairment loss								
At 1 January 2023 and 31 December 2023	824	65	-	-	-	-	-	889
Accumulated depreciation								
At 1 January 2023	2,419	11,368	7,988	1,954	2,399	819	7,465	34,412
Depreciation charge	427	1,595	446	148	53	-	3,608	6,277
Currency translation differences	(68)	(44)	(152)	(7)	(13)	(3)	(345)	(632)
Disposals/write-off	-	-	-	(228)	-	-	(1,230)	(1,458)
At 31 December 2023	2,778	12,919	8,282	1,867	2,439	816	9,498	38,599
Net carrying amount								
At 31 December 2023	24,485	5,668	1,488	493	343	-	323	32,800

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11 Property, plant and equipment (cont'd)

	Freehold properties \$'000	Leasehold land and buildings \$'000	Leased factory premises \$'000	Plant and machinery and factory equipment \$'000	Motor vehicles \$'000	Office equipment, furniture and fittings \$'000	Renovation \$'000	Moulds \$'000	Total \$'000
Group									
2022									
Cost									
At 1 January 2022	29,527	17,596	2,011	10,218	2,416	2,494	852	9,953	75,067
Additions	29	606	-	151	221	157	-	5,550	6,714
Currency translation differences	(749)	(93)	-	(254)	(13)	(10)	(3)	(423)	(1,545)
Disposals/write-off	-	-	-	(229)	(337)	(8)	(30)	(5,194)	(5,798)
Termination of lease	-	-	(2,011)	-	-	-	-	-	(2,011)
At 31 December 2022	28,807	18,109	-	9,886	2,287	2,633	819	9,886	72,427
Accumulated impairment loss									
At 1 January 2022 and 31 December 2022	824	65	-	-	-	-	-	-	889
Accumulated depreciation									
At 1 January 2022	1,998	9,936	1,032	7,820	2,167	2,377	821	8,898	35,049
Depreciation charge	437	1,511	652	551	135	41	-	3,577	6,904
Currency translation differences	(16)	(79)	-	(154)	(11)	(11)	(2)	(354)	(627)
Disposals/write-off	-	-	-	(229)	(337)	(8)	-	(4,656)	(5,230)
Termination of lease	-	-	(1,684)	-	-	-	-	-	(1,684)
At 31 December 2022	2,419	11,368	-	7,988	1,954	2,399	819	7,465	34,412
Net carrying amount									
At 31 December 2022	25,564	6,676	-	1,898	333	234	-	2,421	37,126

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11 Property, plant and equipment (cont'd)

Group

(i) Freehold properties comprise the following:

a) Geran Mukim 99 Lot 388 in the Mukim of Senai ("Freehold Property I")

The property erected on the freehold land at Geran Mukim 99 Lot 388 in the Mukim of Senai, District of Kulai, Johor Bahru, Malaysia is a single-storey detached factory with a double-storey office annex, a single-storey detached factory, a guard house, a pump house and a bin centre associated with concrete fabrication.

b) Geran Mukim 98 Lot 389 in the Mukim of Senai ("Freehold Property II")

The property erected on the freehold land at Geran Mukim 98 Lot 389 in the Mukim of Senai, District of Kulai, Johor Bahru, Malaysia is a double-storey detached office cum guard house, a single-storey open-sided fabrication yard, one block of three-storey cabin, a power substation and a bin centre associated with concrete fabrication.

c) 66 Kallang Pudding Road ("Freehold Property III")

The property erected on the freehold land at 66 Kallang Pudding Road, Singapore 349324 is an 8-storey multiple-user industrial complex with a 2-storey carpark.

Freehold Property III comprises a portion that is used as corporate office of the Group which are accounted for under property, plant and equipment, and another portion is held to earn rental income and/or for capital appreciation which are accounted for under investment properties (Note 12).

(ii) Leasehold land and buildings comprise the following:

a) 66 Sungei Kadut Street 1 ("Leasehold Property I")

A precast fabrication factory with two 2-storey office buildings, a single storey factory building and a 2-storey factory building with a 4-storey extension which includes staff dormitories situated at 66 Sungei Kadut Street 1, Sungei Kadut Industrial Estate, Singapore 729367. The land lease was originally for 30 years starting from 16 January 1990. The lease was subsequently extended to 31 January 2025.

b) 99 Pioneer Road ("Leasehold Property II")

A part single/part 3-storey Type 'D8' standard detached factory with mezzanine level and 2 open-sided sheds situated at 99 Pioneer Road, Jurong Industrial Estate, Singapore 639580. The land lease is for 30 years starting from 1 December 1997.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11 Property, plant and equipment (cont'd)

Group (cont'd)

(ii) Leasehold land and buildings comprise the following: (cont'd)

- c) Geran Mukim 270 Lot 1265 and Geran Mukim 271 Lot 1266 in the Mukim of Senai ("Leasehold Property III")

The property erected on the leasehold land at Geran Mukim 270 Lot 1265 and Geran Mukim 271 Lot 1266 in Mukim of Senai, District of Kulai, Johor Bahru, Malaysia is a single-storey open-sided fabrication yard with two container offices, one block of two-storey cabin hostel with toilet facilities, a guard house and a storeroom built of corrugated metal sheets. The land lease expires on 1 June 2024 and was subsequently extended to 31 May 2025.

- (iii) The net carrying amount of freehold properties and leasehold land and buildings amounting to \$20,343,000 (2022: \$21,420,000) and \$4,470,000 (2022: \$5,821,000) are mortgaged to banks to secure banking facilities of the Group (Note 23).
- (iv) At the end of the reporting period, the net carrying amount of the Group's property, plant and equipment under right-of-use assets were \$5,664,000 (2022: \$6,390,000) (Note 30).
- (v) At the end of the reporting period, motor vehicles of the Group with net carrying amount of \$229,000 (2022: \$Nil) are registered in the name of the key management of the Group who held the motor vehicles in trust for the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11 Property, plant and equipment (cont'd)

	Office equipment, furniture and fittings \$'000	Leasehold buildings \$'000	Motor vehicles \$'000	Renovation \$'000	Total \$'000
Company					
2023					
Cost					
At 1 January 2023	497	561	418	176	1,652
Additions	-	-	255	-	255
Disposals/write-offs	-	-	(228)	-	(228)
At 31 December 2023	497	561	445	176	1,679
Accumulated depreciation					
At 1 January 2023	493	125	418	176	1,212
Depreciation charge	2	186	26	-	214
Disposals/write-offs	-	-	(228)	-	(228)
At 31 December 2023	495	311	216	176	1,198
Net carrying amount					
At 31 December 2023	2	250	229	-	481
2022					
Cost					
At 1 January 2022	495	-	418	176	1,089
Additions	2	561	-	-	563
At 31 December 2022	497	561	418	176	1,652
Accumulated depreciation					
At 1 January 2022	490	-	413	176	1,079
Depreciation charge	3	125	5	-	133
At 31 December 2022	493	125	418	176	1,212
Net carrying amount					
At 31 December 2022	4	436	-	-	440

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11 Property, plant and equipment (cont'd)

Company

- (i) At the end of the reporting period, the net carrying amount of the Company's right-of-use assets is \$479,000 (2022: \$436,000) (Note 30).
- (ii) At the end of the reporting period, motor vehicles of the Company with net carrying amount of \$229,000 (2022: \$Nil) are registered in the name of a key management of the Company who held the motor vehicles in trust for the Company.

12 Investment properties

	Group	
	2023	2022
	\$'000	\$'000
At 1 January	40,905	40,681
Fair value gain recognised in profit or loss (Note 6)	552	224
At 31 December	41,457	40,905
The following amounts are recognised in profit or loss:		
Fair value gain on investment properties	552	224
Rental income (Note 6)	920	1,002
Direct operating expenses arising from investment properties that generated rental income	443	362

The investment properties held by the Group at the end of the reporting period are as follows:

		Group	
		2023	2022
		\$'000	\$'000
Properties	Tenure		
Property 1	70 years from 1993	1,015	1,103
Property 2	Freehold	34,762	34,162
Property 3	Freehold	5,680	5,640
		41,457	40,905

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

12 Investment properties (cont'd)

Property 1

Property 1 comprises commercial office units located at 23B, 23C, 23G, 23H, 23J and 23K, Fuhua Complex of Quanzhou, The People's Republic of China. Property 1 units are leased out to non-related parties under cancellable operating leases.

At the end of the reporting period, the fair value of the Property 1 is determined based on the valuation performed by a professional valuer. In valuing the portions of the property which are vacant, direct comparison method of valuation was adopted whereby comparisons based on actual sales or offerings of comparable properties have been made. Comparable properties with similar character, location, sizes and so on are analysed and carefully weighted against all respective advantages and disadvantages of the properties in order to arrive at a fair comparison of value. This fair value measurement is categorised in the Level 3 of the fair value hierarchy.

Property 2

Property 2 comprises the portion of 8-storey multiple-user industrial complex with a 2-storey carpark located at 66 Kallang Pudding Road, Singapore 349324 which are held to earn rental income and/or for capital appreciation (Note 11(i)(c)). Property 2 is mortgaged to bank to secure banking facilities of the Group (Note 23).

At the end of the reporting period, the fair value of the Property 2 is determined based on the desktop valuation performed by a professional valuer using a direct comparison with recent transactions of comparable properties within the vicinity at the end of the reporting period. The valuer has taken into consideration the prevailing market conditions and has made due adjustments for differences between the property and the comparables in terms of locations, size, layout and other factors affecting its value. This fair value measurement is categorised in the Level 3 of the fair value hierarchy.

Property 3

Property 3 comprises 2 apartment units, #02-06 and #02-07 One Oxley Rise, Singapore 238714 which are held to earn rental income and/or for capital appreciation. Property 3 is mortgaged to bank to secure banking facilities of the Group (Note 23).

At the end of the reporting period, the fair value of the Property 3 is determined based on the desktop valuation performed by a professional valuer using a direct comparison with recent transactions of comparable properties within the vicinity at the end of the reporting period. The valuer has taken into consideration the prevailing market conditions and has made due adjustments for differences between the property and the comparables in terms of locations, size, layout and other factors affecting its value. This fair value measurement is categorised in the Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

12 Investment properties (cont'd)

The following table shows the significant unobservable inputs used in the valuation model:

Description	Fair value \$'000	Valuation technique	Significant unobservable input ⁽¹⁾	Range
2023				
Property 1	1,015	Direct comparison method	Price per square metre ⁽²⁾	\$1,200 to \$1,300
Property 2	34,762	Direct comparison method	Price per square metre ⁽²⁾	\$21,500 to \$25,600
Property 3	5,680	Direct comparison method	Price per square metre ⁽²⁾	\$19,800 to \$24,500
2022				
Property 1	1,103	Direct comparison method	Price per square metre ⁽²⁾	\$1,100 to \$1,500
Property 2	34,162	Direct comparison method	Price per square metre ⁽²⁾	\$18,900 to \$24,400
Property 3	5,640	Direct comparison method	Price per square metre ⁽²⁾	\$20,000 to \$23,000

⁽¹⁾ The significant unobservable input of the properties are yet to be adjusted for any differences in terms of locations, tenure, physical characteristics or condition of the specific properties by the professional valuer.

⁽²⁾ Any significant isolated increases (decreases) in the significant unobservable input would result in a significantly higher (lower) fair value measurement.

13 Investment in subsidiary companies

	Company	
	2023 \$'000	2022 \$'000
Unquoted equity shares at cost:		
At 1 January	54,198	54,198
Additions	900	-
At 31 December	55,098	54,198
Impairment losses	(25,465)	(26,965)
	29,633	27,233
Loans due from subsidiary companies	31,584	31,700
	61,217	58,933

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

13 Investment in subsidiary companies (cont'd)

The movement in the allowance for impairment losses is as follows:

	Company	
	2023	2022
	\$'000	\$'000
At 1 January	26,965	27,162
Write-back of impairment losses	(1,500)	(197)
At 31 December	25,465	26,965

See Note 4 for details of subsidiary companies.

Management performed a review of the recoverable amounts of the investment in subsidiary companies. In current financial year, management considered it appropriate to fully reverse \$1,500,000 of the prior years' impairment losses to the carrying amount of \$2,400,000 for a subsidiary company in the prefabrication segment as this subsidiary company was profitable and generated positive cash inflows from operating activities during the financial year. Management was also confident that this subsidiary company will continue to be profitable in the foreseeable future. The recoverable amount of the subsidiary company of \$6,803,000 was determined based on a value in use calculation using cash flow projections from forecasts approved by management covering a five-year period. These forecasts have been updated to reflect the most recent development as at the reporting date. The pre-tax discount rate, average gross profit margin applied to the cash flow projections and the forecasted terminal growth rate used to extrapolate cash flow projects beyond the five-year period were 9.3%, 24.3% and 4.0%. If the pre-tax discount rate and average gross profit margin used in the value in use is 3.0% and 1.6% higher/(lower) than management's estimates respectively, the recoverable amount of this subsidiary company will be equal to its carrying amount.

In previous financial year, management considered it appropriate to fully reverse \$197,000 of the prior years' impairment losses to the carrying amount of \$197,000 for a subsidiary company in the prefabrication segment as this subsidiary company was profitable and in net asset position as at 31 December 2022. The recoverable amount of the subsidiary company of \$1,743,000 was determined based on a value in use calculation using cash flow projections from forecasts approved by management covering a five-year period. These forecasts have been updated to reflect the most recent development as at the reporting date. The pre-tax discount rate applied to the cash flow projections and the the forecasted terminal growth rate used to extrapolate cash flow projects beyond the five year period were 9.9% and 0%. Any reasonably possible change in a key assumption used in the cash flow projections will not result in significant changes to the carrying amount of the subsidiary company.

Management determined that owing to the nature of the activities of the subsidiary companies, the loans due from subsidiary companies are quasi-equity in nature, non-interest bearing and are therefore included in the investment in subsidiary companies. The settlements of the quasi-equity loans are neither planned nor likely to occur in the foreseeable future and accordingly, the amounts are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

14 Trade receivables

	Group	
	2023	2022
	\$'000	\$'000
Third party receivables	46,347	49,117
Related party receivables	3,482	3,482
	49,829	52,599
Impairment loss on trade receivables (Note 33)	(21,455)	(18,600)
	28,374	33,999
Represented by:		
- Non-current	7,106	3,720
- Current	21,268	30,279
	28,374	33,999

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 30 to 90 days) credit terms. Included in trade receivables are retention sums withheld by customers amounting to \$9,492,000 (2022: \$9,597,000) in which \$7,106,000 (2022: \$3,720,000) pertains to non-current retention sums that will be due after one year. As at the end of the reporting period, impairment loss on related party receivables amounted to \$1,289,000 (2022: \$1,289,000).

During the financial year, net impairment loss on trade receivables amounting to \$4,607,000 (2022: \$3,406,000) was recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

15 Insurance asset

	Group	
	2023	2022
	\$'000	\$'000
<i>Prepaid insurance premiums for protection cover</i>		
At 1 January	94	98
Amount amortised to profit or loss	(2)	(2)
	92	96
Less: Prepaid insurance premiums for protection cover to be amortised within 12 months	(2)	(2)
At 31 December	90	94
<i>Financial assets at fair value through profit or loss</i>		
At 1 January and at 31 December	466	466
Total	556	560

During the financial year ended 31 December 2021, the Group took up a single premium keyman insurance policy amounting to \$560,000 for a director of the Group. The premium was fully paid through a revolving credit loan and was pledged to the bank to secure banking facilities granted to the Group (Note 23). The policy will mature in 2079. Upon a death claim of the insured, 100% of the insured amount plus the accumulated investment returns will be paid to the bank to repay the borrowings and the remaining amount will then be payable to the Group.

At the date of inception of the policy, the total surrender value amounted to \$460,000. The difference between the single premium of \$560,000 paid and initial cash surrender value of \$460,000 at inception is recorded as a prepayment and amortised over the policy years.

The fair value of the keyman life insurance policy is based on the cash surrender value of the insurance policy contracts as stated in the annual statement received from the insurance company and is categorised in Level 2 of the fair value hierarchy. The financial assets at fair value through profit or loss ("FVTPL") is valued at fair value and gain and losses arising from changes in fair values and impairment losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

16 Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movements in the deferred tax account are as follows:

	Group	
	2023	2022
	\$'000	\$'000
At 1 January	(1,723)	(1,157)
Charged/(credited) to profit or loss (Note 9)	2,276	(146)
Exchange differences	1	-
At 31 December	554	(1,723)
Representing:		
<i>Non-current</i>		
Deferred tax assets	1,850	138
Deferred tax liabilities	(1,296)	(1,861)
	554	(1,723)

The following are the major deferred tax (liabilities) and assets recognised by the Group and the movements thereon, during the current and prior reporting periods.

	Accelerated accounting depreciation \$'000	Tax losses \$'000	Allowance on impairment loss \$'000	Fair value gains \$'000	Others \$'000	Total \$'000
At 1 January 2022	461	-	-	(2,063)	25	(1,577)
(Credited)/charged to profit or loss	(309)	-	-	188	(25)	(146)
At 31 December 2022	152	-	-	(1,875)	-	(1,723)
Charged to profit or loss	6	1,063	1,079	86	42	2,276
Exchange differences	-	-	-	1	-	1
At 31 December 2023	158	1,063	1,079	(1,788)	42	554

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

16 Deferred tax (cont'd)

At the end of the reporting period, the Group has potential tax benefits arising from unabsorbed tax losses and unabsorbed capital allowances of approximately \$16,579,000 (2022: \$25,634,000) and \$365,000 (2022: \$365,000) respectively, that are available for carry-forward to offset against future taxable profits and/or taxable temporary differences of the companies in which the tax losses and unabsorbed capital allowances differences arose, subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

The unutilised tax losses can be carried forward indefinitely except for those arising from the subsidiary companies in the jurisdiction of Malaysia amounting to \$2,077,000 (2022: \$2,077,000) which can only be carried forward for a maximum period of 10 consecutive years of assessment expiring in year 2028 to be utilised against income from any business source.

The potential deferred tax assets on the following deductible temporary differences have not been recognised in the financial statements at the end of the reporting period:

	Group	
	2023	2022
	\$'000	\$'000
Unabsorbed tax losses	16,579	25,634
Unabsorbed capital allowances	365	365
Accelerated accounting depreciation	8	1,111
Allowance on impairment loss	-	5,191
Others	14	44
	16,966	32,345

The potential deferred tax assets have not been recognised in the financial statements as it is not probable that the future taxable profits and/or taxable temporary differences in these companies will be available and sufficient to allow these deductible temporary differences to be realised in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17 Development properties

	Group	
	2023	2022
	\$'000	\$'000
<i>Unsold development properties:</i>		
At 1 January	17,576	18,652
Currency translation differences	(1,030)	(1,076)
At 31 December	16,546	17,576

Development properties comprise 6 parcels of vacant residential lands and 3 parcels of vacant commercial lands located within Kota Seriemas, Nilai, Negeri Sembilan, Malaysia with total land areas of 741,554 square metres. The Group intends to develop a township on these land, but yet to commence any development activities as at 31 December 2023.

18 Inventories

	Group	
	2023	2022
	\$'000	\$'000
Raw materials	3,787	3,441
Work-in-progress	708	531
Finished goods	4,490	7,517
	8,985	11,489

The following amounts are recognised in profit or loss:

	Group	
	2023	2022
	\$'000	\$'000
Inventories recognised as an expense in cost of sales	82,108	60,562
Inclusive of the following:		
- Inventories written down (Note 8)	47	63
- Reversal of inventories written down (Note 8)	(7)	(286)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

19 Other receivables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Amounts due from subsidiary companies	-	-	43,386	44,705
Sundry receivables	265	302	-	-
Impairment loss on receivables	-	-	(27,513)	(28,802)
	265	302	15,873	15,903
Sundry deposits	871	762	5	-
Prepayments	509	322	16	18
	1,645	1,386	15,894	15,921

The amounts due from subsidiary companies are non-trade in nature, unsecured, interest-free and repayable on demand. As at the reporting date, the Company's impairment loss on amounts due from subsidiary companies amounted to \$27,513,000 (2022: \$28,802,000).

20 Contract assets and liabilities

The Group receives payments from customers based on a billing schedule, as established in contracts. Contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date on the Group's prefabrication business. The Company's contract assets relate to management service performed but not billed at the reporting date. Contract liabilities relate to advance consideration received from customers and billings in excess of revenue recognised to-date. Contract liabilities are recognised as revenue as and when the Group satisfies the performance obligations under its contracts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

20 Contract assets and liabilities (cont'd)

The following table provides information about contract assets and contract liabilities from contracts with customers.

	2023	2022	1.1.2022
	\$'000	\$'000	\$'000
Group			
Trade receivables from contracts with customers	28,374	33,999	20,445
Contract assets	1,117	3,897	986
Contract liabilities	963	7,620	406
	3,386	1,898	1,597
Company			
Contract assets	3,386	1,898	1,597

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

	Contract assets	
	2023	2022
	\$'000	\$'000
Group		
Contract assets reclassified to trade receivables	3,897	986
Work completed but not billed	1,117	3,897
(Reversal of impairment loss)/impairment loss on contract assets (Note 33)	(151)	198
	1,898	1,597
Company		
Contract assets reclassified to other receivables	1,898	1,597
Service performed but not billed	3,386	1,898

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

20 Contract assets and liabilities (cont'd)

	Contract liabilities	
	2023	2022
	\$'000	\$'000
Group		
Revenue recognised that was included in the contract liabilities balance at the beginning of the financial year	7,620	406
Increases due to advances received, excluding amounts recognised as revenue during the financial year	963	7,620

21 Financial assets at fair value through other comprehensive income

This represents quoted equity securities listed in Singapore which are not held for trading. Accordingly, management has made an irrevocable election to classify the equity instrument at fair value through other comprehensive income. It is the Group's strategy to hold this investment for long-term purposes. Any gains or losses are recorded in other comprehensive income and accumulated in fair value reserve.

22 Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	7,662	3,281	253	22
Fixed deposits	17,692	19,081	-	-
	25,354	22,362	253	22

Fixed deposits are placed for periods between 1 and 12 months (2022: 1 and 12 months) and bear interest rates ranging from 1.30% to 4.84% (2022: 0.09% to 3.54%) per annum. Fixed deposits of \$17,682,000 (2022: \$19,031,000) are pledged to banks to secure banking facilities of the Group (Note 23). At the end of the reporting period, the Group's cash and bank balances of \$256,000 (2022: \$255,000) is deposited in the name of a director of the Company who held the bank account in trust for the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

23 Borrowings

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Non-current</i>				
Term Loan A	25,000	-	-	-
Term Loan C	849	1,150	-	-
Term Loan D	1,891	2,739	-	-
Term Loan E	1,625	2,363	-	-
Term Loan F	1,025	1,478	-	-
Lease liabilities	965	816	180	259
Current portion of term loans	(2,576)	(2,382)	-	-
	28,779	6,164	180	259
<i>Current</i>				
Term Loan A	-	25,000	-	-
Bills payables and trust receipts	1,949	3,263	-	-
Short-term loans	14,740	17,290	-	-
Fixed advance facility	6,300	6,300	-	-
Lease liabilities	689	593	223	184
Current portion of term loans	2,576	2,382	-	-
	26,254	54,828	223	184
	55,033	60,992	403	443

The Group's borrowings are secured by legal mortgages over certain freehold properties (Note 11), leasehold land and buildings (Note 11), certain investment properties (Note 12), fixed deposits (Note 22), a corporate guarantee from the Company and the keyman insurance policy (Note 15).

Term Loan A is also secured by an assignment of all rights, title, benefits and interests in connection with any insurance policies, leases, tenancy agreements and/or sale and purchase agreements with respect to the investment property.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

23 Borrowings (cont'd)

Term Loan A was refinanced on 31 October 2023 and will be repayable on 31 October 2025. Term Loan A bears interest rate at 1.20% (2022: 1.20%) per annum above the Association of Banks in Singapore ("ABS") Swap offer rate. The effective interest rate is 5.21% (2022: 4.89%) per annum.

Term Loan C is repayable in 84 monthly instalments up to 2026. The Term Loan C bears fixed interest rate at 2.38% (2022: 2.38%) per annum.

Term Loan D is repayable in 56 monthly instalments of \$73,000 commencing from 5 September 2019 with a bullet balance payment at the end. On 1 November 2023, the Term Loan D is further refinanced and will mature on 5 November 2025. The Term Loan D bears interest rate of 1.75% (2022: 1.75%) per annum above the bank's Cost of Fund. The effective interest rate 7.05% (2022: 4.22%) per annum.

Term Loan E and Term Loan F are repayable in 60 monthly instalments commencing from 6 August 2020 and 30 November 2020 respectively. On 18 August 2021, the Group borrowed additional borrowings for Term Loan E and is repayable in 48 monthly instalments. The Term Loan E and Term Loan F bear fixed interest rate at 2.50% (2022: 2.50%) per annum.

The bills payables and trust receipts bear effective interest rates ranging from 4.82% to 5.31% (2022: 2.71% to 6.92%) per annum.

The short-term loans represent revolving credit loans which are due for rollover on a monthly basis. The short-term loans bear effective interest rates ranging from 4.14% to 5.33% (2022: 0.12% to 5.23%) per annum.

The fixed advance facility was refinanced on 22 November 2023 and is repayable on 21 May 2024. The fixed advance facility bears interest rate of 1.30% (2022: 1.30%) per annum above the Singapore Overnight Rate Average ("SORA") in-arrears rate. The effective interest rate ranging from 4.44 to 7.24% (2022: 4.40% to 4.49%) per annum.

The carrying amounts of current borrowings approximate their fair values at the end of the reporting period.

Based on the discounted cash flow analysis using a discount rate based upon market lending rate for similar borrowings which the management expects would be available to the Group at the end of the reporting period, the fair values of the fixed rate borrowings at the end of the reporting period approximate their carrying values as there are no significant changes in the market lending interest rates available to the Group at the end of the reporting period. The floating rate borrowings are instruments that are repriced to market interest rates on or near the end of the reporting period. Accordingly, the fair values of these borrowings, determined from discounted cash flow analysis using market lending rates for similar borrowings which the management expects would be available to the Group at the end of the reporting period, would approximate their carrying amounts at the end of the reporting period. This fair value measurement for disclosure purposes is categorised in the Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

23 Borrowings (cont'd)

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

	Term loans \$'000	Bills payables and trust receipts \$'000	Fixed advance facility \$'000	Lease liabilities \$'000	Total \$'000
Balance at 1 January 2023	50,020	3,263	6,300	1,409	60,992
Changes from financing cash flows:					
- Drawdown	500	707	-	-	1,207
- Repayments	(5,688)	(2,009)	-	(842)	(8,539)
- Interest paid	(2,219)	(208)	(304)	(63)	(2,794)
Non-cash changes:					
- Currency translation differences	298	(12)	-	202	488
- Interest expense	2,219	208	304	63	2,794
- New leases	-	-	-	885	885
Balance at 31 December 2023	45,130	1,949	6,300	1,654	55,033
Balance at 1 January 2022	52,921	3,319	6,300	2,384	64,924
Changes from financing cash flows:					
- Drawdown	2,100	2,642	-	-	4,742
- Repayments	(4,994)	(2,667)	-	(1,213)	(8,874)
- Interest paid	(1,390)	(107)	(201)	(61)	(1,759)
Non-cash changes:					
- Currency translation differences	(7)	(31)	-	(22)	(60)
- Interest expense	1,390	107	201	61	1,759
- Termination of lease	-	-	-	(346)	(346)
- New leases	-	-	-	606	606
Balance at 31 December 2022	50,020	3,263	6,300	1,409	60,992

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24 Trade payables

	Group	
	2023	2022
	\$'000	\$'000
Third party payables	18,242	25,738
Sub-contractors' retention sum	2,267	800
	20,509	26,538

25 Other payables

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Accrued operating expenses	6,207	4,413	2,195	1,123
Amounts due to subsidiary companies	-	-	30,769	31,261
Deposits received	307	297	-	-
Sundry payables	680	889	61	37
Advance rental received	13	1	-	-
	7,207	5,600	33,025	32,421

The amounts due to subsidiary companies are non-trade in nature, unsecured, interest-free and payable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

26 Provisions

	Group
	2022
	\$'000
<i>Provision for onerous contracts</i>	
At 1 January	132
Utilisation of provisions	(132)
At 31 December	<u>-</u>

The Group has entered into contracts with customers to deliver precast concrete and prefabricated metal components. Due to the rising cost of materials, the aggregate costs to fulfil certain contracts are higher than the economic benefits expected to be received. As such, a provision for onerous contracts was recognised.

27 Share capital

	Group and Company	
	2023	2022
	\$'000	\$'000
Issued and fully paid capital		
52,066,937 ordinary shares with no par value	68,323	68,323

All issued shares are fully paid ordinary shares with no par value.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28 Other reserves

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Fair value reserve	(7)	(6)	(4)	(3)
Currency translation reserve	(8,270)	(7,337)	-	-
	(8,277)	(7,343)	(4)	(3)

Fair value reserve

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 January	(6)	(5)	(3)	(3)
Fair value loss on financial assets at fair value through other comprehensive income	(1)	(1)	(1)	-
At 31 December	(7)	(6)	(4)	(3)

Fair value reserve represents fair value adjustments on quoted equity securities classified as financial assets at fair value through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28 Other reserves (cont'd)

Currency translation reserve

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 January	(7,337)	(6,534)	-	-
Net currency translation differences of financial statements of foreign subsidiary companies	(933)	(803)	-	-
At 31 December	(8,270)	(7,337)	-	-

Currency translation reserve arises from the translation of foreign subsidiary companies' financial statements whose functional currencies are different from the presentation currency of the Group.

29 Segmental information

For management purposes, the Group is organised into business units based on their products and services. The operating segments of the Group are as follows:

- (i) The property investment and development segment is involved in the development, sales and leasing of residential, commercial and industrial properties.
- (ii) The prefabrication segment is in the business of design, manufacture and sales of prestressed and reinforced concrete building components as well as prefabricated architectural metal components.
- (iii) Others segment comprises mainly the Group level corporate services and treasury functions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29 Segmental information (cont'd)

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

Group	Property investment and development \$'000	Prefabrication \$'000	Others \$'000	Eliminations \$'000	Consolidated \$'000
2023					
Revenue:					
Sales to external customers	-	104,786	-	-	104,786
Intersegment sales	-	-	3,385	(3,385)	-
Total revenue	<u>-</u>	<u>104,786</u>	<u>3,385</u>	<u>(3,385)</u>	<u>104,786</u>
Results:					
Segment (loss)/profit	(966)	6,375	2,172	-	7,581
Tax expense					(169)
Profit for the financial year					<u>7,412</u>
Other significant non-cash expenses:					
Allowance for impairment loss on trade receivables and contract assets	29	4,427	-	-	4,456
Depreciation of property, plant and equipment	264	5,985	28	-	6,277
Fair value gain on investment properties	(552)	-	-	-	(552)
Unrealised loss on foreign exchange	1,716	812	-	-	2,528
Segment assets	79,456	65,905	11,482	-	156,843
Unallocated assets					1,945
Total assets					<u>158,788</u>
Segment assets includes:					
Additions to non-current assets	1	3,085	255	-	3,341
Segment liabilities	39,582	41,470	2,660	-	83,712
Unallocated liabilities					3,407
Total liabilities					<u>87,119</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29 Segmental information (cont'd)

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

Group	Property investment and development \$'000	Prefabrication \$'000	Others \$'000	Eliminations \$'000	Consolidated \$'000
2022					
Revenue:					
Sales to external customers	-	76,457	-	-	76,457
Intersegment sales	-	-	1,898	(1,898)	-
Total revenue	-	76,457	1,898	(1,898)	76,457
Results:					
Segment (loss)/profit	(1,334)	3,973	175	-	2,814
Tax expense					(1,093)
Profit for the financial year					1,721
Other significant non-cash expenses:					
Allowance for impairment loss on trade receivables and contract assets	42	3,562	-	-	3,604
Depreciation of property, plant and equipment	297	6,598	9	-	6,904
Fair value gain on investment properties	(224)	-	-	-	(224)
Unrealised loss on foreign exchange	1,081	1,326	-	-	2,407
Segment assets	79,550	81,286	8,474	-	169,310
Unallocated assets					138
Total assets					169,448
Segment assets includes:					
Additions to non-current assets	1	6,710	3	-	6,714
Segment liabilities	42,336	57,254	1,160	-	100,750
Unallocated liabilities					3,507
Total liabilities					104,257

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29 Segmental information (cont'd)

Segment results

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Income taxes are managed on a group basis and are not allocated to operating segments. Sales between operating segments are on terms agreed by the Group companies concerned.

Segment assets

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than deferred tax assets and tax recoverable which are classified as unallocated assets.

Segment liabilities

The amounts provided to the management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than deferred tax liabilities and tax payables. These liabilities are classified as unallocated liabilities.

Geographical information

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

	Group			
	Sales to external customers		Non-current assets	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Singapore	104,786	76,457	46,382	46,793
The People's Republic of China	-	-	1,015	1,103
Malaysia	-	-	26,950	30,229
	104,786	76,457	74,347	78,125

Non-current assets information presented above are non-current assets as presented on the consolidated statement of financial position excluding financial instruments and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29 Segmental information (cont'd)

Information about major customers

Revenue from major customers which amounts to more than 10% of the Group's revenue are as follows:

	Group	
	2023	2022
	\$'000	\$'000
Prefabrication segment - 3 (2022: 3) external customers		
- Customer 1	28,709	9,474
- Customer 2	27,034	7,878
- Customer 3	20,622	-
- Customer 4	-	10,542
	76,365	27,894

30 Leases

a) The Group as a lessee

Nature of the Group's leasing activities - Group as a lessee

The Group's leasing activities comprise the following:

- (i) The Group leases various motor vehicles, plant and equipment and also makes annual lease payments for leased factory premises. The leases have an average tenure of between 3 to 5 years. The right-of-use of these assets are classified within property, plant and equipment (Note 11).
- (ii) The Group also makes annual lease payments for its leasehold land and building. The right-of-use of the land is classified within property, plant and equipment (Note 11). The annual lease payment is subject to revision based on the prevailing rates from the lessor. The leases have an average tenure from 2 to 30 years.
- (iii) In addition, the Group leases certain office equipment. These leases are short-term and/or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The Company leases an office unit from its subsidiary company. The lease has a tenure of three years.

The maturity analysis of the lease liabilities is disclosed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30 Leases (cont'd)

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

Information about leases for which the Group is a lessee is presented below:

Carrying amount of right-of-use assets

The carrying amount of right-of-use assets are as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Classified within property, plant and equipment</u>				
Leasehold land and building	5,182	5,929	250	436
Motor vehicles	369	106	229	-
Plant and equipment	113	355	-	-
	5,664	6,390	479	436
Additions to right-of-use assets	885	606	255	561

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30 Leases (cont'd)

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

Amounts recognised in profit or loss

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Depreciation charge for the financial year</u>				
Leasehold land and building	1,521	1,389	186	125
Leased factory premises	-	652	-	-
Motor vehicles	87	111	26	-
Plant and equipment	56	56	-	-
	1,664	2,208	212	125
<u>Lease expense not included in the measurement of lease liabilities</u>				
Lease expense - short-term leases	105	58	-	67
Lease expense - low value assets leases	10	11	1	2
Total (Note 8)	115	69	1	69
Interest expense on lease liabilities	63	61	17	17
Income from subleasing right-of-use assets	-	196	-	-
Gain on termination of lease	-	19	-	-

During the financial year, total cash flow for leases amounted to \$1,020,000 (2022: \$1,343,000).

Future cash outflow which are not capitalised in lease liabilities

Extension options

Each of the leases of leasehold land contains an extension option, for which the related lease payments had not been included in the lease liabilities as the subsidiary companies are not reasonably certain to extend the leases. This is used to maximise operational flexibility in terms of managing the assets used in the subsidiary companies' operations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30 Leases (cont'd)

b) The Group as a lessor

Nature of the Group's leasing activities - Group as a lessor

The Group leased out its investment properties to various third parties for monthly lease payments. Rental income from investment properties are disclosed in Note 12.

The Group leased out its dormitory to foreign workers for monthly lease payments. Rental income from dormitory is disclosed in Note 6.

These leases are classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Subleases - classified as operating leases

The Group leases factory premises under a head lease arrangement and subleases part of the factory premises to a third party as an intermediate lessor. The sub-lease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as operating leases.

Income from subleasing recognised during the financial year was \$Nil (2022: \$196,000).

Maturity analysis of lease payments - the Group as a lessor

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group	
	2023	2022
	\$'000	\$'000
Less than one year	622	848
1 to 2 years	273	479
Total undiscounted lease payments	895	1,327

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

31 Contingent liabilities

Financial guarantees

	Company	
	2023	2022
	\$'000	\$'000
Guarantees issued for banking facilities granted to subsidiary companies	131,765	133,765
Amounts of banking facilities utilised by subsidiary companies	54,398	61,875

Management has assessed the fair values of these financial guarantees to have no material financial impact on the financial performance for the financial years ended 31 December 2023 and 31 December 2022.

32 Related party transactions

- a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, who are not members of the Group during the financial year on terms agreed by the parties concerned:

	Group	
	2023	2022
	\$'000	\$'000
Maintenance fee charged by a related party	15	15

Related parties comprise mainly companies which are controlled by the Company's directors and their close family members.

The outstanding balances with related parties at the end of the reporting period are disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

32 Related party transactions (cont'd)

b) Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	Group	
	2023	2022
	\$'000	\$'000
Directors of the Company:		
- Short-term employee benefits	2,193	1,225
- Contribution to defined contribution plans	35	35
- Directors' fees	98	98
	2,326	1,358
Other key management personnel:		
- Short-term employee benefits	1,190	774
- Contribution to defined contribution plans	34	37
	1,224	811
	3,550	2,169

In addition, benefits in kind amounting to \$37,000 (2022: \$31,000) are in respect of motor vehicles used by the directors and key management of the Group.

The number of directors and other key management personnel, and their remuneration bands are as follows:

	Number of directors		Number of other key management personnel	
	2023	2022	2023	2022
\$1,000,000 to below \$1,250,000	2	-	-	-
\$750,000 to below \$1,000,000	-	-	-	-
\$500,000 to below \$750,000	-	2	1	-
\$250,000 to below \$500,000	-	-	1	1
Below \$250,000	3	3	1	2
	5	5	3	3

The remuneration of key management personnel is determined by the Remuneration Committee, having regard to the performance of individuals and market trends.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments

Categories of financial instruments

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

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets:</i>				
Financial assets at cost	-	-	31,584	31,700
Financial assets at amortised cost	54,864	57,425	16,131	15,925
Financial assets at fair value through profit or loss	466	466	-	-
Financial assets at fair value through other comprehensive income	9	10	9	10
<i>Financial liabilities:</i>				
Financial liabilities at amortised cost	82,525	92,807	33,428	32,864

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from the operations and the use of financial instruments. The key financial risks include foreign currency risk, credit risk, interest rate risk, liquidity risk and market price risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

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

Foreign currency risk

The Group has currency exposures arising from transactions, assets and liabilities that are denominated in currencies other than the respective functional currencies of the entities in the Group. The foreign currencies in which the Group's currency risk arises are British Pound ("GBP"), Australian dollar ("AUD"), Chinese Yuan ("CNY") and Singapore dollar ("SGD"). The Company has no significant exposure to foreign currency risk as nearly all of its transactions are in Singapore dollar. The Group and the Company do not hedge their net position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Foreign currency risk (cont'd)

The Company and its subsidiary companies maintain their respective books and accounts in their functional currencies. As a result, the Group is subjected to transaction and translation exposures resulting from currency exchange rate fluctuations. However, to minimise such foreign currency exposures, the Group uses currency borrowings and natural hedges.

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

	GBP \$'000	AUD \$'000	CNY \$'000	SGD \$'000
Group				
2023				
Cash and cash equivalents	2,903	11,450	2,734	111
Trade and other receivables	-	-	-	6,643
Bank borrowings	-	-	-	(1,891)
Trade and other payables	-	-	(577)	(19,555)
Net financial assets/(liabilities) denominated in foreign currencies	2,903	11,450	(2,157)	(14,692)
2022				
Cash and cash equivalents	2,717	11,318	255	101
Trade and other receivables	-	-	-	2,000
Bank borrowings	-	-	-	(2,739)
Trade and other payables	-	-	(659)	(19,742)
Net financial assets/(liabilities) denominated in foreign currencies	2,717	11,318	(404)	(20,380)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Foreign currency risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the GBP, AUD, CNY and SGD exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant, of the Group's profit after tax:

	Group Increase/(decrease) in profit after tax	
	2023	2022
	\$'000	\$'000
GBP/SGD		
- Strengthened 5% (2022: 5%)	120	113
- Weakened 5% (2022: 5%)	(120)	(113)
AUD/SGD		
- Strengthened 5% (2022: 5%)	475	470
- Weakened 5% (2022: 5%)	(475)	(470)
CNY/SGD		
- Strengthened 5% (2022: 5%)	(90)	(17)
- Weakened 5% (2022: 5%)	90	17
SGD/MYR		
- Strengthened 5% (2022: 5%)	(610)	(846)
- Weakened 5% (2022: 5%)	610	846

Credit risk

Credit risk is the risk that companies and other parties will be unable to meet their obligations to the Group. The Group manages such risk by dealing with a diversity of credit-worthy counterparties to mitigate any significant concentration of credit risk. Credit policy includes assessing and evaluation of existing and new customers' credit reliability and monitoring of receivable collections.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

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 90 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 1 year 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

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:

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

- 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; and
- significant increases in credit risk on other financial instruments of the same debtor.

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 considers that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, based on the Group's historical information of payment trends of its receivables.

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 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 the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, in full.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 1 year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (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.

Estimation techniques and significant assumptions

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

At the end of the reporting period, the Group has significant credit risk exposures mainly arising on trade receivables. Approximately 35% (2022: 41%) of the Group's trade receivables were due from 3 (2022: 6) major customers located in Singapore. The Company has significant credit risk exposures arising on loans due from subsidiary companies and amounts due from subsidiary companies amounting to \$47,457,000 (2022: \$47,603,000) which represented 99% (2022: 99%) of total receivables.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of each financial asset presented on the statements of financial position and the guarantees as disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Estimation techniques and significant assumptions (cont'd)

Movements in credit loss allowance are as follows:

	Trade receivables and contract assets \$'000	Other financial assets at amortised cost \$'000	Total \$'000
Group			
Balance at 1 January 2022	15,194	893	16,087
Loss allowance recognised:			
Lifetime ECL			
- Simplified approach	3,604	-	3,604
Receivables written off as uncollectable	-	(893)	(893)
Balance at 31 December 2022	18,798	-	18,798
Loss allowance recognised:			
Lifetime ECL			
- Simplified approach	4,456	-	4,456
Receivables written off as uncollectable	(1,752)	-	(1,752)
Balance at 31 December 2023	21,502	-	21,502

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Estimation techniques and significant assumptions (cont'd)

Movements in credit loss allowance are as follows (cont'd):

	Other financial assets at amortised cost \$'000
Company	
Balance at 1 January 2022	28,810
Reversal of allowance	(8)
Balance at 31 December 2022	<u>28,802</u>
Reversal of allowance	(1,289)
Balance at 31 December 2023	<u>27,513</u>

Trade receivables and contract assets

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

The contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Trade receivables and contract assets that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

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.

A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor such as when the debtor has been placed under liquidation, has entered into bankruptcy proceedings, cannot be located or are not recoverable despite legal recourse made to recover the debt, including reminders and letters of demand issued for debts due for more than 12 months.

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

	Not past due	← Past due →			
		0 to 6 months	6 to 12 months	More than 1 year	Total
2023					
Expected loss rate	6.48%	27.52%	60.21%	80.85%	
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross receivables and contract assets	12,869	18,553	1,264	18,307	50,993
Loss allowance	834	5,106	761	14,801	21,502
2022					
Expected loss rate	4.83%	7.40%	71.55%	90.35%	
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross receivables and contract assets	15,656	22,299	2,861	15,878	56,694
Loss allowance	756	1,650	2,047	14,345	18,798

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables and cash and cash equivalents.

The table below details the credit quality of the Group's and Company's financial assets (other than trade receivables and contract assets):

Group 2023	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
		\$'000	\$'000	\$'000
Other receivables	Lifetime ECL	1,136	-	1,136
Cash and cash equivalents with financial institutions	N.A. Exposure limited	25,354	-	25,354
2022				
Other receivables	Lifetime ECL	1,064	-	1,064
Cash and cash equivalents with financial institutions	N.A. Exposure limited	22,362	-	22,362
Company 2023				
Amounts due from subsidiary companies	Lifetime ECL	43,386	(27,513)	15,873
Loans due from subsidiary companies	12-month ECL	31,584	-	31,584
Cash and cash equivalents with financial institutions	N.A. Exposure limited	253	-	253
2022				
Amounts due from subsidiary companies	Lifetime ECL	44,705	(28,802)	15,903
Loans due from subsidiary companies	12-month ECL	31,700	-	31,700
Cash and cash equivalents with financial institutions	N.A. Exposure limited	22	-	22

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Amounts due from subsidiary companies

The Company has amounts due from subsidiary companies of \$15,873,000 (2022: \$15,903,000). The impairment loss allowance is measured by taking into consideration the probability of default and loss given default rate based on historical experience and forward-looking information available to the Company. Accordingly, the Company measured the impairment loss allowance using lifetime ECL and recognised an impairment loss allowance at the end of current and previous financial year.

Loans due from subsidiary companies

The Company has loans due from subsidiary companies of \$31,584,000 (2022: \$31,700,000). The Company assessed the latest performance and financial position of the subsidiary companies, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Financial guarantee

The Company has issued financial guarantees to banks for borrowings of its subsidiary companies. These guarantees are subject to the impairment requirements of SFRS(I) 9 *Financial Instruments*. The Company does not expect credit loss exposure arising from these guarantees in view that the borrowings are secured by legal mortgages over certain freehold properties, leasehold land and buildings, certain investment properties, fixed deposits of the subsidiary companies and keyman insurance policy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company has no significant interest-bearing assets and liabilities. The Group's exposure to interest rate risk arises primarily from their borrowings and fixed deposits placed with the financial institutions. Borrowings at variable rates expose the Group 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 and fixed deposits at fixed rates expose the Group 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 Group's policy is to obtain the most favourable interest rates available and manage interest costs using a mix of fixed and floating rate debts depending on market and economic conditions. For interest income from fixed deposits, the Group and the Company manage interest rate risks by placing deposits with reputable financial institutions on varying maturities and interest rate terms.

As the Company has no significant interest-bearing assets and liabilities at variable rates, the Company's financial performance is substantially independent of changes in market interest rates.

Sensitivity analysis for interest rate risk of the Group

The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of borrowings that have floating rates.

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD. If the SGD interest rates increase/decrease by 100 (2022: 100) basis points with all other variables including tax rate being held constant, the profit after tax of the Group will be lower/higher by \$254,000 (2022: \$243,000) as a result of higher/lower interest expense on these borrowings.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's and the Company's objective are to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. Short-term funding is obtained from bank overdrafts and credit facilities subject to the Group's compliance with the loan covenants.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Interest rate risk (cont'd)

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

	1 year or less \$'000	1 to 5 years \$'000	Total \$'000
Group			
2023			
Trade payables	20,509	-	20,509
Other payables	6,985	-	6,985
Borrowings	25,752	28,981	54,733
Lease liabilities	778	1,017	1,795
	54,024	29,998	84,022
2022			
Trade payables	26,538	-	26,538
Other payables	5,277	-	5,277
Borrowings	55,932	6,930	62,862
Lease liabilities	759	1,326	2,085
	88,506	8,256	96,762

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations (cont'd):

	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Company				
2023				
Other payables	33,025	-	-	33,025
Lease liabilities	236	192	-	428
Financial guarantee contracts (Note 31)	54,398	-	-	54,398
	87,659	192	-	87,851
2022				
Other payables	32,419	-	-	32,419
Lease liabilities	201	268	-	469
Financial guarantee contracts (Note 31)	61,875	-	-	61,875
	94,495	268	-	94,763

At the end of the reporting period, the Company does not expect credit loss exposure arising from the financial guarantee contracts in view that the borrowings are secured by legal mortgages over certain freehold properties, leasehold land and buildings, certain investment properties and fixed deposits of its subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33 Financial instruments (cont'd)

Financial risk management objectives and policies (cont'd)

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices other than interest or exchange rates. The Group is exposed mainly to the market price risk arising from changes in equity price of its investment in quoted securities. These instruments are classified as financial assets at fair value through other comprehensive income. The Group does not have exposure to commodity price risk.

The Group's objective is to manage investment returns and equity price risk by monitoring the fluctuations in the price of the quoted securities and the dividend yields.

The sensitivity analysis for market price risk is not disclosed as the effect on the profit or loss and other comprehensive income/fair value reserve is considered not significant.

34 Fair value of assets and liabilities

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:

- (i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) 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
- (iii) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

34 Fair value of assets and liabilities (cont'd)

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

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value on the statement of financial position at the end of the reporting period:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
2023				
Group				
Financial assets				
FVOCI				
- Quoted equity securities	9	-	-	9
FVTPL				
- Insurance asset	-	466	-	466
<hr/>				
Non-financial assets				
Investment properties				
- Freehold properties	-	-	40,442	40,442
- Leasehold properties	-	-	1,015	1,015
Total non-financial assets	-	-	41,457	41,457
<hr/>				
2023				
Company				
Financial assets				
FVOCI				
- Quoted equity securities	9	-	-	9
<hr/>				

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

34 Fair value of assets and liabilities (cont'd)

b) Fair value measurements of assets and liabilities that are measured at fair value (cont'd)

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value on the statement of financial position at the end of the reporting period (cont'd):

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
2022				
Group				
Financial assets				
FVOCI				
- Quoted equity securities	10	-	-	10
FVTPL				
- Insurance asset	-	466	-	466
Non-financial assets				
Investment properties				
- Freehold properties	-	-	39,802	39,802
- Leasehold properties	-	-	1,103	1,103
Total non-financial assets	-	-	40,905	40,905
2022				
Company				
Financial assets				
FVOCI				
- Quoted equity securities	10	-	-	10

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

Quoted equity securities

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. These instruments are included in Level 1.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

34 Fair value of assets and liabilities (cont'd)

b) Fair value measurements of assets and liabilities that are measured at fair value (cont'd)

Insurance asset

The basis of determining fair values for measurement at the end of the reporting period is disclosed in Note 15.

Investment properties

The basis of determining fair values for measurement at the end of the reporting period is disclosed in Note 12.

c) Assets and liabilities not carried at fair value but which fair values are disclosed

The carrying amounts of non-current trade receivables and non-current borrowings approximate their fair values at the end of the reporting period, as the market lending rates at the end of the reporting period were not significantly different from either their respective coupon rates of the agreements or market lending rate at the initial measurement date.

The basis of determining fair values for disclosure purposes at the end of the reporting period are disclosed in Notes 14 and 23 respectively.

The above does not include financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

34 Fair value of assets and liabilities (cont'd)

d) Movements in Level 3 assets and liabilities measured at fair value

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements:

	Investment properties	
	2023	2022
	\$'000	\$'000
Balance at beginning of financial year	40,905	40,681
Fair value gain recognised in profit or loss	552	224
Balance at end of financial year	41,457	40,905
Total gains for the financial year included in:		
<i>Profit or loss:</i>		
Other income		
- Fair value gain on investment properties	552	224

e) Valuation process applied by the Group

The fair values of investment properties are determined by professional valuers, having appropriate professional qualifications and experience in the category of property being valued at the end of the reporting period. The valuation reports and changes in fair value measurements are analysed and reported to the Audit Committee and Board of Directors.

35 Capital management

The Group's and Company's objectives when managing capital are to safeguard the Group's and Company's abilities to continue as going concerns and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain borrowings or sell assets to reduce borrowings.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

35 Capital management (cont'd)

The Group and the Company monitor capital using a gearing ratio, which is net debts divided by total capital plus net debts. The Group and the Company include within net debts, borrowings, trade payables, other payables, less cash and cash equivalents. Capital represents equity attributable to equity holders of the Company. The Group's and the Company's policy is to keep the gearing ratio below 100%, as shown below:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Borrowings	55,033	60,992	403	443
Trade payables	20,509	26,538	-	-
Other payables	7,207	5,600	33,025	32,421
Cash and cash equivalents	(25,354)	(22,362)	(253)	(22)
Net debts	57,395	70,768	33,175	32,842
Total equity	71,669	65,191	47,744	44,292
Capital and net debts	129,064	135,959	80,919	77,134
Gearing ratio	56%	52%	41%	43%

36 Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors dated 9 April 2024.

STATISTICS OF SHAREHOLDINGS

As at 21 March 2024

Share Capital	:	\$68,323,493
Number of Issued and Paid-Up Shares	:	52,066,937
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per share
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	1,141	23.20	71,907	0.14
100 - 1,000	2,539	51.62	816,774	1.57
1,001 - 10,000	1,068	21.71	3,440,267	6.60
10,001 - 1,000,000	162	3.29	11,026,584	21.18
1,000,001 and above	9	0.18	36,711,405	70.51
	4,919	100.00	52,066,937	100.00

TWENTY LARGEST SHAREHOLDERS

S/N	Name	No. of Shares	%
1	HOR KEW HOLDINGS PTE LTD	17,093,821	32.83
2	ESTATE OF AW KHOON HWEE (DECEASED)	5,413,499	10.40
3	AW SOON HWEE	3,327,746	6.39
4	DB NOMINEES (SINGAPORE) PTE LTD	2,550,337	4.90
5	AW YUE YING ELISE	2,234,184	4.29
6	DBS NOMINEES (PRIVATE) LIMITED	2,031,917	3.90
7	NG LINGLING DAWN (HUANG LINGLING DAWN)	1,801,017	3.46
8	AW CHI-KEN BENJAMIN (HU ZHIQING)	1,133,545	2.18
9	AW LAY SIM	1,125,339	2.16
10	AU YONG EANG	833,333	1.60
11	GOH GUAN SIONG (WU YUANXIANG)	814,500	1.56
12	PHILLIP SECURITIES PTE LTD	666,452	1.28
13	AW YING YING ELICIA	611,625	1.17
14	AW LAY TIN	433,955	0.83

STATISTICS OF SHAREHOLDINGS

As at 21 March 2024

S/N	Name	No. of Shares	%
15	TAN ENG CHUA EDWIN	425,866	0.82
16	KHO CHUAN THYE PATRICK	405,333	0.78
17	AW XIAOYING ELEANOR	358,093	0.69
18	KUEK TONG AU	331,500	0.64
19	AW GEOK MUI	264,759	0.51
20	AW LAY CHOO	264,759	0.51
	Total	42,121,580	80.90

PERCENTAGE OF SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 21 March 2024, approximately 43.54% of the issued ordinary shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders as at 21 March 2024 as recorded in the Register of Substantial Shareholders maintained by the Company are:

Name	Number of Shares			%
	Direct Interest	Deemed Interest	Total Interest	
Hor Kew Holdings Pte Ltd	17,093,821	–	17,093,821	32.83
Estate of Aw Khoon Hwee (deceased)	5,413,499	17,093,821 ⁽¹⁾	22,507,320	43.23
Estate of Aw Leng Hwee (deceased)	–	17,093,821 ⁽¹⁾	17,093,821	32.83
Benjamin Aw Chi-Ken	3,683,882 ⁽²⁾	–	3,683,882	7.08
Aw Soon Hwee	3,327,746	–	3,327,746	6.39

Note 1: Estate of Aw Khoon Hwee (deceased) and Estate of Aw Leng Hwee (deceased) are each deemed to be interested in 17,093,821 shares held by Hor Kew Holdings Pte Ltd by virtue of Section 7 of the Companies Act 1967.

Note 2: 2,550,337 of these shares are held in the name of DB Nominees (Singapore) Pte Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting (“**AGM**”) of Hor Kew Corporation Limited (the “**Company**”) will be held at 66 Kallang Pudding Road, #07-01 Hor Kew Business Centre, Singapore 349324 on Tuesday, 30 April 2024 at 9.00 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2023 together with the Independent Auditor’s Report thereon. **Resolution 1**
2. To re-elect Mr Benjamin Aw Chi-Ken, a Director retiring by rotation pursuant to Article 91 of the Constitution of the Company and who, being eligible, offers himself for re-election. **Resolution 2**
3. To note the retirement of the following Directors pursuant to Rule 210(5)(d)(iv) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual:
 - (i) Dr Low Seow Chay
 - (ii) Mr William Chew Yew Meng
 - (iii) Mr Lee Sen Choon
4. To approve the payment of Directors’ fees of S\$97,500 for the financial year ended 31 December 2023 (2022: S\$97,500). **Resolution 3**
5. To re-appoint Baker Tilly TFW LLP as Independent Auditor of the Company and to authorise the Directors to fix its remuneration. **Resolution 4**
6. To transact any other ordinary business that may be transacted at an annual general meeting.

AS SPECIAL BUSINESS

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

That pursuant to Section 161 of the Companies Act 1967 and the listing rules of the SGX-ST, authority be and is hereby given to the Directors of the Company to:

 - (1) (a) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- Resolution 5**

NOTICE OF ANNUAL GENERAL MEETING

- (b) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares;

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

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

provided that:

- (a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);
- (b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (i) new Shares arising from the conversion or exercise of convertible securities;
 - (ii) new Shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Rule; and
 - (iii) any subsequent bonus issue, consolidation or sub-division of Shares;

NOTICE OF ANNUAL GENERAL MEETING

Adjustments in accordance with sub-paragraph (b)(i) or sub-paragraph (b)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note]

By Order of the Board

Koh Geok Hoon, Judy (Ms)
Chng Thian Hooi (Ms)
Joint Company Secretaries

Singapore
15 April 2024

Explanatory Note on Special Business to be transacted:

The proposed Ordinary Resolution 7, if passed, will empower the Directors from the date of this AGM until the next annual general meeting, to allot and issue new shares and/or convertible securities in the Company up to a number not exceeding in total 50% of the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company for the time being for such purposes as they consider would be in the interest of the Company, provided that the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders pursuant to this Resolution shall not exceed 20% of the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company for the time being, calculated as described in the Resolution.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The members of the Company are invited to attend physically at the Twenty-Fifth Annual General Meeting (“**AGM**”). There will be no option for shareholders to participate virtually. Printed copies of this Notice of AGM, the Proxy Form and Annual Report 2023, have been sent to members. The electronic copies of the Notice of AGM, Proxy Form and the Annual Report 2023 are also available on the SGX website at the URL <http://www.sgx.com/securities/company-announcements>.
2. Members (including Central Provident Fund Investment Scheme Investors (“**CPFIS Investors**”) and/or Supplementary Retirement Scheme Investors (“**SRS Investors**”) may participate in the AGM by:
 - (a) attending the AGM in person;
 - (b) raising questions at the AGM or submitting questions in advance of the AGM, and/or
 - (c) voting at the AGM
 - (i) themselves personally; or
 - (ii) through their duly appointed proxy(ies).

CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 9.00 a.m. on **18 April 2024**, being seven (7) working days prior to the date of the AGM.

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

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

Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

NOTICE OF ANNUAL GENERAL MEETING

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, 1967:

- (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

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

6. The instrument appointing a proxy or proxies, duly executed, must be submitted to the Company in the following manner:

- (a) if submitted by post, be lodged at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712;
- (b) if submitted electronically, be submitted via email to the Company at michael_soh@horkew.com.sg

In either case, by 9.00 a.m. on 28 April 2024, being no later than 48 hours before the time set for the AGM.

7. The Chairman of the AGM, as proxy, need not be a member of the Company.

8. Members may submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner by 9.00 a.m. on 23 April 2024:

- (a) by email to michael_soh@horkew.com.sg
- (b) by post to the registered office of the Company at 66 Kallang Pudding Road, #07-01 Hor Kew Business Centre, Singapore 349324

The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on SGXNet by 24 April 2024.

9. For questions addressed during the AGM, the responses to such questions will be included in the minutes of the AGM which will be published on the SGXNet within one month after the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

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HOR KEW CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

Company Reg. No. 199903415K

ANNUAL GENERAL MEETING

PROXY FORM

IMPORTANT:

1. A relevant intermediary may appoint more than two (2) proxies to attend the Annual General Meeting and vote (please see Note 3 for the definition of "Relevant Intermediary").
2. For investors who have used their CPF or SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them. CPFIS and SRS investors should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. CPFIS and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 9.00 a.m. on 18 April 2024.
3. Please read the notes to the Proxy Form.

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

of _____ (Address)

being a member/members of Hor Kew Corporation Limited (the "Company") hereby appoint

	Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)
(a)				
and/or (delete as appropriate)				
(b)				

or failing him/them, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend, speak or vote on my/our behalf at the AGM of the Company to be held at 66 Kallang Pudding Road, #07-01 Hor Kew Business Centre, Singapore 349324 on Tuesday, 30 April 2024 at 9.00 a.m. and at any adjournment thereof.

I/we have directed my/our proxy/proxies to vote for or against, or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies (other than the Chairman of the AGM) may vote or abstain from voting at his/their discretion, as he/they will on any other matters arising at the AGM and/or at any adjournment thereof.

Voting would be conducted by poll. Please indicate your vote "For" or "Against" or "Abstain" with a tick [✓] within the box provided.

No.	RESOLUTIONS RELATING TO:	FOR	AGAINST	ABSTAIN
As Ordinary Business				
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2023			
2	Re-election of Mr Benjamin Aw Chi-Ken as a Director of the Company			
3	Approval of Directors' Fees for the year ended 31 December 2023			
4	Re-appointment of Baker Tilly TFW LLP as Independent Auditor of the Company			
As Special Business				
5	Authority to Directors to issue shares and/or convertible securities			

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this _____ day of _____ 2024

Total Number of Shares Held

Signature(s) of Member(s) /
Common Seal of Corporate Member



Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.
3. For any member who acts as a Relevant Intermediary pursuant to Section 181 of the Companies Act, 1967, who is either:
 - (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
The proxy need not be a member of the Company. Please note that if any of your shareholdings are not specified in the list provided by the intermediary to the Company, the Company may have the sole discretion to disallow the said participation of the said proxy at the forthcoming AGM.
A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

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Please
affix
postage
stamp

The Share Registrar for
Hor Kew Corporation Limited
In.Corp Corporate Services Pte. Ltd.
30 Cecil Street #19-08
Prudential Tower
Singapore 049712

fold along this line (2)

4. The instrument appointing a proxy or proxies, duly executed, must be submitted to the Company in the following manner:
 - (a) If submitted by post, be lodged at the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712;
 - (b) If submitted electronically, be submitted via email to michael_soh@horkew.com.sg.In either case, by 9.00 a.m. on 28 April 2024, being no later than 48 hours before the time set for the AGM. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the above address provided above, or before sending it by email to the email address provided above.
5. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
6. The Proxy Form must be signed by the appointer or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, 1967.

General:
The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of members whose shares are entered in the Depository Register, the Company shall be entitled to reject any instrument of proxy lodged if the member, being the appointer, is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2024.



Hor Kew Corporation Limited

Company Reg No.: 199903415K

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