



Hor Kew Corporation Limited



BUILDING A BRAND NEW FUTURE

ANNUAL REPORT 2024

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OUR VISION

Our vision is to be a top-notched 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 S\$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.

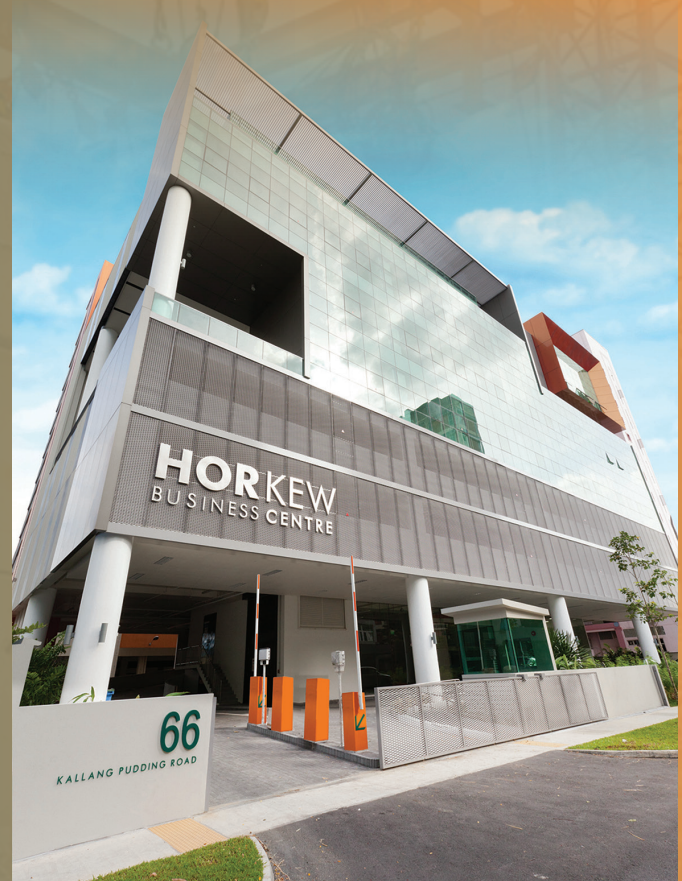
In 1990, the Group diversified its operations vertically and started the business of manufacturing and supply of prestressed and precast reinforced concrete building components as well as prefinished architectural precast components.

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.



MESSAGE FROM NON-EXECUTIVE CHAIRMAN & EXECUTIVE DEPUTY CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DEAR SHAREHOLDERS,

I am pleased to present the Annual Report for the financial year ended 31 December 2024 (“FY2024”). This year has been one of significant achievement for the group, and I am proud to report that, despite a decrease in revenue, our profits before tax have more than doubled.

This exceptional result is a direct reflection of our strategic focus on higher-margin projects, and bears testament to our team spirit and commitment to operational excellence in our core areas of business.

REVIEW OF THE BUSINESS PERFORMANCE IN FY2024

For FY2024, while our revenue experienced a decline, our profits before tax saw a substantial increase, more than doubling compared to the previous year. This profit growth was primarily driven by our shift towards higher-margin projects, while foregoing projects that might consume much of our resources but yield lower margins.

We successfully completed a number of Housing & Development Board (“HDB”) projects in FY2024, which continued to position us as a trusted partner for public sector construction. These projects, characterized by their

high-quality standards and stringent timelines, have allowed us to demonstrate our capability in fulfilling our contracts efficiently.

Despite external challenges, we have remained resilient, leveraging our deep expertise in prefabrication to drive both operational efficiency and cost optimization. The integration of advanced manufacturing technologies and a strong focus on quality control have enabled us to consistently deliver value to our clients and stakeholders.

We also place a strong emphasis on controlling costs, particularly in the areas of labour and raw materials. By maintaining a streamlined and efficient supply chain, we ensure that the cost of materials is optimized without compromising quality. Furthermore, we have established strong relationships with key suppliers, which allows us to negotiate favourable terms and gain better pricing for raw materials, thus improving our cost efficiency. On the labour front, we focus on improving workforce productivity and reducing inefficiencies through better project management, training, and advanced construction technologies. This enables us to execute projects more effectively, further protecting our margins.



MR HAWAZI BIN DAIPI
Non-Executive Chairman



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

MESSAGE FROM NON-EXECUTIVE CHAIRMAN & EXECUTIVE DEPUTY CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In addition to controlling direct project costs, we take proactive measures to manage credit risk effectively. We rigorously assess the financial stability of our clients and establish clear credit terms before entering into contracts. This approach helps mitigate the risk of delayed payments or defaults, ensuring that cash flow remains healthy and that we maintain the financial stability necessary to sustain growth. By carefully managing our exposure to credit risk, we protect the company's financial position and avoid any negative impact on profitability.

Additionally, we have made significant strides in strengthening our financial position by reducing our bank borrowings. Through prudent financial management, we have successfully reduced our liabilities, which in turn has resulted in lower finance costs. This improved balance sheet enhances our financial flexibility and positions the group for sustained growth and stability in the coming years. We remain committed to maintaining a strong, healthy financial foundation that supports our strategic initiatives and enables us to seize new opportunities.

CONSTRUCTION INDUSTRY OUTLOOK AND BUSINESS PROSPECTS

Looking ahead, we are optimistic about the continued growth of the Singapore construction industry, especially for public sector projects, including infrastructure, residential, and transport developments.

In particular, the HDB is expected to continue its efforts in building and upgrading flats to meet the growing demand for affordable public housing. The government has reaffirmed its commitment to developing more flats, including new Build-To-Order ("BTO") projects, as well as upgrading existing estates to ensure that all Singaporeans can live in modern, well-equipped homes. These initiatives align with the national priority of providing quality, affordable housing and offer a steady stream of opportunities for the group, particularly in prefabrication and construction.

With this positive outlook, we are well-positioned to capitalize on the rising demand for prefabricated building

components. Our focus on providing high-quality, cost-efficient solutions for HDB and other public sector projects ensures we are aligned with the national priorities of efficiency and sustainability.

Our strategic focus on high-margin, prefabricated construction projects has set the stage for a bright future. Moving into the next financial year, we will continue to prioritize opportunities in prefabrication and HDB projects, invest in advanced manufacturing capabilities, and maintain a strong focus on operational excellence and profitability. We are confident that the positive growth trends in the Singapore construction industry, particularly in public sector housing projects, will provide ample opportunities for continued growth and value creation.

CONCLUSION

In closing, FY2024 has been a year of solid progress and achievement. Despite the challenges we faced, our strategic shift in tendering for projects of higher profit margins and our work on HDB projects have laid a strong foundation for continued growth. We look forward to leveraging the positive outlook for the construction sector and continuing our journey of delivering long-term value for all our stakeholders.

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, I would like to express my earnest appreciation to our dedicated colleagues for all their hard work and commitment, and making invaluable contributions to our progress. Let us work together as a team towards a better year 2025 and beyond!

MR HAWAZI BIN DAIP
Non-Executive Chairman

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

非执行主席和执行副主席兼行政总裁致词

尊敬的股东，

我们很高兴向大家呈报截至2024年12月31日（“2024财年”）的年度报告。今年对集团而言是一个重要的里程碑，尽管收入有所下降，但我们的税前利润较上一财年翻倍增长，这一成绩令人振奋。

这一卓越的成果直接反映了我们对高利润率项目的战略聚焦，同时也彰显了我们团队的精神和在核心业务领域追求卓越运营的承诺。

2024财年业务表现回顾

在2024财年，尽管我们的收入有所下降，但税前利润大幅增长，较上一年翻了一番。利润增长主要得益于我们专注于竞标高利润率项目的战略转型。

我们持续注重成本控制，特别是在劳动力和原材料方面。通过保持精简高效的供应链，我们在不牺牲质量的前提下优化材料成本。此外，我们与关键供应商建立了稳固的合作关系，使我们能够谈判更有利的条款，以更优惠的价格采购原材料，从而提升成本效益。在劳动力管理方面，我们通过改进项目管理、提供培训及采用先进的建筑技术，提高了员工生产力并减少了低效操作，从而更高效地执行项目，进一步保障利润率。

除了直接控制项目成本外，我们还采取积极措施有效管理信贷风险。我们严格评估客户的财务稳定性，并在签订合同前设定明确的信贷条

款。此外，我们密切监控客户的付款情况，及时解决可能出现的纠纷，以降低违约风险。通过有效的信贷管理，我们保护了集团的财务状况，避免对盈利能力产生不利影响。

此外，我们在2024年持续努力改善财务状况，减少银行借款，不仅降低了负债水平，还减少了财务成本。资产负债表的改善增强了我们的财务灵活性，使集团能够在未来实现更稳健的增长与稳定。我们始终致力于保持强健的财务基础，以支持战略发展，并把握新的市场机遇。

尽管面临挑战，我们始终保持韧性，并充分发挥在预制建筑领域的深厚专业知识，以提高运营效率和优化成本。先进制造技术的整合以及对质量控制的严格把关，使我们能够不断为客户和利益相关者创造价值。我们始终坚持按时完成项目，向市场证明了我们高效履行合同的能力，并持续巩固我们作为客户可信赖合作伙伴的市场地位。

建筑行业展望与业务前景

展望未来，我们对新加坡建筑行业的持续增长持乐观态度，特别是在基础设施、住宅及交通发展等公共领域项目方面。

新加坡建屋发展局预计将继续推进组屋建设和升级计划，以满足对可负担公共住房日益增长的需求。面对这一积极前景，我们将充分把握预制建筑构件需求上升的机会。我们专注于为新加坡建屋发展局及其他公共部门项目提供高

非执行主席和执行副主席兼行政总裁致词



质量、具成本效益的解决方案，以确保我们的业务方向与国家对效率和可持续性的优先目标保持一致。

我们对高利润率的预制建筑项目的战略布局，已为集团未来的发展奠定了坚实基础。进入下一个财年，我们将继续优先发展预制建筑项目，投资提升制造能力，并保持对卓越运营和盈利能力的高度关注。我们相信，新加坡建筑行业特别是公共住房建设的持续增长趋势，将为集团提供更多机会，实现长期增长和价值创造

结论

2024财年是集团稳步发展和取得重要成就的一年。尽管面临挑战，我们在高利润率项目的投标策略以及新加坡建屋发展局项目上的努力，

为未来增长奠定了坚实的基础。我们期待借助建筑行业的积极前景，继续为所有利益相关者创造长期价值。

在此，我们谨代表董事会，衷心感谢我们尊贵的业务合作伙伴和客户的长期支持。对我们的股东而言，我们衷心感谢您对集团的信任，与我们携手同行。最后，我们要特别感谢所有敬业的员工，感谢您们的辛勤付出与坚定承诺，为公司的进步作出了宝贵贡献。让我们携手并进，共同迎接更美好的2025年及未来！

MR HAWAZI BIN DAUPI

非执行主席

胡志庆先生

执行副主席兼行政总裁

OPERATIONS REVIEW

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The Group's revenue of S\$82.9 million for the financial year ended 31 December 2024 ("FY2024") represented a decrease of S\$21.9 million over revenue of S\$104.8 million for the financial year ended 31 December 2023 ("FY2023"). This decrease was mainly due to lower delivery volumes in FY2024 from lower order books.

The Group also recorded a higher gross profit of S\$33.2 million in FY2024 compared to S\$22.7 million in FY2023, mainly due to higher profit margins for those projects delivered in FY2024 compared to FY2023. The Group's gross profit margin increased from 21.6% in FY2023 to 40.0% in FY2024 mainly because of better tender prices for project deliveries.

The Group's interest income from fixed deposits in FY2024 was the same as FY2023 at S\$0.7 million.

The Group's other income increased S\$0.8 million from S\$3.6 million in FY2023 to S\$4.4 million in FY2024, mainly due to S\$0.5 million increase in gain on foreign exchange and S\$0.5 million increase in gain on disposal of property, plant and equipment, offset by S\$0.3 million decrease in fair gain on investment properties.

General and administrative expenses decreased S\$0.4 million from S\$12.1 million in FY2023 to S\$11.7 million in FY2024, mainly due to decrease in depreciation of property, plant and equipment of S\$0.2 million.

Finance costs decreased S\$2.8 million in FY2023 to S\$2.3 million in FY2024, due to reduced borrowings and interest rate cuts.

The Group had higher net impairment losses on trade receivables and contract assets for FY2024 at S\$8.3 million, compared to S\$4.5 million for FY2023, after review of expected credit losses for trade receivables.

The Group recorded a profit before tax of S\$16.0 million in FY2024 (FY2023: profit before tax of S\$7.6 million).

The Group provided tax expense of S\$2.3 million in FY2024 after taking into consideration of available tax allowances and reliefs, and under-provision of income tax in prior years (FY2023: S\$0.2 million tax expense).

Profit after tax of the Group for FY2024 was S\$13.7 million (FY2023: S\$7.4 million profit after tax).

The Group had a comprehensive gain from favourable currency movements in foreign subsidiaries of S\$0.9 million in both 2H2024 and FY2024, compared to a comprehensive loss of S\$0.1 million in 2H2023 and S\$0.9 million in FY2023.

The Group reported total comprehensive income of S\$11.5 million in 2H2024 and S\$14.6 million in FY2024 (2H2023: total comprehensive income of S\$5.6 million and FY2023: total comprehensive income of S\$6.5 million).

STATEMENT OF FINANCIAL POSITION

Total non-current assets increased from S\$83.8 million as at 31 December 2023 to S\$97.4 million as at 31 December 2024. There was S\$17.5 million increase in development properties. Property, plant and equipment fell S\$0.5 million from 31 December 2023 mainly due to depreciation and disposals. Investment properties increased by S\$0.3 million from 31 December 2023 due to fair value gains.

Current assets of the Group decreased by S\$18.2 million from 31 December 2023 to 31 December 2024, mainly due to S\$16.5 million decrease in development properties and S\$1.6 million in current trade receivables from efforts in collections. Inventories decreased by S\$0.9 million mainly due to lower delivery volumes and contract assets fell S\$0.1 million due to lower advance payments to suppliers. Cash and cash equivalents increased by S\$0.2 million mainly due to trade collections being in excess of payments. Other receivables fell by S\$0.5 million mainly due to lower revenue. Tax recoverable increased by S\$1.1 million due to overpayments of taxes due to over-estimation.

Total assets of the Group decreased S\$4.4 million, from S\$158.8 million as at 31 December 2023 to S\$154.4 million as at 31 December 2024.

OPERATIONS REVIEW

Current trade and other payables decreased by S\$2.5 million mainly due to lower purchases. Contract liabilities decreased by S\$0.5 million from 31 December 2023 due to decrease in advance collections from customers.

Non-current borrowings decreased by S\$2.8 million and current borrowings decreased by S\$14.3 million mainly due to repayments of loans. Total current and non-current borrowings decreased by S\$17.1 million mainly due to repayment of loans.

As a result of the above, total current liabilities of the Group decreased S\$16.8 million, from S\$57.0 million as at 31 December 2023 to S\$40.2 million as at 31 December 2024. The above also led to total non-current liabilities of the Group decreasing S\$2.3 million, from S\$30.0 million as at 31 December 2023 to S\$27.7 million as at 31 December 2024.

Total liabilities of the Group decreased by S\$19.2 million from 31 December 2023 and stood at S\$67.9 million as

at 31 December 2024.

Shareholders' equity of the Group increased by S\$14.6 million and recorded at S\$86.3 million as at 31 December 2024, due to comprehensive income earned for FY2024.

STATEMENT OF CASH FLOWS

The Group generated S\$21.6 million in its operating activities in FY2024 mainly due to increased revenue and better profits.

It used S\$1.5 million in its investing activities mainly due to purchase of property, plant and equipment.

It used S\$19.4 million in its financing activities in FY2024 mainly for repayments of borrowings and interest payments.

Overall, the Group's cash increased by S\$0.7 million in FY2024, and the cash and cash equivalents stood at S\$8.5 million as at 31 December 2024.



BOARD OF DIRECTORS



MR HAWAZI BIN DAUPI
*Non-Executive Chairman and
Independent Director*

Mr Hawazi Bin Daipi was appointed as our Non-Executive Chairman and Independent Director on 30 April 2024.

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

Mr Hawazi is currently Singapore's Non-Resident Representative to the Palestinian Authority (PA) and Non-Resident High Commissioner to the Republic of Ghana. He is an Independent Director of another company listed on the Singapore Exchange, Chairman of the Advisory Board of Charis Manor Nursing Home, a Board member of Singapore Press Holdings Foundation Limited and a member of the Management Board of the Middle East Institute (MEI), National University of Singapore. He is also Senior Advisor to Foreign Domestic Worker Association for Social Support and Training (FAST), Advisor for Malay Youth Literary Association (4PM), Advisor for Malay Language Council and Advisor for My English Pte Ltd.

Mr Hawazi was elected as a Member of Parliament for Sembawang Group Representation Constituency (GRC) for four times from December 1996 to August 2015, Parliamentary Secretary for the Ministry of Manpower from 2004 to 2015, Senior Parliamentary Secretary for the Ministry of Health from 2008 to 2011 and Senior Parliamentary Secretary for the Ministry of Education from 2011 to 2015. He was Chairman of Sembawang Town Council from 1997 to 2015, Director of the International Affairs Department in the National Trades Union Congress (NTUC) from 1997 to 2001, Executive Secretary of the Port of Singapore Authority (PSA) Workers' Union from 1997 to 2001, Executive Secretary of the Singapore Manual and Mercantile Workers' Union (SMMWU) from 1997 to 2001 and Chairman of the National Council Against Drug Abuse from 2017 to 2023.

Mr Hawazi holds a Bachelor of Arts (Honours) degree in Economics and Geography from the University of Singapore, and a Diploma in Education from the Institute of Education.

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



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

Mr Benjamin Aw Chi-Ken was appointed as the Executive Chairman and Chief Executive Officer on 1 April 2020, and redesignated as the Executive Deputy Chairman and Chief Executive Officer on 30 April 2024.

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 30 April 2024.

BOARD OF DIRECTORS



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.

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



MR COLIN LEE CHIA SIN
*Non-Executive and
Independent Director*

Mr Colin Lee Chia Sin was appointed as our Non-Executive and Independent Director on 30 April 2024.

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

Mr Colin Lee has over 15 years of experience in public accounting firms and is currently a Managing Partner in a local audit firm and a director of several consulting companies. He is also an Independent Director of two other companies listed on the Singapore Exchange.

Mr Colin Lee holds a Bachelor of Accounting & Commercial Law degree from the University of Wellington, New Zealand and had completed the Graduate Diploma in Professional Accounting in the same university. He is currently a member of the Institute of Singapore Chartered Accountants (ISCA), Association of Chartered Certified Accountants (ACCA), Malaysia Institute of Accountants (MIA) and Kampuchea Institute of Certified Public Accountants & Auditors, Accredited Tax Practitioner Singapore (Income Tax and GST) and associates member of the Chartered Tax Institute of Malaysia (CTIM).

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

BOARD OF DIRECTORS



MR RONNIE WAI CHEE LEONG
*Non-Executive and
Independent Director*

Mr Ronnie Wai Chee Leong was appointed as our Non-Executive and Independent Director on 30 April 2024.

Mr Ronnie Wai is the Chairman of the Company's Nominating Committee and Remuneration Committee and a member of the Audit Committee.

Mr Ronnie Wai has been a practising lawyer in Singapore for over 30 years, and was called to the Singapore Bar as an Advocate and Solicitor of the Supreme Court of Singapore in 1993. He is currently a Director in law firm Dominion LLC, specialising in Corporate and Real Estate Practice & Commercial Matters and a Director of Southwest Oilfield Products Pte Ltd. He was previously an Independent Director of two other companies listed on the Singapore Exchange.

Mr Ronnie Wai holds a Bachelor of Laws (Honours) degree from the London School of Economics, University of London. He was appointed as a Commissioner of Oaths by the Singapore Law Academy and a Barrister-at-Law, Lincoln's Inn.

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



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

Dr Low Seow Chay was a Non-Executive and Independent Director of the Company until 30 April 2024.

Dr Low was 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 retired from the Board of Directors after the previous Annual General Meeting on 30 April 2024.

BOARD OF DIRECTORS



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

Mr William Chew Yew Meng was a Non-Executive and Independent Director of the Company until 30 April 2024.

He was 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 retired from the Board of Directors after the previous Annual General Meeting on 30 April 2024.



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

Mr Lee Sen Choon was a Non-Executive and Independent Director of the Company until 30 April 2024.

Mr Lee was 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 retired from the Board of Directors after the previous Annual General Meeting on 30 April 2024.

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

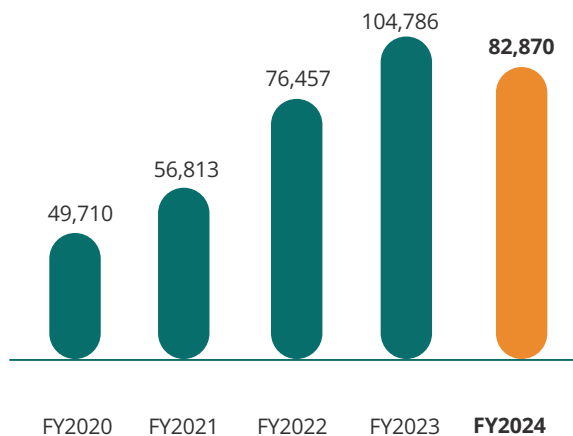
	FY2020 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2023 S\$'000	FY2024 S\$'000
Financial Performance					
Revenue	49,710	56,813	76,457	104,786	82,870
Profit before Tax	373	3,961	2,814	7,581	15,999
Profit Attributable to Shareholders	332	4,022	1,721	7,412	13,722
Assets and Liabilities					
Non-Current Assets	89,227	88,013	82,449	83,769	97,413
Net Current Assets/(Liabilities)	(18,180)	11,991	(9,233)	17,975	16,600
Non-Current Liabilities	(10,596)	(35,730)	(8,025)	(30,075)	(27,705)
Equity and Non-Controlling Interests	60,451	64,274	65,191	71,669	86,308
Per Share Basis					
Basic Earnings Per Share (cents)	0.64	7.72	3.31	14.24	26.38
Net Assets Per Share (S\$)	1.16	1.23	1.25	1.38	1.66



SUMMARISED FINANCIAL HIGHLIGHTS

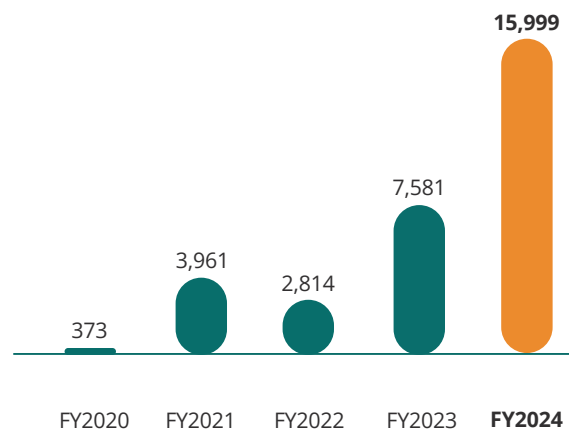
REVENUE

(S\$'000)



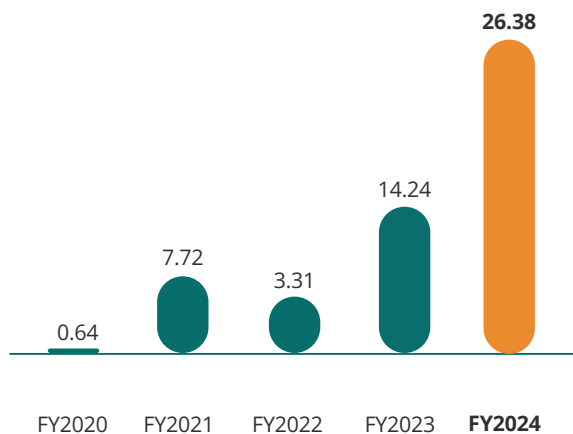
PROFIT BEFORE TAX

(S\$'000)



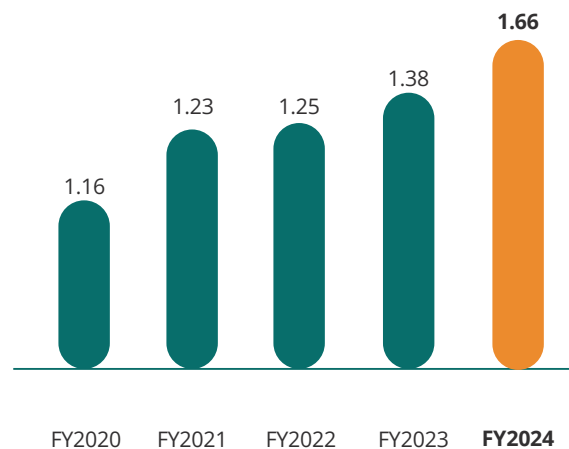
BASIC EARNINGS PER SHARE (EPS)

(cents)



NET ASSETS PER SHARE

(S\$)



CORPORATE INFORMATION

DIRECTORS

Executive

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

Non-Executive and Independent

Hawazi Bin Daipi
(Non-Executive Chairman)
Colin Lee Chia Sin
Ronnie Wai Chee Leong

COMPANY SECRETARIES

Judy Koh Geok Hoon
Chng Tian 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.
36 Robinson Road
#20-01 City House
Singapore 068877

INDEPENDENT AUDITOR

Moore Stephens LLP
Chartered Accountants of Singapore
10 Anson Road
#29-15 International Plaza
Singapore 079903
Partner-in-charge: Christopher Bruce Johnson
(Appointed since financial year ended 31 December 2024)

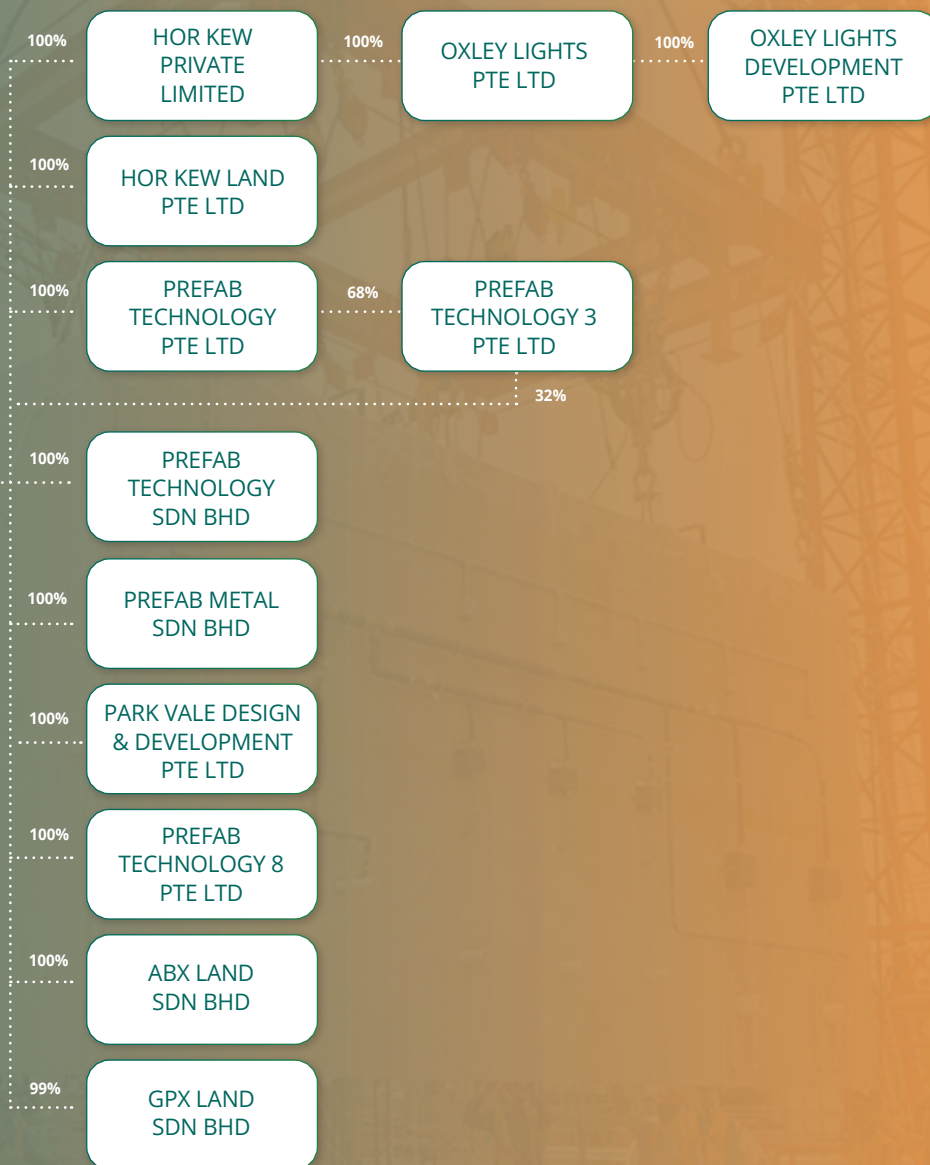
BANKERS

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 2024, 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 2024, 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;

CORPORATE GOVERNANCE REPORT

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 2024 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	2 ⁽¹⁾	0	NA
Elicia Aw Ying Ying	2	2 ⁽¹⁾	NA	NA
Hawazi Bin Daipi	1	1	0	0
Colin Lee Chia Sin	1	1	0	0
Ronnie Wai Chee Leong	1	1	0	0
Dr Low Seow Chay	1	1	1	1
Lee Sen Choon	1	1	1	1
William Chew Yew Meng	1	1	1	1

Note:

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

NA - Not Applicable

CORPORATE GOVERNANCE REPORT

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 year management accounts. The agenda for Board meetings is prepared in consultation with the Chairman of the Board 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.

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

As at the date of this report, the Board has five members, comprising two Executive Directors and three Independent and Non-Executive Directors as follows:

Hawazi Bin Daipi	(Non-Executive Chairman and Independent Director)
Benjamin Aw Chi-Ken	(Executive Deputy Chairman and Chief Executive Officer (“CEO”))
Elicia Aw Ying Ying	(Executive Director)
Colin Lee Chia Sin	(Independent and Non-Executive Director)
Ronnie Wai Chee Leong	(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 Independent Directors, and whom are also Non-Executive Directors, include the Chairman Mr Hawazi Bin Daipi and constitute a majority of the Board. They provide an independent element on the Board capable of exercising independent judgment on corporate affairs of the Group and provide management with a diverse and objective perspective to arrive at balanced and well-considered decisions.

Under Provision 2.1 of the Code, an “independent” director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the company.

Rule 210(5)(d) of the Listing Manual of the SGX-ST also sets out circumstances under which a director will not be considered independent.

CORPORATE GOVERNANCE REPORT

The composition of the Board and the independence of each Director are assessed and reviewed by the NC annually. The NC ensures that the Board has the appropriate mix of expertise and experience to govern and manage the Group's affairs. In its deliberation as to the independence of a director, the NC took into account examples of relationships as set out in the Code, considered whether a director has business relationships with the Group, its substantial shareholders or its officers and if so, whether such relationships could interfere or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the interest of the Group.

Each Independent Director is required to provide an annual confirmation of his independence based on the guidelines set out in the Code. The directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. The Board will determine, taking into account the views of the NC, whether a director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect or could affect the director's judgment.

The Board also recognises that Independent Directors may develop over time significant insights in the Group's business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. The independence of the independent directors must be based on their substance of their professionalism, integrity and objectivity and not merely based on form such as the number of years that they have served on the Board. The Board has subjected their independence status to a particularly rigorous review.

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.

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.

CORPORATE GOVERNANCE REPORT

The directors hold educational qualifications in diverse disciplines and fields that are relevant for leading the Group. There is an Executive Director with a Bachelor (Honours) degree in Civil Engineering which is highly relevant as the Group is in the construction business. The Chairman of the Audit Committee has a Bachelor of Accounting & Commercial Law degree and is a practising member of the Institute of Singapore Chartered Accountants. There is another Executive Director with a Bachelor (Honours) degree in Accounting and Finance, a director with a Bachelor of Laws (Honours) degree and a director with a Bachelor of Arts (Honours) degree in Economics and Geography.

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.

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.

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

CORPORATE GOVERNANCE REPORT

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 served as Independent Directors until the conclusion of the Company's previous AGM on 30 April 2024. On the same day 30 April 2024, Mr Hawazi Bin Daipi, Mr Colin Lee Chia Sin and Mr Ronnie Wai Chee Leong were appointed as Independent Directors.

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.

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

On 30 April 2024, Mr Hawazi Bin Daipi was appointed as the Non-Executive Chairman and Independent Director and Mr Benjamin Aw Chi-Ken was redesignated as Executive Deputy Chairman and CEO. Following these changes, the Chairman and CEO are separate persons and their roles are segregated to ensure an appropriate balance and separation of power and authority, increased accountability and clear division of responsibilities. The Chairman and the CEO are not related.

The Non-Executive Chairman, Mr Hawazi Bin Daipi, provides leadership to the Board. Besides giving guidance on the corporate direction of the Group, the role of the Chairman includes the approving agendas of Board meetings and ensuring accurate, adequate and timely flow of information between the Board, Management and shareholders of the Company. The Executive Deputy Chairman and CEO of the Group, Mr Benjamin Aw Chi-Ken, sets the business strategies and directions for the Group and manages the business operations of the Group.

CORPORATE GOVERNANCE REPORT

Given that the roles of the Chairman and CEO are separate and the Chairman is independent, there is no requirement to appoint a Lead Independent Director.

The Board is of the view that there are sufficient safeguards and checks to ensure that the decision making process of the Board is independent and based on the collective decisions of the Directors, without any individual exercising any considerable concentration of power or influence.

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 Deputy 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:

Ronnie Wai Chee Leong (Chairman)
Hawazi Bin Daipi
Benjamin Aw Chi-Ken
Colin Lee Chia Sin

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.

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.

For the current financial year under review that is FY2024, the NC met once for the evaluation of the Board and Board Committees on 28 February 2025. 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.

CORPORATE GOVERNANCE REPORT

Following this review for FY2024, 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 FY2024.

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 Directors, who have given their consent for re-election, to be put forward for re-election at the forthcoming AGM:-

Elicia Aw Ying Ying (Retiring pursuant to Article 91)
 Hawazi Bin Daipi (Retiring pursuant to Article 97)
 Colin Lee Chia Sin (Retiring pursuant to Article 97)
 Ronnie Wai Chee Leong (Retiring pursuant to Article 97)

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	Hawazi Bin Daipi	Elicia Aw Ying Ying
Date of first appointment	30 April 2024	27 February 2014
Date of last re-appointment (if applicable)	NA	28 April 2023
Age	71	45
Country of principal residence	Singapore	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 having assessed Mr Hawazi Bin Daipi's experiences, is of the view that Mr Hawazi Bin Daipi has the requisite knowledge and experiences to assume the responsibilities as Independent Director of the Company.	The Board, having considered the recommendation of the Nominating Committee and succession planning, and having assessed Ms Elicia Aw Ying Ying's working experiences and leaderships in the Group, is of the view that Ms Elicia Aw Ying Ying has the requisite experiences to assume the responsibilities as Executive Director of the Company.

CORPORATE GOVERNANCE REPORT

Name of Director	Hawazi Bin Daipi	Elicia Aw Ying Ying
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Director.	Executive Director and responsible for the business activities of the entire prefabrication segment.
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	Non-Executive Chairman, Independent Director, Member of the Audit Committee, Nominating Committee and Remuneration Committee.	Executive Director.
Professional qualifications	Bachelor of Arts (Honours) degree in Economics and Geography from the University of Singapore. Diploma in Education from the Institute of Education.	Bachelor of Engineering (Civil) degree (Honours) from the National University of Singapore.
Working experience and occupation(s) during the past 10 years	Mr Hawazi is currently Singapore's Non-Resident Representative to the Palestinian Authority (PA) and Non-Resident High Commissioner to the Republic of Ghana. He is an Independent Director of another company listed on the Singapore Exchange, Chairman of the Advisory Board of Charis Manor Nursing Home, a Board member of Singapore Press Holdings Foundation Limited and a member of the Management Board of the Middle East Institute (MEI), National University of Singapore. He is also Senior Advisor to Foreign Domestic Worker Association for Social Support and Training (FAST), Advisor for Malay Youth Literary Association (4PM), Advisor for Malay Language Council and Advisor for My English Pte Ltd.	Ms Elicia Aw Ying Ying joined the Group as a Project Manager in 2002 and in year 2011 was appointed as General Manager of Prefab Technology Pte Ltd and Prefab Technology 3 Pte Ltd. She is responsible for the business activities of the entire prefab segment of the Group.

CORPORATE GOVERNANCE REPORT

Name of Director	Hawazi Bin Daipi	Elicia Aw Ying Ying
Working experience and occupation(s) during the past 10 years (continued)	Mr Hawazi was elected as a Member of Parliament for Sembawang Group Representation Constituency (GRC) for four times from December 1996 to August 2015, Parliamentary Secretary for the Ministry of Manpower from 2004 to 2015, Senior Parliamentary Secretary for the Ministry of Health from 2008 to 2011 and Senior Parliamentary Secretary for the Ministry of Education from 2011 to 2015. He was Chairman of Sembawang Town Council from 1997 to 2015, Director of the International Affair Department in the National Trades Union Congress (NTUC) from 1997 to 2001, Executive Secretary of the Port of Singapore Authority (PSA) Workers' Union from 1997 to 2001, Executive Secretary of the Singapore Manual and Mercantile Workers' Union (SMMWU) from 1997 to 2001 and Chairman of the National Council Against Drug Abuse from 2017 to 2023.	
Shareholding interest in the listed issuer and its subsidiaries	No.	Yes.
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	No.	Sister of Mr Benjamin Aw Chi-Ken, Executive Deputy Chairman & CEO of Hor Kew Corporation Limited. Niece of Mr Aw Soon Hwee, substantial shareholder of Hor Kew Corporation Limited.
Conflict of interest (including any competing business)	No.	No.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes.	Yes.

CORPORATE GOVERNANCE REPORT

Name of Director	Hawazi Bin Daipi	Elicia Aw Ying Ying
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)		
Past (for the last 5 years)	No.	No.
Present	Independent Director of Old Chang Kee Ltd.	Director of 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, Prefab Technology Sdn Bhd, Prefab Metal Sdn Bhd, Hor Kew International Pte Ltd, 4HK Projects Pte. Ltd. and Lianhe Shieldor Pte. Ltd.
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.	No.

CORPORATE GOVERNANCE REPORT

Name of Director	Hawazi Bin Daipi	Elicia Aw Ying Ying
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No.	No.
(c) Whether there is any unsatisfied judgment against him?	No.	No.
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No.	No.
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No.	No.

CORPORATE GOVERNANCE REPORT

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

CORPORATE GOVERNANCE REPORT

Name of Director	Hawazi Bin Daipi	Elicia Aw Ying Ying
<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.	No.

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Name of Director	Hawazi Bin Daipi	Elicia Aw Ying Ying
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No.	No.
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. Other than the Company, Mr Hawazi Bin Daipi is currently also a Non-Executive Independent Director of the following company listed on the SGX-ST: - Old Chang Kee Ltd.	Yes. Ms Elicia Aw Ying Ying is currently the Executive Director 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 Hawazi Bin Daipi has prior experience as a director of an issuer listed on the SGX-ST.	Not applicable. This is a re-election of a director, and Ms Elicia Aw Ying Ying has prior experience as a director of an issuer listed on the SGX-ST.

Name of Director	Colin Lee Chia Sin	Ronnie Wai Chee Leong
Date of first appointment	30 April 2024	30 April 2024
Date of last re-appointment (if applicable)	NA	NA
Age	46	67
Country of principal residence	Singapore	Singapore

CORPORATE GOVERNANCE REPORT

Name of Director	Colin Lee Chia Sin	Ronnie Wai Chee Leong
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 having assessed Mr Colin Lee Chia Sin's experiences, is of the view that Mr Mr Colin Lee Chia Sin has the requisite knowledge and experiences to assume the responsibilities as Independent Director of the Company.	The Board, having considered the recommendation of the Nominating Committee and having assessed Mr Ronnie Wai Chee Leong's experiences, is of the view that Mr Ronnie Wai Chee Leong has the requisite knowledge and experiences to assume the responsibilities as Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Director.	Non-Executive Director.
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	Independent Director, Chairman of the Audit Committee and member of Nominating Committee and Remuneration Committee.	Independent Director, Chairman of the Nominating Committee and Remuneration Committee and member of the Audit Committee.
Professional qualifications	<p>Bachelor of Accounting & Commercial Law degree from the University of Wellington, New Zealand.</p> <p>Graduate Diploma in Professional Accounting from the University of Wellington, New Zealand.</p> <p>Member of Institute of Singapore Chartered Accountants (ISCA).</p> <p>Member of Association of Chartered Certified Accountants (ACCA).</p> <p>Member of Malaysia Institute of Accountants (MIA).</p> <p>Member of Kampuchea Institute of Certified Public Accountants & Auditors.</p> <p>Accredited Tax Practitioner Singapore (Income Tax and GST).</p> <p>Associates member of the Chartered Tax Institute of Malaysia (CTIM).</p>	<p>Bachelor of Laws (Honours) degree from the London School of Economics, University of London.</p> <p>Commissioner of Oaths, Singapore Law Academy.</p> <p>Barrister-at-Law, Lincoln's Inn.</p>

CORPORATE GOVERNANCE REPORT

Name of Director	Colin Lee Chia Sin	Ronnie Wai Chee Leong
Working experience and occupation(s) during the past 10 years	Mr Colin Lee Chia Sin has over 15 years of experience in public accounting firms and is currently a Managing Partner in a local audit firm and a director of several consulting companies. He is also an Independent Director of two other companies listed on the Singapore Exchange.	Mr Ronnie Wai Chee Leong has been a practising lawyer in Singapore for over 30 years, and was called to the Singapore Bar as an Advocate and Solicitor of the Supreme Court of Singapore in 1993. He is currently a Director in law firm Dominion LLC, specialising in Corporate and Real Estate Practice & Commercial Matters and a Director of Southwest Oilfield Products Pte Ltd. He was previously an Independent Director of two other companies listed on the Singapore Exchange.
Shareholding interest in the listed issuer and its subsidiaries	No.	No.
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	No.	No.
Conflict of interest (including any competing business)	No.	No.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes.	Yes.
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)		
Past (for the last 5 years)	Independent Director of NGSC Limited.	No.

CORPORATE GOVERNANCE REPORT

Name of Director	Colin Lee Chia Sin	Ronnie Wai Chee Leong
Present	<p>Independent Director of Regal International Limited and China Environment Limited.</p> <p>Audit Partner of AG Assurance PAC.</p> <p>Audit Principal of CKS Associates (Malaysia) and CKS Associates.</p> <p>Director of CS Practice PAC, CKS Assurance PAC, China Dongyuan Environment Pte Ltd, CS Portfolio Pte LTd, Creative Global Mgt Pte Ltd, Eurokem (SEA) Pte Ltd, 13 Resources Pte Ltd, Metal Alliance Pte Ltd, East Wing Consultancy Pte Ltd, Nextrend Techology Pte Ltd, Creative Corporate Management Pte Ltd and Creative Business Management Pte Ltd.</p>	Director of Dominion LLC and Southwest Oilfield Products Pte Ltd.
<p>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.</p>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No.	No.

CORPORATE GOVERNANCE REPORT

Name of Director	Colin Lee Chia Sin	Ronnie Wai Chee Leong
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No.	No.
(c) Whether there is any unsatisfied judgment against him?	No.	No.
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No.	No.
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No.	No.

CORPORATE GOVERNANCE REPORT

Name of Director	Colin Lee Chia Sin	Ronnie Wai Chee Leong
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No.	No.
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No.	No.
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No.	No.
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No.	No.

CORPORATE GOVERNANCE REPORT

Name of Director	Colin Lee Chia Sin	Ronnie Wai Chee Leong
<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>	<p>No.</p>	<p>No.</p>

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Name of Director	Colin Lee Chia Sin	Ronnie Wai Chee Leong
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No.	No.
Disclosure applicable to the appointment of Director only.		
<p>Any prior experience as a director of an issuer listed on the Exchange?</p> <p>If yes, please provide details of prior experience.</p> <p>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.</p>	<p>Yes.</p> <p>Other than the Company, Mr Colin Lee Chia Sin is currently also a Non-Executive Independent Director of the following companies listed on the SGX-ST:</p> <ul style="list-style-type: none"> - Regal International Limited. - China Environment Limited. <p>Mr Colin Lee Chia Sin was also previously a Non-Executive Independent Director of the following company listed on the SGX-ST:</p> <ul style="list-style-type: none"> - NGSC Limited 	<p>Yes.</p> <p>Other than the Company, Mr Ronnie Wai Chee Leong was previously a Non-Executive Independent Director of the following companies listed on the SGX-ST:</p> <ul style="list-style-type: none"> - Guthrie GTS Limited. - Rokko Holdings Ltd.
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 Colin Lee Chia Sin has prior experience as a director of an issuer listed on the SGX-ST.	Not applicable. This is a re-election of a director, and Mr Ronnie Wai Chee Leong 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:

Ronnie Wai Chee Leong (Chairman)
Hawazi Bin Daipi
Colin Lee Chia Sin

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.

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- (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 Deputy 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 Board 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 2025 for shareholders' approval.

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 FY2024.

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.

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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.

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.

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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.

A breakdown showing the level and mix of each Director's remuneration for the financial year ended 31 December 2024 is set out below:

REMUNERATION OF DIRECTORS AND TOP EXECUTIVES

Name of Director	Salary ⁽¹⁾ S\$	Bonus/ Profit-sharing S\$	Directors' Fees ⁽²⁾ S\$	Total S\$
Benjamin Aw Chi-Ken	319,584	862,000	-	1,181,584
Elicia Aw Ying Ying	290,594	1,124,500	-	1,415,094
Hawazi Bin Daipi	-	-	26,667	26,667
Colin Lee Chia Sin	-	-	23,333	23,333
Ronnie Wai Chee Leong	-	-	21,333	21,333

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Name of Director	Salary ⁽¹⁾ S\$	Bonus/ Profit-sharing S\$	Directors' Fees ⁽²⁾ S\$	Total S\$
Dr Low Seow Chay	-	-	11,667	11,667
William Chew Yew Meng	-	-	10,833	10,833
Lee Sen Choon	-	-	10,000	10,000

Notes:

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

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 %
S\$500,000 to below S\$750,000 Steven Aw Soon Hwee ⁽²⁾	32	68	100
S\$250,000 to below S\$500,000 Aw Lay Sim ⁽²⁾	80	20	100
Below S\$250,000 Michael Soh Chia Yang	82	18	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 (2023: three) key management personnel of the Group amounted to S\$1,334,000 (2023: S\$1,194,000) for the financial year ended 31 December 2024.

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.

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Provision 8.2 of the Code: Remuneration disclosures of related employees

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

Ms Elise Aw Yue Ying, Executive Manager of subsidiary Prefab Technology Pte Ltd, is the sister of Mr Benjamin Aw Chi-Ken and Ms Elicia Aw Ying Ying, and the niece of Mr Steven Aw Soon Hwee and Ms Aw Lay Sim. Her remuneration was more than S\$100,000 but less than S\$250,000 for FY2024.

Mr James Aw Hong Hwee, Business Development Director of subsidiary Hor Kew Private Limited, is the brother of Mr Steven Aw Soon Hwee and Ms Aw Lay Sim, and the uncle of Mr Benjamin Aw Chi-Ken and Ms Elicia Aw Ying Ying. His remuneration was less than S\$100,000 for FY2024.

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 S\$100,000 during the financial year.

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.

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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 2024, 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.

CORPORATE GOVERNANCE REPORT

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

Colin Lee Chia Sin (Chairman)
Hawazi Bin Daipi
Ronnie Wai Chee Leong

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.

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.

CORPORATE GOVERNANCE REPORT

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;
4. Reviews the half year 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;

CORPORATE GOVERNANCE REPORT

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 express 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.

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, Moore Stephens LLP ("Moore Stephens"), 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 Moore Stephens.

For the financial year ended 31 December 2024, remuneration paid or payable to Moore Stephens in relation to audit services are detailed as below:-

	2024	2023
	S\$'000	S\$'000
Fee for audit services	129	135

CORPORATE GOVERNANCE REPORT

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

None of the AC members are former partners or directors of Moore Stephens.

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 Mr Colin Lee Chia Sin, 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 2024 and until the date of this Annual Report.

CORPORATE GOVERNANCE 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.

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 28 April 2025. 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.

CORPORATE GOVERNANCE REPORT

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.

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 2024. 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.

CORPORATE GOVERNANCE REPORT

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 S\$100,000 or more entered into during the financial year ended 31 December 2024.

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 2024.

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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 companies (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company as at 31 December 2024.

In the opinion of the directors:

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are 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 2024, and 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; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 Directors

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

Benjamin Aw Chi-Ken
Elicia Aw Ying Ying
Hawazi Bin Daipi
Colin Lee Chia Sin
Ronnie Wai Chee Leong

2 Arrangement to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose 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.

3 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 Companies Act 1967, 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	At	At	At
	1.1.2024	31.12.2024	1.1.2024	31.12.2024
The Company				
(Ordinary shares)				
Benjamin Aw Chi-Ken	3,683,882	3,683,882	-	-
Elicia Aw Ying Ying	611,625	611,625	-	-

There were no changes in any of the above-mentioned interests between the end of the financial year and 21 January 2025.

4 Share Options

No option to take up unissued shares of the Company or its subsidiary companies 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 companies whether granted before or during the financial year.

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

DIRECTORS' STATEMENT

5 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:

Colin Lee Chia Sin (Chairman)
Hawazi Bin Daipi
Ronnie Wai Chee Leong

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 external 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 external 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 external auditor and has recommended to the Board that Moore Stephens LLP be nominated for re-appointment as independent external auditor of the Company at the forthcoming Annual General Meeting.

6 Independent Auditors

The independent auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Benjamin Aw Chi-Ken
Executive Director

Elicia Aw Ying Ying
Executive Director

Singapore
7 April 2025

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 financial statements of Hor Kew Corporation Limited (the "Company") and its subsidiary companies (collectively the "Group") which comprise the consolidated statements of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group 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 of the Company and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and 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.

INDEPENDENT AUDITOR'S REPORT

To the members of Hor Kew Corporation Limited

Key Audit Matters (cont'd)	
Impairment of trade receivables and contract assets	
Key audit matter	How our audit addressed the key audit matter
<p>We refer to Notes 3(j), Note 4(b) and Note 15 to the consolidated financial statements.</p> <p>As at 31 December 2024, the carrying amount of the Group's trade receivables and contract assets, net of allowance for expected credit losses ("ECL") of S\$29.78 million amounted to S\$24.35 million.</p> <p>The Group assesses the 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 and forecast future economic conditions.</p> <p>We identified this as a key audit matter because of the materiality of the balances and the degree of judgement involved in determining the net carrying amount of the Group's trade receivables and contract assets.</p>	<p>Our audit procedure included, amongst others:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's processes and key controls relating to the monitoring of trade receivables and contract assets and assessment of ECL. • We reviewed and tested the aging of trade receivables and discussed with management on the reasonableness of significant judgements used by management in assessing the recoverability of trade receivables and contract assets. • We evaluated the reasonableness of management's assumptions and inputs used to determine the ECL, through analyses of the aging profile of receivables, historical credit loss experience, and data used by management, including current and future economic conditions specific to its trade receivables and contract assets and checked the arithmetic accuracy of management's computation of the ECL. • We checked the subsequent receipts from major debtors after the year end and obtained documentary evidence, representations and explanations from management to assess the recoverability of long outstanding debts, where applicable. • We reviewed the adequacy of the disclosures relating to allowance for impairment loss on trade receivables and contract assets and the Group's credit risk in the financial statements, respectively. <p>Based on available evidence, we found management's assessment of the allowance for ECL for trade receivables and contract assets to be reasonable and the disclosures in the financial statements to be appropriate.</p>

INDEPENDENT AUDITOR'S REPORT

To the members of Hor Kew Corporation Limited

Other Matter

The financial statements of the Group and the Company for the financial year ended 31 December 2023 were audited by another firm of auditors who expressed an unqualified opinion on 9 April 2024.

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

To the members of Hor Kew Corporation Limited

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the members of Hor Kew Corporation Limited

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

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 the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary companies 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 Christopher Bruce Johnson.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
7 April 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	Group	
		2024 S\$'000	2023 S\$'000
Revenue	6	82,870	104,786
Cost of sales		(49,689)	(82,108)
Gross profit		33,181	22,678
Interest income		705	672
Other income	7	4,225	3,583
Expenses			
General and administrative expenses		(11,568)	(12,102)
Finance costs	8	(2,266)	(2,794)
Net impairment loss on trade receivables and contract assets		(8,278)	(4,456)
Profit before income tax	9	15,999	7,581
Income tax expense	10	(2,277)	(169)
Profit for the financial year		13,722	7,412
Other comprehensive income/(loss)			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation		917	(933)
<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)
Other comprehensive income/(loss) for the financial year		917	(934)
Total comprehensive income for the financial year		14,639	6,478
Earnings per share (cents)			
Basic and diluted	11	26.38	14.24

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	Group		Company	
		2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	32,295	32,800	249	481
Development properties	18	17,507	-	-	-
Investment properties	13	41,772	41,457	-	-
Investment in subsidiary companies	14	-	-	61,464	61,217
Trade receivables	15	3,439	7,106	-	-
Insurance asset	16	556	556	-	-
Deferred tax assets	17	1,844	1,850	-	-
Total non-current assets		97,413	83,769	61,713	61,698
Current Assets					
Development properties	18	-	16,546	-	-
Inventories	19	8,125	8,985	-	-
Trade receivables	15	19,723	21,268	-	-
Other receivables	20	1,106	1,645	22,460	15,894
Contract assets	21	1,186	1,117	3,039	3,386
Tax recoverable		1,060	95	-	-
Financial assets at fair value through other comprehensive income	22	9	9	9	9
Cash and cash equivalents	23	25,563	25,354	523	253
Total current assets		56,772	75,019	26,031	19,542
Total Assets		154,185	158,788	87,744	81,240

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	Group		Company	
		2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
LIABILITIES AND EQUITY					
Non-Current Liabilities					
Borrowings	24	25,995	28,779	151	180
Deferred tax liabilities	17	1,710	1,296	-	-
Total non-current liabilities		27,705	30,075	151	180
Current Liabilities					
Trade payables	25	15,939	20,509	-	-
Other payables	26	9,299	7,207	36,126	33,025
Contract liabilities	21	542	963	-	-
Borrowings	24	11,993	26,254	34	223
Tax payables		2,399	2,111	68	68
Total current liabilities		40,172	57,044	36,228	33,316
Total liabilities		67,877	87,119	36,379	33,496
Equity					
Share capital	28	68,323	68,323	68,323	68,323
Other reserves	29	(7,360)	(8,277)	(4)	(4)
Retained earnings		25,345	11,623	(16,954)	(20,575)
Total equity		86,308	71,669	51,365	47,744
Total Liabilities and Equity		154,185	158,788	87,744	81,240

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Share Capital S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Group				
Balance at 1 January 2024	68,323	(8,277)	11,623	71,669
Profit for the financial year	-	-	13,722	13,722
Other comprehensive income for the financial year				
- Currency translation differences arising from consolidation	-	917	-	917
Total comprehensive income for the financial year	-	917	13,722	14,639
Balance at 31 December 2024	68,323	(7,360)	25,345	86,308
Balance at 1 January 2023	68,323	(7,343)	4,211	65,191
Profit for the financial year	-	-	7,412	7,412
Other comprehensive (loss)/income for the financial year				
- 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 2024	68,323	(4)	(20,575)	47,744
Profit for the financial year, representing total comprehensive income for the financial year	-	-	3,621	3,621
Balance at 31 December 2024	68,323	(4)	(16,954)	51,365
Balance at 1 January 2023	68,323	(3)	(24,028)	44,292
Profit for the financial year	-	-	3,453	3,453
Other comprehensive (loss)/income for the financial year				
- 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 2024

	Group	
	2024	2023
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit before tax	15,999	7,581
Adjustments for:		
Depreciation of property, plant and equipment	4,009	6,277
Fair value gain on investment properties	(315)	(552)
Amortisation of prepaid insurance premiums	-	2
Gain on disposal of property, plant and equipment	(519)	(40)
Net impairment loss on trade receivables and contract assets	8,278	4,456
Inventories written down	481	-
Interest expense	2,266	2,794
Interest income	(705)	(672)
Unrealised loss on foreign exchange	(128)	2,528
Operating cash flows before working capital changes	29,366	22,374
Changes in operating assets and liabilities:		
Inventories	194	2,299
Trade and other receivables	(3,066)	884
Contract assets	(69)	2,780
Contract liabilities	(421)	(6,657)
Trade and other payables	(2,139)	(4,425)
Currency translation adjustments	-	131
Cash generated from operations	23,865	17,386
Income tax paid	(2,534)	(2,076)
Net cash generated from operating activities	21,331	15,310
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	721	602
Purchases of property, plant and equipment (Note A)	(2,132)	(2,456)
Net cash used in investing activities	(1,411)	(1,854)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Group	
	2024	2023
	S\$'000	S\$'000
Cash Flows from Financing Activities		
Drawdown of borrowings	-	1,207
Interest paid	(2,266)	(2,794)
Repayment of borrowings	(17,941)	(8,539)
Increase in fixed deposits pledged	1,022	1,151
Net cash used in financing activities	(19,185)	(8,975)
Net increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the financial year	735	4,481
Effects of exchange rate changes on cash and cash equivalents	7,672	3,331
	128	(140)
Cash and cash equivalents at the end of the financial year	8,535	7,672
Cash and cash equivalents are represented by:		
Cash and cash equivalents on the consolidated statement of financial position (Note 23)	25,563	25,354
Fixed deposits pledged (Note 23)	(17,028)	(17,682)
Cash and cash equivalents per consolidated statement of cash flows	8,535	7,672
Note A - Purchases of property, plant and equipment ("PPE")		
Aggregate cost of PPE acquired (Note 12)	3,112	3,341
Less: Additions to right-of-use assets (Note 31)	(1,684)	(885)
Net cash outflow for purchases of PPE	1,428	2,456

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

1 General

Hor Kew Corporation Limited (the “Company”) 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 5. There have been no significant changes in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on the date of the Directors’ Statement.

2 Application of Singapore Financial Reporting Standards (International) (“SFRS(I)s”)

a) Adoption of new and revised standards issued which are effective

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations (“SFRS(I) INTs”) 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 amendments to accounting standards and interpretations does not have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Application of Financial Reporting Standards in Singapore (“FRSs”) (cont’d)

- b) New and revised standards issued but not yet effective

At the date of authorisation of these financial statements, the Group has not adopted the following standards that have been issued but are not yet effective:

Description	Effective for annual financial periods beginning on or after
Amendments to SFRS(I) 1-21: <i>The Effect of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Annual Improvements to SFRS(I)s – Volume 11	1 January 2026
SFRS(I) 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
SFRS(I) 19: <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred indefinitely, early application is still permitted

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

This standard will replace SFRS(I)1-1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard will have impacts on the presentation of the Statement of Profit and Loss and consequential impacts on the Statement of Cash Flows. It will also require the disclosure of the non-SFRS(I) management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

An entity is required to apply the amendments to SFRS(I) 1-1 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. SFRS(I) 18 requires retrospective application with specific transition provisions.

Other than the above, the Directors do not expect any material impact from the application of these standards.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Material Accounting Policies

(a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company and statement of changes in equity of the Company are presented in Singapore dollar (“S\$”) (rounded to the nearest thousand (S\$’000) except when otherwise indicated), and have been prepared in accordance with the provisions of the Companies Act 1967 (the “Act”) and SFRS(I)s. 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)s 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.

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 4.

(b) 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 combinations from the acquisition date.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Material Accounting Policies (cont'd)

(c) 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.

(d) Property, Plant and Equipment

Recognition and measurement

Freehold land is 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) s 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.

Depreciation

Freehold land has unlimited useful life and therefore is not depreciated.

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:

	<u>Years</u>
Freehold properties	50
Leased factory premises	over the lease term of 30 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Material Accounting Policies (cont'd)

(d) Property, Plant and Equipment (cont'd)

Depreciation (cont'd)

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.

Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(e) 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 independent professional valuers on the highest-and-best-use basis. Gains and losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Material Accounting Policies (cont'd)

(f) 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.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are determined using the 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 estimated costs of completion and estimated costs necessary to make the sale.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and fixed deposits which are short-term, highly liquid assets that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of fixed deposits pledged as security.

(i) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets, other than inventories, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Material Accounting Policies (cont'd)

(i) Impairment of non-financial assets (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that it does not exceed the carrying amount that would have been determined, net of any depreciation, had no impairment loss been recognised.

(j) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group classifies its financial assets in the following measurement categories:

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

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Material Accounting Policies (cont'd)

(j) Financial assets (cont'd)

Subsequent measurement

i) Debt instruments

Debt instruments include cash and cash equivalents, trade receivables and other receivables (excluding prepayments).

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

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

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

ii) Equity instruments

For equity investments which are not held for trading or not a contingent consideration recognised by an acquirer in a business combination, the Group may make an irrevocable election (on an investment by investment basis) to designate equity investments as at FVOCI.

The Group has designated all of its equity investments that are not held for trading as at FVOCI at initial recognition. Gains and losses arising from changes in fair value of these equity investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income and accumulated in fair value reserve and will never be reclassified to profit or loss. On disposal of an equity investment, the difference between the carrying amount and sales proceed amount is recognised in other comprehensive income. Fair value reserve relating to the disposed asset is transferred to retained earnings upon disposal. Dividends from equity investments are recognised in profit or loss and presented in "other income".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Material Accounting Policies (cont'd)

(j) Financial assets (cont'd)

Subsequent measurement (cont'd)

ii) Equity instruments (cont'd)

Impairment

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

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Material Accounting Policies (cont'd)

(k) 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. 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. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Material Accounting Policies (cont'd)

(k) Revenue Recognition

Sale of precast and prefabricated components

Interest income

Interest income Interest income is recognised using the effective interest method.

Commission income

Commission income is recognised when services are rendered.

(l) 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 2024

3 Material Accounting Policies (cont'd)

(m) 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 2024

3 Material Accounting Policies (cont'd)

(m) 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.

(n) Income Tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Material Accounting Policies (cont'd)

(n) Income Tax (cont'd)

Deferred income tax is measured:

- i. at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- ii. based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(o) Related parties

A related party is defined as a related party is a person or entity that is related to the entity that is preparing its financial statements ("reporting entity").

- a. A person or a close member of that person's family is related to the Group and Company if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to the Group and the company if any of the following conditions applies:
 - i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - iii. both entities are joint ventures of the same third party;

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Material Accounting Policies (cont'd)

(o) Related parties (cont'd)

- b. An entity is related to the Group and the company if any of the following conditions applies: (cont'd)
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - vi. the entity is controlled or jointly controlled by a person identified in (a);
 - vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive chairman and executive director who are responsible for allocating resources and assessing performance of the operating segments.

4 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.

(a) Critical Judgements in applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, which are described in Note 3, 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 2024

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

- (a) Critical Judgements in applying the Group's Accounting Policies (cont'd)

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 17.

- (b) 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.

Calculation of loss allowance

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

(b) Key Sources of Estimation Uncertainty (cont'd)

Calculation of loss allowance (cont'd)

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 34, 15, 21 and 20 respectively.

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 amount 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 19.

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 14.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5 Group Entities

The subsidiary companies at 31 December are:

Name of Subsidiaries Country of incorporation/ Place of business	Principal activities	Ownership interest	
		2024 %	2023 %
<u>Held by the Company</u>			
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	32
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 ⁽²⁾	Design, manufacture and sale of precast concrete building components	100	100
Prefab Metal Sdn. Bhd. Malaysia ⁽²⁾	Design, manufacture and sale of prefabricated metal components	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5 Group Entities (cont'd)

The subsidiary companies at 31 December are: (cont'd)

Name of Subsidiaries Country of incorporation/ Place of business	Principal activities	Ownership interest	
		2024 %	2023 %
Held by <u>Prefab Technology Pte Ltd</u> Prefab Technology 3 Pte Ltd Singapore	Design, manufacture and sale of prefabricated architectural metal components	68	68
Held by <u>Hor Kew Private Limited</u> Oxley Lights Pte Ltd Singapore	Investment holding	100	100
Held by <u>Oxley Lights Pte Ltd</u> Oxley Lights Development Pte Ltd Singapore	Property investment and development	100	100

All the companies are audited by Moore Stephens LLP, Singapore except for the following:

- (1) Audited by Smalley & Sims PAC, Singapore
- (2) 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.

In the financial year ended 31 December 2023, Prefab Technology 3 Pte Ltd ("PFT3") issued an 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 2024

6 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.

	Group	
	2024	2023
	S\$'000	S\$'000
<i>Primary geographical market</i>		
Singapore	82,870	104,786
<i>Major product line</i>		
Precast concrete building components	24,092	79,597
Prefabricated metal components	58,778	25,189
	82,870	104,786
<i>Timing of revenue recognition</i>		
Over time	82,870	104,786

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 on that amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

7 Other Income

	Note	Group	
		2024 S\$'000	2023 S\$'000
Commission income		277	285
Fair value gain on investment properties	13	315	552
Gain on disposal of property, plant and equipment		519	40
Gain on foreign exchange		385	-
Government grant income		44	71
Rental income from:			
- Investment properties	13	1,120	920
- Others		495	554
Sales of scrap materials		513	433
Sundry income		557	728
		4,225	3,583

8 Finance Costs

	Note	Group	
		2024 S\$'000	2023 S\$'000
Interest expense on:			
- Bills payables and trust receipts	24	47	208
- Fixed advance facility	24	169	304
- Lease liabilities	24	69	63
- Term loans	24	1,981	2,219
		2,266	2,794

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

9 Profit before Income Tax

Profit before income tax is arrived at after charging/(crediting):

		Group	
	Note	2024 S\$'000	2023 S\$'000
Amortisation of prepaid insurance premiums	16	-	2
Audit fees paid/payable to:			
- Auditors of the Company		137	149
- Other auditors - non-network firms		31	32
Depreciation of property, plant and equipment	12	4,009	6,277
Directors' fees:			
- Directors of the Company		104	98
- Director of a subsidiary company		6	6
Non-audit fees paid/payable to:			
- Auditors of the Company		-	-
- Other auditors - non-network firms		-	-
Net impairment loss on trade receivables and contract assets	34(b)(ii)	8,278	4,456
Inventories written down	19	481	47
Loss on foreign exchange		-	2,528
Lease expenses relating to short-term leases and low-value assets leases	31(a)	164	115
Reversal of inventories written down	19	-	(7)
Staff costs		12,917	12,106
<u>Staff costs</u>			
- Short-term employee benefits		12,572	11,748
- Contribution to defined contribution plans		345	358
Total staff costs		12,917	12,106

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

10 Income Tax Expense

	Group	
	2024	2023
	S\$'000	S\$'000
Income tax:		
- Current year	1,800	2,460
- Under/(Over) provision in respect of prior years	65	(15)
	1,865	2,445
Deferred income tax:		
- Current year (Note 17)	265	22
- Under/(Over) provision in respect of prior years (Note 17)	147	(30)
- Recognition of deferred taxation in respect of prior years (Note 17)	-	(2,268)
	412	(2,276)
	2,277	169

The statutory income tax rate applicable is 17% (2023: 17%) for companies incorporated in Singapore and 24% (2023: 24%) for companies incorporated in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

10 Income 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	
	2024	2023
	S\$'000	S\$'000
Profit before income tax	15,999	7,581
Tax at the domestic rates applicable to profit in the countries where the Group operates	3,884	1,264
Losses cannot be carried forward	(1,870)	710
Expenses not deductible for tax purposes	723	678
Income not subject to tax	(783)	(138)
Singapore statutory stepped income exemption	(52)	(35)
Deferred tax assets not recognised	357	49
Utilisation of deferred tax assets not recognised previously	29	(363)
Under/(Over) provision of income tax in respect of prior years	65	(15)
Under/(Over) provision of deferred taxation in respect of prior years	147	(30)
Recognition of deferred taxation in respect of prior years	-	(2,268)
Others	(223)	317
	2,277	169

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11 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	
	2024	2023
	S\$'000	S\$'000
Profit for the financial year attributable to equity holders of the Company	13,722	7,412
	Number of shares	
	2024	2023
	'000	'000
Weighted average number of ordinary shares	52,067	52,067
Basic and diluted earnings per share (cents)	26.35	14.24

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 2024

12 Property, Plant and Equipment

	Freehold properties S\$'000	Leasehold land and buildings S\$'000	Plant and machinery and factory equipment S\$'000	Motor vehicles S\$'000	Office equipment, furniture and fittings S\$'000	Renovation S\$'000	Moulds S\$'000	Total S\$'000
Group								
2024								
<u>Cost</u>								
At 1 January	28,087	18,652	9,770	2,360	2,782	816	9,821	72,288
Additions	-	1,018	222	632	69	2	1,169	3,112
Currency translation differences	490	119	236	13	9	3	420	1,290
Disposals/write-off	-	-	-	-	-	-	(4,447)	(4,447)
At 31 December	28,577	19,789	10,228	3,005	2,860	821	6,963	72,243
<u>Accumulated impairment loss</u>								
At 1 January and 31 December	824	65	-	-	-	-	-	889
<u>Accumulated depreciation</u>								
At 1 January	2,778	12,919	8,282	1,867	2,439	816	9,498	38,599
Depreciation charge	431	1,756	426	301	61	-	1,034	4,009
Currency translation differences	69	50	185	(44)	10	3	423	696
Disposals/write-off	-	-	-	-	-	-	(4,245)	(4,245)
At 31 December	3,278	14,725	8,893	2,124	2,510	819	6,710	39,059
<u>Net carrying amount</u>								
At 31 December	24,475	4,999	1,335	881	350	2	253	32,295

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12 Property, Plant and Equipment (cont'd)

	Freehold properties S\$'000	Leasehold land and buildings S\$'000	Plant and machinery and factory equipment S\$'000	Motor vehicles S\$'000	Office equipment, furniture and fittings S\$'000	Renovation S\$'000	Moulds S\$'000	Total S\$'000
Group (cont'd)								
2023								
<u>Cost</u>								
At 1 January	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	28,087	18,652	9,770	2,360	2,782	816	9,821	72,288
<u>Accumulated impairment loss</u>								
At 1 January and 31 December	824	65	-	-	-	-	-	889
<u>Accumulated depreciation</u>								
At 1 January	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	2,778	12,919	8,282	1,867	2,439	816	9,498	38,599
<u>Net carrying amount</u>								
At 31 December	24,485	5,668	1,488	493	343	-	323	32,800

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12 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 a corporate office of the Group which is accounted for under property, plant and equipment, and another portion is held to earn rental income and/or for capital appreciation which is accounted for under investment properties (Note 13).

(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 March 2026.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12 Property, Plant and Equipment (cont'd)

Group (cont'd)

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

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.

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 expired 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 S\$20,775,000 and S\$4,050,000 (2023: S\$20,343,000 and S\$4,470,000) are mortgaged to banks to secure banking facilities of the Group (Note 24).

(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 S\$5,392,000 (2023: S\$5,664,000) (Note 31).

(v) At the end of the reporting period, motor vehicles of the Group with a net carrying amount of S\$178,500 (2023: S\$229,000) 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 2024

12 Property, Plant and Equipment (cont'd)

	Office equipment, furniture and fittings S\$'000	Leasehold buildings S\$'000	Motor vehicles S\$'000	Renovation S\$'000	Total S\$'000
Company					
2024					
<u>Cost</u>					
At 1 January	497	561	445	176	1,679
Additions	8	-	-	-	8
At 31 December	505	561	445	176	1,687
<u>Accumulated depreciation</u>					
At 1 January 2024	495	311	216	176	1,198
Depreciation charge	2	187	51	-	240
At 31 December	497	498	267	176	1,438
<u>Net carrying amount</u>					
At 31 December	8	63	178	-	249
2023					
<u>Cost</u>					
At 1 January	497	561	418	176	1,652
Additions	-	-	255	-	255
Disposals/write-offs	-	-	(228)	-	(228)
At 31 December	497	561	445	176	1,679
<u>Accumulated depreciation</u>					
At 1 January 2024	493	125	418	176	1,212
Depreciation charge	2	186	26	-	214
Disposals/write-offs	-	-	(228)	-	(228)
At 31 December	495	311	216	176	1,198
<u>Net carrying amount</u>					
At 31 December	2	250	229	-	481

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12 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 S\$241,000 (2023: S\$479,000) (Note 31).
- (ii) At the end of the reporting period, motor vehicles of the Company with a net carrying amount of S\$178,000 (2023: S\$229,000) are registered in the name of a key management of the Company who held the motor vehicles in trust for the Company.

13 Investment Properties

	Group	
	2024	2023
	S\$'000	S\$'000
At 1 January	41,457	40,905
Fair value gain recognised in profit or loss (Note 7)	315	552
At 31 December	41,772	41,457
The following amounts are recognised in profit or loss:		
Fair value gain on investment properties	315	552
Rental income (Note 7)	1,120	920
Direct operating expenses arising from investment properties that generated rental income	535	443

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13 Investment Properties (cont'd)

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

		Group	
		2024	2023
		S\$'000	S\$'000
Properties	Tenure		
Property 1	70 years from 1993	1,010	1,015
Property 2	Freehold	34,762	34,762
Property 3	Freehold	6,000	5,680
		41,772	41,457

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 Property 1 is determined based on the valuation performed by a professional valuer. In valuing the portions of the property which are vacant, the 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 characteristics, location, sizes 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13 Investment Properties (cont'd)

Property 2

Property 2 comprises the portion of an 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 12(i)(c)). Property 2 is mortgaged to a bank to secure banking facilities of the Group (Note 24).

At the end of the reporting period, the fair value of Property 2 is determined 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 a bank to secure banking facilities of the Group (Note 24).

At the end of the reporting period, the fair value of 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 2024

13 Investment Properties (cont'd)

Property 3 (cont'd)

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

Description	Fair value S\$'000	Valuation technique	Significant unobservable input	Range
2024				
Property 1	1,010	Direct comparison method	Price per square metre ⁽¹⁾	S\$1,200 to S\$1,300
Property 2	34,762	Direct comparison method	Price per square metre ⁽¹⁾	S\$20,800 to S\$26,400
Property 3	6,000	Direct comparison method	Price per square metre ⁽¹⁾	S\$21,800 to S\$22,800
2023				
Property 1	1,015	Direct comparison method	Price per square metre ⁽¹⁾	S\$1,200 to S\$1,300
Property 2	34,762	Direct comparison method	Price per square metre ⁽¹⁾	S\$21,500 to S\$25,600
Property 3	5,680	Direct comparison method	Price per square metre ⁽¹⁾	S\$19,800 to S\$24,500

⁽¹⁾ Any significant isolated increases/(decreases) in the significant unobservable input would result in a significantly higher/(lower) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14 Investment in Subsidiary Companies

	Company	
	2024	2023
	S\$'000	S\$'000
Unquoted equity shares at cost:		
At 1 January	55,098	54,198
Additions	-	900
At 31 December	55,098	55,098
Impairment losses	(25,465)	(25,465)
	29,633	29,633
Loans due from subsidiary companies	31,831	31,584
	61,464	61,217

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

	Company	
	2024	2023
	S\$'000	S\$'000
At 1 January	25,465	26,965
Write-back of impairment losses	-	(1,500)
At 31 December	25,465	25,465

See Note 5 for details of subsidiary companies.

In 2023, reversal of impairment loss of S\$1,500,000 was made 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. The recoverable amount of the subsidiary company of S\$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. There were no impairment required in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14 Investment in Subsidiary Companies (cont'd)

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.

15 Trade Receivables

	Group	
	2024	2023
	S\$'000	S\$'000
Third party receivables	49,413	46,347
Related party receivables	3,482	3,482
	52,895	49,829
Impairment loss on trade receivables (Note 34)	(29,733)	(21,455)
	23,162	28,374
Represented by:		
- Non-current	3,439	7,106
- Current	19,723	21,268
	23,162	28,374

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days) credit terms. Included in trade receivables are retention sums withheld by customers amounting to S\$13,262,000 (2023: S\$9,492,000) in which S\$3,439,000 (2023: S\$7,106,000) 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 S\$1,289,000 (2023: S\$1,289,000).

During the financial year, net impairment loss on trade receivables amounting to S\$8,278,000 (2023: S\$4,607,000) was recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

16 Insurance Asset

	Group	
	2024	2023
	S\$'000	S\$'000
<i>Prepaid insurance premiums for protection cover</i>		
At 1 January	90	94
Amount amortised to profit or loss	-	(2)
	90	92
Less:		
Prepaid insurance premiums for protection cover to be amortised within 12 months	-	(2)
At 31 December	90	90
<i>Financial assets at fair value through profit or loss</i>		
At 1 January and at 31 December	466	466
Total	556	556

During the financial year ended 31 December 2021, the Group took up a single premium keyman insurance policy amounting to S\$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 24).

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 S\$460,000. The difference between the single premium of S\$560,000 paid and initial cash surrender value of S\$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 contract 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 2024

17 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	
	2024	2023
	S\$'000	S\$'000
At 1 January	554	(1,723)
Charged/(credited) to profit or loss (Note 10)	(412)	2,276
Exchange differences	(8)	1
At 31 December	134	554
Representing:		
<i>Non-current</i>		
Deferred tax assets	1,844	1,850
Deferred tax liabilities	(1,710)	(1,296)
	134	554

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17 Deferred Tax (cont'd)

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 S\$'000	Tax losses S\$'000	Allowance on impairment loss S\$'000	Fair value gains S\$'000	Others S\$'000	Total S\$'000
2024						
At 1 January	158	1,063	1,079	(1,788)	42	554
Charged to profit or loss	-	(64)	(348)	-	-	(412)
Exchange differences	-	(8)	-	-	-	(8)
At 31 December	158	991	731	(1,788)	42	134
2023						
At 1 January	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	158	1,063	1,079	(1,788)	42	554

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17 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 S\$19,061,000 and S\$365,000 (2023: S\$16,579,000 and S\$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 S\$2,077,000 (2023: S\$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	
	2024	2023
	S\$'000	S\$'000
Unabsorbed tax losses	19,061	16,579
Unabsorbed capital allowances	365	365
Accelerated accounting depreciation	898	8
Allowance on impairment loss	14,273	-
Others	88	14
	34,685	16,966

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 2024

18 Development Properties

	Group	
	2024	2023
	S\$'000	S\$'000
<i>Unsold development properties:</i>		
At 1 January	16,546	17,576
Currency translation differences	961	(1,030)
At 31 December	17,507	16,546

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 a total land area of 741,554 square metres. The Group intends to develop a township on these lands, but are yet to commence any development activities as at 31 December 2024.

During the year, the Group reassessed the classification of its development properties. As a result, development properties amounting to S\$17,507,000 were reclassified from current assets to non-current assets as they are unlikely to be developed within the next twelve months.

19 Inventories

	Group	
	2024	2023
	S\$'000	S\$'000
Raw materials	3,259	3,787
Work-in-progress	376	708
Finished goods	4,490	4,490
	8,125	8,985

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19 Inventories (cont'd)

The following amounts are recognised in profit or loss:

	Group	
	2024	2023
	S\$'000	S\$'000
Inventories recognised as an expense in cost of sales	49,689	82,108
Inclusive of the following:		
- Inventories written down (Note 9)	481	47
- Reversal of inventories written down (Note 9)	-	(7)

20 Other Receivables

	Group		Company	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Amounts due from subsidiary companies	-	-	45,038	43,386
Impairment loss on amounts due from subsidiary companies	-	-	(22,612)	(27,513)
Sundry receivables	426	265	-	-
Sundry deposits	301	871	14	5
	727	1,136	22,440	15,878
Prepayments	379	509	20	16
	1,106	1,645	22,460	15,894

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 S\$22,612,000 (2023: S\$27,513,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21 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.

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

	2024	2023
	S\$'000	S\$'000
Group		
Trade receivables from contracts with customers	23,162	28,374
Contract assets	1,186	1,117
Contract liabilities	542	963
	<hr/>	<hr/>
Company		
Contract assets	3,039	3,386
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21 Contract Assets and Liabilities (cont'd)

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

	Contract Assets	
	2024	2023
	S\$'000	S\$'000
Group		
Contract assets reclassified to trade receivables	1,117	3,897
Work completed but not billed	1,186	1,117
Reversal of impairment loss on contract assets (Note 34)	-	(151)
		<hr/>
Company		
Contract assets reclassified to other receivables	3,386	1,898
Service performed but not billed	3,039	3,386
		<hr/>
	Contract liabilities	
	2024	2023
	S\$'000	S\$'000
Group		
Revenue recognised that was included in the contract liabilities balance at the beginning of the financial year	963	7,620
Increases due to advances received, excluding amounts recognised as revenue during the financial year	542	963
		<hr/>

22 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

23 Cash and Cash Equivalents

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Cash and bank balances	6,590	7,662	523	253
Fixed deposits	18,973	17,692	-	-
	25,563	25,354	523	253

Fixed deposits are placed for periods between 1 and 12 months (2023: 1 and 12 months) and bear interest rates ranging from 0.57% to 4.86% (2023: 1.30% to 4.84%) per annum. Fixed deposits of S\$17,028,000 (2023: S\$17,682,000) are pledged to banks to secure banking facilities of the Group (Note 24).

At the end of the reporting period, the Group's cash and bank balances of S\$256,000 (2023: S\$256,000) 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 2024

24 Borrowings

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
<i>Non-current</i>				
Term Loan A	25,000	25,000	-	-
Term Loan C	550	849	-	-
Term Loan D	-	1,891	-	-
Term Loan E	-	1,625	-	-
Term Loan F	-	1,025	-	-
Lease liabilities	651	965	151	180
Current portion of term loans	(206)	(2,576)	-	-
	25,995	28,779	151	180
<i>Current</i>				
Bills payables and trust receipts	-	1,949	-	-
Short-term loans	10,625	14,740	-	-
Fixed advance facility	-	6,300	-	-
Lease liabilities	1,162	689	34	223
Current portion of term loans	206	2,576	-	-
	11,993	26,254	34	223
	37,988	55,033	185	403

The Group's borrowings are secured by legal mortgages over certain freehold properties (Note 12), leasehold land and buildings (Note 12), certain investment properties (Note 13), fixed deposits (Note 23), a corporate guarantee from the Company and the keyman insurance policy (Note 16).

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 2024

24 Borrowings (cont'd)

Term Loan A is repayable on 31 October 2027. Term Loan A bears an interest rate of 1.20% (2023: 1.20%) per annum above the bank's cost of funds. The effective interest rate is 5.03% (2023: 5.21%) per annum.

Term Loan C is repayable in 120 monthly instalments up to 2026. Term Loan C bears a fixed interest rate at 3.88% (2023: 2.38%) per annum.

Term Loan D is repayable in 56 monthly instalments of S\$73,000 commencing from 5 September 2019 with a bullet balance payment at the end. On 1 November 2023, Term Loan D was further refinanced and will mature on 5 November 2025. Term Loan D bears interest at a rate of 1.75% (2023: 1.75%) per annum above the bank's cost of funds. The effective interest rate is 8.91% (2023: 7.05%) 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 which is repayable in 48 monthly instalments. Term Loan E and Term Loan F bear a fixed interest rate at 2.50% (2023: 2.50%) per annum.

The bills payables and trust receipts bear effective interest rates ranging from 4.89% to 5.31% (2023: 4.82% to 5.31%) 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 3.61% to 4.41% (2023: 4.14% to 5.33%) per annum.

The fixed advance facility was refinanced on 22 November 2023 and was repayable on 21 May 2024. The fixed advance facility incurred an interest rate of 1.30% (2023: 1.30%) per annum above the Singapore Overnight Rate Average ("SORA") in-arrears rate. The effective interest rate ranged from 4.77% to 5.06% (2023: 4.44 to 7.24%) per annum. The fixed advance facility was settled in the current financial year.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

24 Borrowings (cont'd)

Based on the discounted cash flow analysis using a discount rate based on market lending rates 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 amounts 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 2 of the fair value hierarchy.

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

	Terms loans S\$'000	Bills payables and trusts receipts S\$'000	Fixed advance facility S\$'000	Lease liabilities S\$'000	Total S\$'000
<u>2024</u>					
Balance at 1 January	45,130	1,949	6,300	1,654	55,033
Changes from financing cash flows:					
- Repayments	(9,029)	(1,949)	(6,300)	(663)	(17,941)
- Interest paid	(1,981)	(47)	(169)	(69)	(2,266)
Non-cash changes:					
- Currency translation differences	74	-	-	(158)	(84)
- Interest expense	1,981	47	169	69	2,266
- New leases	-	-	-	980	980
Balance at 31 December	36,175	-	-	1,813	37,988

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

24 Borrowings (cont'd)

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

	Terms loans S\$'000	Bills payables and trusts receipts S\$'000	Fixed advance facility S\$'000	Lease liabilities S\$'000	Total S\$'000
<u>2023</u>					
Balance at 1 January	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	45,130	1,949	6,300	1,654	55,033

25 Trade Payables

	Group	
	2024 S\$'000	2023 S\$'000
Third party payables	13,665	18,242
Sub-contractors' retention sum	2,274	2,267
	15,939	20,509

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

26 Other Payables

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Accrued operating expenses	7,921	6,207	2,717	2,195
Amounts due to subsidiary companies	-	-	33,362	30,769
Deposits received	494	307	-	-
Sundry payables	860	680	47	61
Advance rental received	24	13	-	-
	9,299	7,207	36,126	33,025

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

27 Provisions

	Group	
	2024 S\$'000	2023 S\$'000
<i>Provision for onerous contracts</i>		
At 1 January	-	132
Utilisation of provisions	-	(132)
At 31 December	-	-

The Group 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 were higher than the economic benefits expected to be received. As such, a provision for onerous contracts was recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28 Share Capital

	Group	
	2024	2023
	S\$'000	S\$'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.

29 Other Reserves

	Group		Company	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Fair value reserve	(7)	(7)	(4)	(4)
Currency translation reserve	(7,353)	(8,270)	-	-
	(7,360)	(8,277)	(4)	(4)
<u>Fair value reserve</u>				
At 1 January	(7)	(6)	(4)	(3)
Fair value loss on financial assets at fair value through other comprehensive income	-	(1)	-	(1)
At 31 December	(7)	(7)	(4)	(4)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

29 Other Reserves (cont'd)

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

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
<u>Currency translation reserve</u>				
At 1 January	(8,270)	(7,337)	-	-
Net currency translation differences of financial statements of foreign subsidiary companies	917	(933)	-	-
At 31 December	(7,353)	(8,270)	-	-

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.

30 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 2024

30 Segmental Information (cont'd)

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

Group	Property investment and development S\$'000	Prefabrication S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
2024					
<u>Revenue:</u>					
Sales to external customers	-	82,870	-	-	82,870
Intersegment sales	-	-	3,039	(3,039)	-
Total revenue	-	82,870	3,039	(3,039)	82,870
<u>Results:</u>					
Segment (loss)/profit	(981)	16,466	514	-	15,999
Tax expense					(2,277)
Profit for the financial year					13,722
<i>Other significant expenses:</i>					
Allowance for impairment loss on trade receivables and contract assets	-	8,278	-	-	8,278
Cost of sales	-	49,689	-	-	49,689
Depreciation of property, plant and equipment	3	3,503	503	-	4,009
Staff costs	113	10,827	1,855	-	12,795
Segment assets	81,588	58,150	11,542	-	151,280
Unallocated assets					2,905
Total assets					154,185
Segment assets includes:					
Additions to non-current assets	12	3,162	8	-	3,182
Segment liabilities	33,357	27,461	2,950		63,768
Unallocated liabilities					4,109
Total liabilities					67,877

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30 Segmental Information (cont'd)

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

	Property investment and development S\$'000	Prefabrication S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Group (cont'd)					
2023					
<u>Revenue:</u>					
Sales to external customers	-	104,786	-	-	104,786
Intersegment sales	-	-	3,385	(3,385)	-
Total revenue	-	104,786	3,385	(3,385)	104,786
<u>Results:</u>					
Segment (loss)/profit	(966)	6,375	2,172	-	7,581
Tax expense					(169)
Profit for the financial year					7,412
<i>Other significant expenses:</i>					
Allowance for impairment loss on trade receivables and contract assets	29	4,427	-	-	4,456
Cost of sales	-	82,108	-	-	82,108
Depreciation of property, plant and equipment	264	5,985	28	-	6,277
Staff costs	211	10,062	2,218	-	12,491
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					158,788
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					87,119

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30 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	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	82,870	104,786	60,482	46,382
The People's Republic of China	-	-	1,009	1,015
Malaysia	-	-	30,082	26,950
	82,870	104,786	91,573	74,347

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 2024

30 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:

	2024	Group
	S\$'000	2023
		S\$'000
Prefabrication segment – 3 (2023: 3) external customers		
- Customer 1	11,348	-
- Customer 2	11,324	20,622
- Customer 3	10,786	-
- Customer 4	-	28,709
- Customer 5	-	27,034
	33,458	76,365

31 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 12).
- 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 12). 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 34.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31 Leases (cont'd)

(a) The Group as A Lessee (cont'd)

Nature of the Group's leasing activities - 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	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Classified within property, plant and equipment				
Leasehold land and building	4,611	5,182	62	250
Motor vehicles	680	369	179	229
Plant and equipment	101	113	-	-
	5,392	5,664	241	479
Additions to right-of-use assets	1,684	885	-	255
Amounts recognised in profit or loss				
Depreciation charge for the financial year				
Leasehold land and building	1,671	1,521	187	186
Motor vehicles	159	87	51	26
Plant and equipment	52	56	-	-
	1,882	1,664	238	212
Lease expense not included in the measurement of lease liabilities				
Lease expense - short-term leases	156	105	-	-
Lease expense - low value assets leases	8	10	1	1
Total (Note 9)	164	115	1	1

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31 Leases (cont'd)

(a) The Group as A Lessee (cont'd)

Nature of the Group's leasing activities - Group as a lessee (cont'd)

Information about leases for which the Group is a lessee is presented below: (cont'd)

Carrying amount of right-of-use assets (cont'd)

The carrying amount of right-of-use assets are as follows: (cont'd)

	Group		Company	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Amounts recognised in profit or loss (cont'd)				
Lease expense not included in the measurement of lease liabilities (cont'd)				
Interest expense on lease liabilities	40	63	13	17

During the financial year, total cash flows for leases amounted to S\$732,000 (2023: S\$1,020,000).

Future cash outflow which are not capitalised in lease liabilities

Extension options

Each of the leases of leasehold land contains 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 2024

31 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 13.

The Group leased out its dormitory to foreign workers for monthly lease payments. Rental income from dormitory is disclosed in Note 7.

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

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	
	2024	2023
	S\$'000	S\$'000
Less than one year	377	622
1 to 2 years	2,194	273
Total undiscounted lease payments	2,571	895

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32 Contingent Liabilities

Financial guarantees

	Company	
	2024	2023
	S\$'000	S\$'000
Guarantees issued for banking facilities granted to subsidiary companies	137,486	131,765
Amounts of banking facilities utilised by subsidiary companies	37,310	54,733

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 2024 and 31 December 2023.

33 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	
	2024	2023
	S\$'000	S\$'000
Maintenance fee charged by a related party	11	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 15.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

33 Related Party Transactions (cont'd)

(b) Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	Group	
	2024	2023
	S\$'000	S\$'000
Directors of the Company:		
- Short-term employee benefits	2,558	2,193
- Contribution to defined contribution plans	39	35
- Directors' fees	104	98
	2,701	2,326
Other key management personnel:		
- Short-term employee benefits	1,295	1,190
- Contribution to defined contribution plans	39	34
	1,334	1,224
	4,035	3,550

In addition, benefits in kind amounting to S\$35,000 (2023: S\$37,000) are in respect of motor vehicles used by the directors and key management of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments

(a) Categories of financial instruments

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

	Group		Company	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets:</u>				
Financial assets carried at cost	-	-	31,831	31,584
Financial assets at amortised cost	49,452	54,864	22,963	16,131
Financial assets at fair value through profit or loss	466	466	-	-
Financial assets at fair value through other comprehensive income	9	9	9	9
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	63,202	82,525	36,311	33,428

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

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.

(i) 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 Malaysia Ringgit ("MYR"). 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.

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 S\$'000	AUD S\$'000	CNY S\$'000	MYR S\$'000
2024				
Cash and cash equivalents	2,513	11,433	3,337	111
Trade and other receivables	-	-	-	4,072
Bank borrowings	-	-	-	(919)
Trade and other payables	-	-	(203)	(20,036)
Net financial assets/(liabilities) denominated in foreign currencies	2,512	11,433	3,133	(16,772)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(i) Foreign currency risk (cont'd)

	GBP S\$'000	AUD S\$'000	CNY S\$'000	MYR S\$'000
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	<u>2,903</u>	<u>11,450</u>	<u>(2,157)</u>	<u>(14,692)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(i) Foreign currency risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the GBP, AUD, CNY and MYR 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	
	2024	2023
	S\$'000	S\$'000
GBP/SGD		
- Strengthened 5% (2023: 5%)	104	120
- Weakened 5% (2023: 5%)	(104)	(120)
AUD/SGD		
- Strengthened 5% (2023: 5%)	474	475
- Weakened 5% (2023: 5%)	(474)	(475)
CNY/SGD		
- Strengthened 5% (2023: 5%)	130	(90)
- Weakened 5% (2023: 5%)	(130)	90
MYR/SGD		
- Strengthened 5% (2023: 5%)	(696)	(610)
- Weakened 5% (2023: 5%)	696	610

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(ii) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(ii) Credit risk (cont'd)

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;

Significant increase in credit risk (cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(ii) Credit risk (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(ii) Credit risk (cont'd)

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 28% (2023: 35%) of the Group's trade receivables were due from 3 (2023: 3) 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 S\$54,257,000 (2023: S\$47,457,000) which represented 99% (2023: 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 32.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(ii) Credit risk (cont'd)

Estimation techniques and significant assumptions (cont'd)

Movements in credit loss allowance are as follows:

	Trade receivables and contract assets S\$'000	Other financial asset at amortised cost S\$'000	Total S\$'000
Group			
2024			
Balance at 1 January	21,502	-	21,502
Loss allowance recognised:			
Lifetime ECL			
- Simplified approach	8,278	-	8,278
Balance at 31 December	29,780	-	29,780
2023			
Balance at 1 January	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	21,502	-	21,502
Company			
2024			
Balance at 1 January	-	27,513	27,513
Reversal of allowance	-	(4,901)	(4,901)
Balance at 31 December	-	22,612	22,612
2023			
Balance at 1 January	-	28,802	28,802
Reversal of allowance	-	(1,289)	(1,289)
Balance at 31 December	-	27,513	27,513

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(ii) Credit risk (cont'd)

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.

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 →			Total
		0 to 6 months	6 to 12 months	More than 1 year	
Group					
2024					
Expected loss rate	3.12%	41.53%	48.49%	90.21%	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross receivables and contract assets	11,537	17,585	1,060	23,946	54,128
Loss allowance	360	7,304	514	21,602	29,780

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(ii) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

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: (cont'd)

	Not past due	Past due			Total
		0 to 6 months	6 to 12 months	More than 1 year	
Group (cont'd)					
2023					
Expected loss rate	6.48%	27.52%	60.21%	80.85%	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'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

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):

	ECL	Gross carrying amount S\$'000	Loss Allowance S\$'000	Net carrying amount S\$'000
Group				
2024				
Other receivables	Lifetime ECL	727	-	727
Cash and cash equivalents with financial institutions	N.A. Exposure limited	25,563	-	25,563

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(ii) Credit risk (cont'd)

Other financial assets at amortised cost (cont'd)

	ECL	Gross carrying amount S\$'000	Loss Allowance S\$'000	Net carrying amount S\$'000
Group (cont'd)				
2023				
Other receivables	Lifetime ECL	1,136	-	1,136
Cash and cash equivalents with financial institutions	N.A. Exposure limited	25,354	-	25,354
Company				
2024				
Amounts due from subsidiary companies	Lifetime ECL	45,038	(22,612)	22,426
Cash and cash equivalents with financial institutions	N.A. Exposure limited	523	-	523
2023				
Amounts due from subsidiary companies	Lifetime ECL	43,386	(27,513)	15,873
Cash and cash equivalents with financial institutions	N.A. Exposure limited	253	-	253

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(ii) Credit risk (cont'd)

Amounts due from subsidiary companies

The Company has amounts due from subsidiary companies of S\$22,426,000 (2023: S\$15,873,000). 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.

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.

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(iii) Interest rate risk (cont'd)

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 (2023: 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 S\$137,000 (2023: S\$254,000) as a result of higher/lower interest expense on these borrowings.

(iv) 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.

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 S\$'000	1 to 5 years S\$'000	Total S\$'000
Group			
2024			
Trade payables	15,939	-	15,939
Other payables	9,056	-	9,056
Borrowings	10,891	26,419	37,310
Lease liabilities	273	1,789	2,062
	36,159	28,208	64,367

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(iv) 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 S\$'000	1 to 5 years S\$'000	Total S\$'000
Group (cont'd)			
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
Company			
2024			
Other payables	15,939	-	15,939
Lease liabilities	34	151	185
Financial guarantee contracts (Note 32)	10,891	26,419	37,310
	26,864	26,570	53,434
2023			
Other payables	33,025	-	33,025
Lease liabilities	236	192	428
Financial guarantee contracts (Note 32)	25,752	28,981	54,733
	59,013	29,173	88,186

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 2024

34 Financial Instruments (cont'd)

(b) Financial Risk Management Objectives and Policies (cont'd)

(v) 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.

35 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 2024

35 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 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group				
2024				
<u>Financial assets</u>				
<u>FVOCI</u>				
- Quoted equity securities	9	-	-	9
<u>FVTPL</u>				
- Insurance asset	-	466	-	466
<u>Non-financial assets</u>				
<u>Investment properties</u>				
- Freehold properties	-	-	40,762	40,762
- Leasehold properties	-	-	1,010	1,010
Total non-financial assets	-	-	41,772	41,772
2023				
<u>Financial assets</u>				
<u>FVOCI</u>				
- Quoted equity securities	9	-	-	9
<u>FVTPL</u>				
- Insurance asset	-	466	-	466
<u>Non-financial assets</u>				
<u>Investment properties</u>				
- Freehold properties	-	-	40,442	40,442
- Leasehold properties	-	-	1,015	1,015
Total non-financial assets	-	-	41,457	41,457

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

35 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 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Company				
2024				
Financial assets				
FVOCI				
- Quoted equity securities	9	-	-	9
2023				
Financial assets				
FVOCI				
- Quoted equity securities	9	-	-	9

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.

Insurance asset

The basis of determining fair values for measurement at the end of the reporting period is disclosed in Note 16.

Investment properties

The basis of determining fair values for measurement at the end of the reporting period is disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

35 Fair Value of Assets and Liabilities (cont'd)

- (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 15 and 24 respectively.

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.

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.

- (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:

	2024	2023
	S\$'000	S\$'000
Balance at beginning of financial year	41,457	40,905
Fair value gain recognised in profit or loss	315	552
Balance at end of financial year	41,772	41,457
Total gains for the financial year included in:		
<i>Profit or loss:</i>		
Other income		
- Fair value gain on investment properties	315	552

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

35 Fair Value of Assets and Liabilities (cont'd)

(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.

36 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 2024 and 31 December 2023.

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	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Borrowings	37,988	55,033	185	403
Trade payables	15,939	20,509	-	-
Other payables	9,299	7,207	36,126	33,025
Cash and cash equivalents	(25,563)	(25,354)	(523)	(253)
Net debts	37,663	57,395	35,788	33,175
Total equity	86,308	71,669	51,365	47,744
Capital and net debts	123,970	129,064	87,153	80,919
Gearing ratio	70%	56%	59%	41%

STATISTICS OF SHAREHOLDINGS

As at 17 March 2025

Share Capital	:	S\$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	1,154	24.44	72,291	0.14
100 - 1,000	2,458	52.04	781,016	1.50
1,001 - 10,000	948	20.07	3,005,878	5.77
10,001 - 1,000,000	153	3.24	9,324,181	17.91
1,000,001 and above	10	0.21	38,883,571	74.68
TOTAL	4,723	100.00	52,066,937	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	HOR KEW HOLDINGS PTE LTD	17,093,821	32.83
2	CITIBANK NOMINEES SINGAPORE PTE LTD	5,428,431	10.43
3	AW SOON HWEE	3,327,746	6.39
4	DBS NOMINEES (PRIVATE) LIMITED	2,664,599	5.12
5	DB NOMINEES (SINGAPORE) PTE LTD	2,550,337	4.90
6	AW YUE YING ELISE	2,234,184	4.29
7	NG LINGLING DAWN (HUANG LINGLING DAWN)	1,801,017	3.46
8	PHILLIP SECURITIES PTE LTD	1,524,552	2.93
9	AW CHI-KEN BENJAMIN (HU ZHIQING)	1,133,545	2.18
10	AW LAY SIM	1,125,339	2.16
11	GOH GUAN SIONG (WU YUANXIANG)	990,500	1.90
12	AW YING YING ELICIA	611,625	1.17

STATISTICS OF SHAREHOLDINGS

As at 17 March 2025

NO.	NAME	NO. OF SHARES	%
13	TAN ENG CHUA EDWIN	575,466	1.11
14	AW LAY TIN	433,955	0.83
15	KHO CHUAN THYE PATRICK	405,333	0.78
16	AW XIAOYING ELEANOR	358,093	0.69
17	KUEK TONG AU	331,500	0.64
18	AW GEOK MUI	264,759	0.51
19	AW LAY CHOO	264,759	0.51
20	GOH TECK HEONG PETER	250,000	0.48
	TOTAL	43,369,561	83.31

PERCENTAGE OF SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 17 March 2025, 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 17 March 2025 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 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 Leng Hwee (deceased) is 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-Sixth 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 Wednesday, 30 April 2025 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 2024 together with the Independent Auditor’s Report thereon. | Resolution 1 |
| 2 | To declare a first and final tax exempt (one-tier) dividend of 3 Singapore cents per ordinary share for the financial year ended 31 December 2024. | Resolution 2 |
| 3 | To re-elect Ms Elicia Aw Ying Ying in accordance with Article 91 of the Constitution of the Company, as Director of the Company. | Resolution 3 |
| 4 | To re-elect Mr Hawazi Bin Daipi in accordance with Article 97 of the Constitution of the Company, as Director of the Company. | Resolution 4 |
| 5 | To re-elect Mr Colin Lee Chia Sin in accordance with Article 97 of the Constitution of the Company, as Director of the Company. | Resolution 5 |
| 6 | To re-elect Mr Ronnie Wai Chee Leong in accordance with Article 97 of the Constitution of the Company, as Director of the Company. | Resolution 6 |
| 7 | To approve the payment of Directors’ fees of S\$103,833 for the financial year ended 31 December 2024 (2023: S\$97,500). | Resolution 7 |
| 8 | To re-appoint Moore Stephens LLP as Independent Auditor of the Company and to authorise the Directors to fix its remuneration. | Resolution 8 |
| 9 | To transact any other ordinary business that may be transacted at an Annual General Meeting. | |

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

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

Resolution 9

That pursuant to Section 161 of the Companies Act 1967 and the listing rules of the Singapore Exchange Securities Trading Limited (“**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
- (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);

NOTICE OF ANNUAL GENERAL MEETING

- (b) (subject to such manner of calculation as may be prescribed by 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 Manual; and
 - (iii) any subsequent bonus issue, consolidation or sub-division of Shares;

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 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note on Special Business to be transacted:

The proposed Ordinary Resolution 9, 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.

Notes:

1. The members of the Company are invited to attend physically at the Twenty-Sixth Annual General Meeting (“**AGM**”). There will be no option for shareholders to participate virtually. Printed copies of this Notice of AGM and the Proxy Form will be sent to the members. The electronic copies of the Notice of AGM, Proxy Form and the Annual Report 2024 are made available to members 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 5.00 p.m. on 17 April 2025, 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.

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.

NOTICE OF ANNUAL GENERAL MEETING

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.

“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 36 Robinson Road, City House #20-01, Singapore 068877;
 - (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 2025, 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 22 April 2025:
- (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 9.00 a.m. 26 April 2025.

NOTICE OF ANNUAL GENERAL MEETING

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.

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

PROXY FORM Annual General Meeting

IMPORTANT:

- For investors who have used their CPF/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 purported to be used by them.
- CPF/SRS investors may attend and cast their vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their respective CPF Agent Banks and/or SRS Operators to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

I/We, _____ (Name) _____ (NRIC/Passport/Co Reg 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 and to vote for me/us 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 Wednesday, 30 April 2025 at 9.00 a.m. and at any adjournment thereof. I/we direct my/our proxy/proxies to vote for or against or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. In the absence of specific directions, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the AGM and/or at any adjournment thereof.

No.	RESOLUTIONS RELATING TO:	FOR	AGAINST	ABSTAIN
Ordinary Business				
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2024			
2	Payment of a first and final dividend for the financial year ended 31 December 2024			
3	Re-election of Ms Elicia Aw Ying Ying as Director			
4	Re-election of Mr Hawazi Bin Daipi as Director			
5	Re-election of Mr Colin Lee Chia Sin as Director			
6	Re-election of Mr Ronnie Wai Chee Leong as Director			
7	Approval of Directors' fees for the year ended 31 December 2024			
8	Re-appointment of Moore Stephens LLP as Auditor			
Special Business				
9	Authority to Directors to issue shares and/or convertible securities			

Voting on all the Resolutions proposed at the AGM will be conducted by poll. Please indicate your votes "For" or "Against" or "Abstain" the relevant Resolution with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not to be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2025

Total number of shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

Signature of Individual Shareholder/
Common Seal of Corporate Shareholder



Notes:

1. A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote on his/her behalf at the AGM.
2. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's opinion to treat this proxy form as invalid.
3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each such 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 proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore
4. A proxy need not be a member of the Company.
5. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register, you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.

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Please
affix
postage
stamp

The Share Registrar for
Hor Kew Corporation Limited
In.Corp Corporate Services Pte. Ltd.
36 Robinson Road
City House #20-01
Singapore 068877

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6. The instrument appointing a proxy must:
 - (a) if sent personally or by post, be lodged at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, City House #20-01, Singapore 068877; or
 - (b) if submitted by email, be received by the Company at michael_soh@horkew.com.sg.in either case, by 9.00 a.m. on 28 April 2025 (being not less than forty-eight (48) hours before the time appointed for holding the Meeting) (or at any adjournment thereof) and in default, the instrument of proxy shall not be treated as valid.
7. The proxy form must be under the hand of the appointor 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 common seal or under the hand of its attorney or a duly authorised officer.
8. Where the proxy form is signed on behalf of the appointor by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form shall be treated as invalid.
9. The Company shall be entitled to reject this instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By attending the AGM and/or any adjournment thereof or 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 2025.



Hor Kew Corporation Limited

Company Reg No.: 199903415K

66 Kallang Pudding Road #07-01

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