Chuan Holdings Limited
川控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1420

ANNUAL REPORT
2024

* For identification purposes only

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Lim Kui Teng *(Chief Executive Officer)*
Mr. Phang Yew Kiat *(Chairman)*
(re-designated from a non-executive Director to an executive Director on 1 January 2024)
Mr. Bijay Joseph
Ms. Ong Sok Hun *(Chief Financial Officer)*
(appointed on 1 November 2024)

Independent Non-executive Directors

Mr. Wee Hian Eng Cyrus
Mr. Wong Ka Bo Jimmy
Mr. Xu Fenglei

AUDIT COMMITTEE

Mr. Wong Ka Bo Jimmy *(Chairman)*
Mr. Wee Hian Eng Cyrus
Mr. Xu Fenglei

NOMINATION COMMITTEE

Mr. Phang Yew Kiat *(Chairman)*
Mr. Wong Ka Bo Jimmy
Mr. Xu Fenglei

REMUNERATION COMMITTEE

Mr. Xu Fenglei *(Chairman)*
Mr. Lim Kui Teng
Mr. Wong Ka Bo Jimmy

COMPANY SECRETARY

Mr. Ho Kai Tak

AUTHORISED REPRESENTATIVES

Mr. Lim Kui Teng
Mr. Ho Kai Tak

AUDITOR

Ernst & Young LLP
Certified Public Accountant
One Raffles Quay, North Tower
Level 18, Singapore 048583

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 2102-03, 21/F, 299QRC
287-299 Queen's Road Central
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

20 Senoko Drive
Singapore 758207

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

LEGAL ADVISER

As to Hong Kong law
Chow & Ho, Solicitors
Rooms 2102-03, 21/F, 299QRC
287-299 Queen's Road Central
Hong Kong

PRINCIPAL BANKERS

Maybank Singapore Limited
DBS Bank Ltd (Singapore)
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Stock Code: 1420

COMPANY WEBSITE

www.chuanholdingsltd.com

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of Chuan Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**" or "**we**") for the last five financial years is set out below:

Highlights of Consolidated Statements of Comprehensive Income

	Year ended 31 December				
	2024	2023	2022	2021	2020
	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue	**143,750**	120,832	88,605	85,416	72,401
Gross profit/(loss)	**18,959**	8,592	6,198	4,337	(4,074)
Profit/(loss) before income tax	**11,220**	4,557	2,436	1,847	(8,959)
Net profit/(loss) attributable to owners of the Company	**8,141**	3,245	1,723	1,500	(8,369)
Total comprehensive income/(loss) for the year attributable to owners of the Company	**8,119**	3,245	2,193	1,456	(8,694)
Earnings/(loss) per share					
– basic (S cents) [1]	**0.64**	0.31	0.17	0.14	(0.81)
– diluted (S cents) [1]	**0.61**	0.29	0.15	0.13	(0.81)

Highlights of Consolidated Statements of Financial Position

	As at 31 December				
	2024	2023	2022	2021	2020
	S$'000	S$'000	S$'000	S$'000	S$'000
Assets					
Non-current assets	**106,440**	45,214	32,481	33,299	25,321
Current assets	**85,059**	76,471	78,054	78,541	96,788
Total assets	**191,499**	121,685	110,535	111,840	122,109
Liabilities					
Non-current liabilities	**37,338**	3,522	3,085	5,732	10,259
Current liabilities	**51,013**	26,075	18,667	19,601	27,034
Total liabilities	**88,351**	29,597	21,752	25,333	37,293
Total equity	**103,148**	92,088	88,783	86,507	84,816
Net assets per share (S cents) [2]	**8.16**	8.88	8.57	8.35	8.18

FIVE YEARS FINANCIAL SUMMARY

Key Financial Ratios

	Year ended 31 December				
	2024	2023	2022	2021	2020
Current ratio (times)	**1.7**	2.9	4.2	4.0	3.6
Gearing ratio (times)	**0.5**	0.1	0.1	0.1	0.2
Gross profit/(loss) margin (%)	**13.2%**	7.1%	7.0%	5.1%	(5.6%)
Profit/(loss) for the year margin (%)	**5.7%**	2.7%	1.9%	1.8%	(11.6%)
Return/(loss) on equity (%)	**7.9%**	3.5%	1.9%	1.4%	(9.9%)

Notes:

(1) The calculation of basic earnings per share is based on the profit attributable to owners of the Company and on the weighted average number of ordinary shares (the "**Shares**") of HK$0.01 each in the share capital of the Company in issue. The weighted average number of Shares for the financial year ended 31 December 2020 to 2023 and 2024 was 1,036,456,000 and 1,263,427,200 respectively. The weighted average number of Shares adjusted for the effects of dilution from the Group's share options for the financial year ended 31 December 2021, 2022 to 2023 and 2024 was 1,126,044,000, 1,136,408,000 and 1,342,651,200 respectively. There was no dilutive effect on the impact of the exercise of the share options as they were anti-dilutive during the financial year ended 31 December 2020.

(2) Net assets per share is calculated by dividing net assets by the number of Shares in issue as at the respective year ends. As at 31 December 2020, 2021, 2022 and 2023, the number of Shares in issue was 1,036,456,000 Shares. As at 31 December 2024, the number of Shares in issue was 1,263,427,200 Shares as 228,019,200 Shares were allotted and issued and 1,048,000 Shares were repurchased and cancelled by the Company during the year ended 31 December 2024.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Director(s)**"), I am delighted to present the Group's annual report for the financial year ended 31 December 2024 (the "**Year**" or the "**Reporting Year**" or "**2024**").

EXCELLING THROUGH GLOBAL MARKET FLUCTUATIONS

In a testament to its inherent dynamism, the global economy demonstrated remarkable resilience throughout 2024, successfully navigating multifaceted macroeconomic challenges while adapting to fluid market conditions. Despite advanced European economies facing structural impediments and monetary policy constraints, and Asian markets showing measured economic moderation, Singapore distinguished itself with an exceptional performance among developed nations, propelled by robust contributions from its trade, financial and manufacturing sectors. The country's construction industry emerged as a key driver of the economy, energised by strategic infrastructure investments and a sustained pipeline of development initiatives. Capitalising on this favourable momentum, the Group delivered outstanding operational results through its comprehensive industry expertise, precise strategic execution and commanding market presence, ultimately reinforcing its position as a pre-eminent force in Singapore's construction market through an unwavering commitment to operational excellence and superior quality standards.

PIONEERING SUSTAINABLE BUSINESS EXPANSION

The Group passed a transformative milestone in 2024 with its strategic acquisition of the entire equity interest in Hulett Construction (S) Pte. Ltd. ("**Hulett Construction**"), a company incorporated in Singapore with limited liability which is now an indirectly wholly-owned subsidiary of the Company, (the "**Acquisition**") seamlessly executing comprehensive operational integration while securing critical, purpose-built accommodation infrastructure for foreign workforce deployment within the property held by Hulett Construction, which is situated at 20 Senoko Drive, Singapore 758207 (the "**Property**"). The strategic manoeuvre, complemented by a successful bid for a Singapore's Housing & Development Board ("**HDB**") operating tender of a foreign worker dormitory situated at 10A Eunos Road 1, Singapore 408523 (the "**Dormitory**"), established a robust recurring rental revenue stream, significantly strengthening the Group's financial foundations and operational resilience. This strategic momentum extended into sustainable development initiatives that were especially evident during the fourth quarter, with the commencement of solar panel infrastructure installation across dormitory facilities, exemplifying the Group's steadfast commitment to a low-carbon operational framework and environmental protection.

Leveraging its distinguished track record and unswerving dedication to excellence, the Group deftly navigated the recovering construction market through stringent adherence to safety protocols and quality standards, facilitating substantial portfolio expansion and unlocking diverse market opportunities. These strategic initiatives culminated in an exceptional financial performance, with revenue surging by approximately 19.0% to reach approximately S$143.7 million, while the Group's emphasis on superior project management, operational optimisation and solid client relationships yielded remarkable results – a leap of approximately 150.9% in net profit attributable to owners of the Company, reaching approximately S$8.1 million, accompanied by an impressive enhancement of approximately 120.7% in gross profit during the Reporting Year. The synergistic impact of strategic acquisitions, sustainable initiatives and operational excellence has positioned the Group advantageously for continued growth and market leadership.

CHAIRMAN'S STATEMENT

In a strategic response to Singapore's burgeoning infrastructure development initiatives, the Group substantially fortified its market position and further honed its technological prowess through the implementation of advanced construction methodologies and the cultivation of strategic alliances with leading enterprises. The Group's distinguished Singapore's Building and Construction Authority ("**BCA**") A2 contractor grading served as a cornerstone in enabling the Group to secure an impressive portfolio of large-scale public infrastructure projects characterised by enhanced profit margins and optimised financial performance. These ambitious undertakings encompass transformative developments commissioned by Singapore's most important statutory boards – including the Singapore's Land Transport Authority ("**LTA**"), HDB and Public Utilities Board ("**PUB**") – while the Group's technological innovation portfolio, incorporating Building Information Modelling ("**BIM**"), automated construction processes and sustainable building practices, has positioned it at the vanguard of Singapore's construction industry digitalisation efforts. Through a combination of exacting project execution, stringent quality control measures and an unwavering commitment to operational excellence, the Group demonstrated exceptional project acquisition capabilities and implemented robust tender strategies during the Reporting Year, securing a record 29 projects with an estimated combined contract value of approximately S$178.8 million, not only attesting to its growing influence in Singapore's infrastructure sector but also establishing a solid foundation for sustained growth, market leadership and value creation in high-margin public sector developments while also contributing significantly to the country's Smart Nation initiatives and sustainable urban development goals.

In its relentless pursuit of operational excellence and solid financial sustainability, the Group has strategically designed and deployed an advanced cost management ecosystem that maximises resource utilisation while maintaining strict adherence to exceptionally demanding quality parameters. The Group's judicious capital deployment in state-of-the-art, environmentally-conscious infrastructure – notably the deployment of Euro 6-compliant machinery and revolutionary automated noise barrier installation systems – have collectively achieved both remarkable operational synergies and systematic reductions in long-term operational costs. Its steadfast dedication to human capital enhancement, manifested through its multifaceted approach to talent management, includes sophisticated retention frameworks such as performance-based bonus reward schemes, accelerated professional development pathways and the strategic integration of advanced digitalisation and innovative prefabrication technologies, which synergistically align with its broader operational objectives. Distinguished as an industry trailblazer, the Group has revolutionised technical training paradigms, with particular emphasis on emergent technological frontiers. Central to this transformative initiative is the advanced drone operations training, enabling high-precision aerial monitoring of complex infrastructure projects and sophisticated surveillance of solar panel installations across diverse architectural landscapes. This strategic investment in workforce capabilities transcends conventional efficiency metrics, establishing the Group as a catalyst for technological innovation in contemporary infrastructure management and positioning it at the apex of industry evolution.

CHAIRMAN'S STATEMENT

Our commitment to sustainability is a fundamental pillar of our growth strategy, exemplifying our proactive approach to environmental protection and technological innovation. The Group has systematically implemented a comprehensive range of eco-friendly and innovative solutions throughout its operations, demonstrating leadership in sustainable practices through the strategic installation of high-efficiency solar panel arrays across its facilities. This initiative, synergistically combined with the groundbreaking deployment of advanced robotics and intelligent automation systems on a large-scale construction project, has not only revolutionised our operational efficiency and precision metrics, but has also propelled us significantly closer to our ambitious carbon-neutrality targets. The successful integration of these sustainable technologies, enhanced by our adoption of circular economy principles and waste reduction protocols, underscores our steadfast dedication to environmentally-conscious construction practices. Moreover, the Group's consistent adherence to global environmental standards – which it often surpasses – including ISO 14001 certification and alignment with the United Nations Sustainable Development Goals, reinforces its long-term commitment to environmental responsibility and positions the Group as a force for transformative change in the industry's journey towards a more sustainable, greener future.

REDEFINING OPERATIONAL EXCELLENCE FOR TOMORROW

Looking ahead, Singapore's economy boasts exceptional resilience and dynamic growth potential, underpinned by robust expansion across key industry sectors and the government's forward-looking policy framework, which supports digital transformation, sustainable development and strategic international partnerships. The construction sector, serving as a fundamental driver of national development and economic advances, is poised to capitalise on unprecedented opportunities arising from substantial infrastructure investments, including transformative public transportation networks, sustainable urban developments, healthcare facility expansions and innovative commercial complexes, all of which form an extensive pipeline of both public and private sector initiatives. The Group, leveraging its track record of technical excellence, innovative capabilities and unswerving commitment to sustainability, is strategically positioned to tap these emerging opportunities through its comprehensive array of competitive advantages, including cutting-edge construction methodologies, advanced digital technology integration, proven expertise in complex project execution and industry-leading sustainable practices, while maintaining robust risk management frameworks and talent development initiatives that collectively strengthen its market leadership and drive long-term value creation for all stakeholders in Singapore's dynamic economy.

Recognising the paramount role of innovation in maintaining competitive advantage, the Group continues to spearhead technological advances, leveraging cutting-edge solutions to elevate operational excellence across all business domains. Our strategic investment in state-of-the-art technologies demonstrates our absolute commitment to enhancing operational efficiency, quality assurance and safety protocols, ultimately driving sustainable profitability and stakeholder value. Building upon our established Design for Manufacture and Assembly ("**DfMA**") principles, which involve sophisticated off-site pre-casting of concrete and structural steel components seamlessly integrated into project execution, we are systematically expanding our technological capabilities across both forthcoming and existing projects. Our strategic technological integration not only ensures project optimisation, but also establishes a robust foundation for sustainable long-term growth. Furthermore, anchored by its foundational business ethos of "Think Green; Go Green", the Group makes good on its unequivocal commitment to environmental protection by embedding sustainable practices throughout its operational ecosystem, positioning itself as a trailblazer in the rapidly evolving eco-friendly market segment while setting new industry benchmarks for environmental responsibility and sustainable innovation.

CHAIRMAN'S STATEMENT

The successful integration of Hulett Construction is a testament to the Group's visionary business strategy, strategically penetrating the high-potential property investment sector while reinforcing its commitment to diversified growth trajectories. This forward-looking acquisition exemplifies our innovative approach to value creation, not only substantially augmenting our workforce accommodation capabilities, but also positioning us at the forefront of regulatory compliance and industry best practices. The strategic confluence of this integration with our landmark achievement in securing a prestigious HDB dormitory operating tender demonstrates our astute market foresight, establishing multiple sustainable revenue streams through recurring rental income while creating a robust platform for future scalability. Our pioneering approach to strategic growth, underpinned by sophisticated risk management protocols and tactical portfolio diversification, demonstrates our exceptional ability to anticipate market trends and capitalise on emerging opportunities before they fully materialise. This proactive positioning, combined with our proven expertise in executing complex integrations, not only reinforces our market leadership, but also sets the stage for accelerated expansion across the dynamic property investment landscape, ultimately delivering enhanced stakeholder value while positioning us as an innovative force in shaping the future of the sector.

As we embark upon the new financial year, the Group will fully harness its deep experience, diverse technical expertise, robust financial fundamentals and dynamic leadership capabilities to forge ahead in existing segments and launch new ventures. We are wholly committed to supporting the Singapore government's transformative vision, dedicating our resources and capabilities to collaborating with major public institutions in addressing both the opportunities and challenges presented by national infrastructure development and social well-being initiatives, contributing to the realisation of a better future for Singapore.

APPRECIATION

On behalf of the Board, I would like to extend my heartfelt gratitude to our exceptional management team and dedicated employees for their exemplary commitment, tireless efforts and significant contributions throughout the Year. We are immensely thankful to our esteemed business partners and stakeholders for their unwavering trust and support. Their confidence in our vision has been instrumental to our success. As the Group moves forward, we remain committed to embracing new opportunities, addressing challenges through innovative solutions and resilient leadership. We are determined to strengthen our position as an industry pioneer, setting new benchmarks for excellence and forward-thinking initiatives. Through our collective endeavours, we shall continue to foster sustainable growth and drive long-term success, ultimately generating enduring value for all our stakeholders.

Chuan Holdings Limited
Phang Yew Kiat
Chairman and Executive Director
28 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the Group's annual results for the year ended 31 December 2024, together with comparative figures for the year ended 31 December 2023.

INDUSTRY REVIEW

The global economy in 2024 was characterised by a complex mix of resilience and challenges, with worldwide growth reaching 3.1% amid persistent headwinds and evolving market dynamics. Although this figure fell short of initial projections, it demonstrated the world economy's fundamental strength in navigating multifaceted challenges. Regional economies diverged markedly, with advanced European economies recording modest 0.8% growth, reflecting structural impediments and monetary policy constraints, while key Asian markets experienced varying degrees of economic moderation.

Against this backdrop, Singapore emerged as a beacon of economic vitality, achieving an impressive 4.4% rate of growth, according to the Singapore's Ministry of Trade and Industry ("**MTI**"), substantially outperforming many developed economies. This robust performance was underpinned by strong showings in the trade, finance and manufacturing sectors, with the nation's strategic position as a global financial hub and its advanced technological infrastructure playing pivotal roles. The country's economic resilience was particularly noteworthy given the complex interplay of inflationary pressures, digital transformation imperatives and ongoing supply chain recalibrations. Singapore's ability to exceed initial growth projections while maintaining operational stability amid challenging global conditions underscores its sophisticated economic framework, adaptive policy mechanisms and strategic foresight in capitalising on emerging opportunities in the digital economy and sustainable development sectors.

Singapore's construction industry demonstrated remarkable vitality and resilience during 2024, achieving substantial real growth of 3.3%, underscoring its robust recovery and strategic importance to the country's economy. The sector's impressive performance was catalysed mainly by an unprecedented surge in construction contracts, which drove total construction demand to a record-breaking S$44.2 billion, significantly exceeding the BCA's revised mid-year forecast of S$35 billion. This exceptional growth trajectory was further highlighted by a 34.1% year-on-year increase in construction contract values during the first three quarters of the Year, complemented by an 8.2% year-on-year rise in progress payments, reflecting enhanced project execution efficiency and improved cash flow management across the industry. The sector's robust performance can be attributed to a confluence of factors, including accelerated public infrastructure development initiatives, sustained private sector investment in commercial and residential projects, and the successful implementation of industry transformation measures focusing on productivity enhancement and technological adoption. This remarkable growth not only demonstrates the sector's fundamental strength and adaptability, but also positions it as a crucial driver of Singapore's economic diversification strategy and sustainable urban development agenda, while providing a solid foundation for continued expansion in the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS

Singapore's construction landscape underwent a remarkable transformation in 2024, marked by the implementation of "Industry 5.0" technologies across several landmark infrastructure projects, as highlighted in a comprehensive joint report by construction-focused software supplier Autodesk and Deloitte. The ambitious Changi Airport Terminal 5 development, covering around 1,080 hectares, demonstrated unprecedented technological integration, incorporating artificial intelligence ("**AI**")-driven construction management systems, autonomous construction vehicles and advanced BIM solutions to optimise the projected S$10 billion development. The Cross Island Mass Rapid Transit Line – Singapore's longest fully underground line, stretching 50 kilometres and featuring 12 interchange stations – showcased cutting-edge tunnelling technologies and digital-twin implementations for precise underground construction monitoring. The Marina Bay Sands expansion project, valued at S$4.5 billion, utilised revolutionary prefabrication techniques and smart construction methodologies to advance the development of its new luxury hotel tower and state-of-the-art entertainment facilities. These megaprojects were complemented by extensive public housing initiatives, including the ambitious development of the Greater Southern Waterfront and the Paya Lebar Air Base redevelopment, which leveraged the newly introduced CORENET X platform – a groundbreaking digital ecosystem that will be mandatory for projects exceeding 30,000 square meters from October 2025. The platform's integration, coupled with streamlined regulatory processes achieving a 20% reduction in project approval times, have revolutionised project execution efficiency. This technological renaissance was further supported by strategic government initiatives, including enhanced Productivity Solutions Grants and flexible Additional Buyer's Stamp Duty policies, establishing Singapore as a global leader in construction innovation and sustainable urban development, while the successful implementation of its super-scale projects stands as a testament to the country's commitment to building a future-ready, sustainable cityscape.

Property investment in Singapore demonstrated remarkable resilience and growth in 2024, with total investment sales reaching S$26.6 billion, a substantial 32.5% increase from the previous year. The private residential market maintained steady momentum, registering moderate 1.4% price growth during the first quarter, albeit a slower pace of expansion than the preceding quarter's 2.8% rise. Notably, the landed property segment performed consistently, with 2.6% price appreciation during the first quarter of 2024, easing from the preceding quarter's 4.6% increase. Market stability was supported by balanced regulatory oversight, pragmatic government policies and Singapore's established reputation as a reliable investment destination. In the commercial sector, grade-A office spaces maintained healthy occupancy rates, despite global economic headwinds, while the industrial property segment experienced steady demand, driven by the expansion of digital economy and logistics sectors. The property market's performance reflects Singapore's continued appeal as an investment destination in the Asia-Pacific region, attracting sustained interest from international investors across both the commercial and residential segments within the framework of existing market regulations. This measured growth pattern is evidence of a well-regulated market environment that balances development opportunities with sustainable long-term objectives.

MANAGEMENT DISCUSSION AND ANALYSIS

Singapore's labour market exhibited notable stability and adaptability throughout 2024, particularly through its strategic integration of AI across diverse economic sectors. The employment market added 45,500 positions, a strategic realignment following 78,800 in 2023 that reflected calculated market evolution concurrent with the accelerated adoption of AI and automation. The consistent unemployment rate of just 1.9% underscored Singapore's proficiency in managing workforce transitions during this period of technological advances, ensuring minimal employment disruption. Singapore's systematic approach to AI integration has been distinguished by comprehensive reskilling initiatives emphasising core competencies in AI literacy, machine learning applications and advanced data analytics. Central to this transformation has been the government's National AI Strategy 2.0, which has established a robust framework supporting organisational AI adoption while safeguarding workforce interests through targeted training programmes and implementation incentives. The deployment of sophisticated, AI-driven platforms incorporating intelligent job-matching systems, workforce analytics and skills assessment mechanisms has fostered a harmonious balance between technological progress and market stability. Singapore's strategic investment in cross-sector AI capabilities, complemented by forward-thinking labour policies, exemplifies a balanced trajectory towards technological advances and sustainable employment. This systematic integration of AI and preservation of employment stability establishes Singapore as a global exemplar in successful technological adoption in workforce development, illustrating the synergies achievable by combining innovation and employment security in contemporary economies.

The Group has demonstrated considerable strategic acumen in navigating Singapore's reinvigorated construction landscape, employing a sophisticated, multifaceted approach to operational excellence and market leadership. Through its use of advanced market analytics and real-time intelligence platforms, the Group has maintained exceptional responsiveness to industry dynamics, while simultaneously fortifying its market position through precision-based resource deployment and risk-calibrated decision-making protocols. The Group's operational agility is augmented by substantial investments in its digital transformation, facilitating swift adaptations to market changes and capitalising on emerging opportunities across diverse construction verticals. This dynamic operational framework, coupled with rigorous quality assurance systems and innovative project management methodologies, has not only consolidated the Group's market prominence, but has also established new benchmarks for industry excellence.

OVERALL PERFORMANCE

With an illustrious heritage spanning more than two decades, the Group has established itself as one of Singapore's most pre-eminent and trusted earthworks contractors, known for its unwavering pursuit of excellence in every undertaking. The Group's enviable reputation is a product of its consistent execution of time-sensitive, dependable, premium-calibre services, anchored by a firm dedication to ethical business practices and exceptional craftsmanship. A steadfast commitment to safety protocols and regulatory adherence is at the very core of the Group's operational ethos, demonstrating its laser focus on maintaining superlative industry standards throughout its project portfolio. Through meticulous attention to detail, adherence to stringent quality protocols, and the relentless pursuit of operational excellence, the Group continues to set industry benchmarks while fostering enduring client relationships built on trust and demonstrated competence.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Year, the global economy saw measured growth amid a complex interplay of challenges and resilience. Singapore demonstrated remarkable economic vitality, achieving substantial expansion driven by a very strong performance in its trade, financial services and manufacturing sectors – a testament to its established position as a premier global financial centre and the sophistication of its technological infrastructure. The country's construction sector, in particular, achieved robust growth and demonstrated operational resilience, underscoring a compelling recovery narrative and reinforcing its pivotal role in Singapore's economy. The strategic convergence of these developments, coupled with Singapore's sustained competitive advantages in key sectors, reflects the country's ability to navigate complex market dynamics while maintaining its growth momentum.

The Group's strategic emphasis on pursuing large-scale infrastructure projects and optimising operational efficiency has yielded substantial returns, as demonstrated by its robust financial performance during the Reporting Year. This success has been further amplified by opportunities emerging from the resurgence in construction activity. In strengthening its competitive position within Singapore's expanding construction landscape, the Group has implemented a comprehensive suite of strategic initiatives, including competitive bid pricing, a strategic reduction in subcontractor dependency, the enhanced utilisation of in-house expertise and resources, the creation of rigorous post-project evaluation frameworks, and the integration of analytics-driven insights for strategic tender pricing. The Group's dedication to nurturing collaborative partnerships with clients has strengthened relationships and produced superior project deliverables. Its strategic approach culminated in the Group generating revenue of approximately S$143.8 million during the Reporting Year, representing a significant year-on-year increase of approximately 19.0%. Diversifying its operations, the Group ventured into the property investment sector, yielding revenue of approximately S$7.1 million, which accounted for approximately 4.9% of the Group's total revenue. The earthworks and ancillary services segment played a significant role in this substantial revenue growth, with segment revenue climbing to approximately S$97.4 million during the Reporting Year, up from approximately S$84.4 million as of 31 December 2023. This performance testifies to the efficacy of the Group's strategic initiatives and demonstrates its proficiency in leveraging market opportunities while sustaining operational excellence.

Confronted with mounting operational challenges – particularly rising labour and material costs – the Group executed a sophisticated suite of cost optimisation measures that demonstrated its operational agility and strategic foresight. Its four-pronged approach saw the deployment of advanced workforce productivity protocols, the integration of cutting-edge digital infrastructure solutions, the adoption of innovative prefabricated construction technologies, and targeted investments in workforce development programmes. This multi-dimensional approach, synergised with enhanced revenue generation from the high-margin general construction works segment, delivered an outstanding financial performance. The Group recorded a gross profit of approximately S$19.0 million and a net profit attributable to owners of the Company of approximately S$8.1 million, representing remarkable year-on-year growth of approximately 120.7% and 150.9%, respectively. The Group's financial strength was further reinforced by substantial improvements in key performance indicators ("**KPIs**"), with its gross profit margin rose to approximately 13.2% from approximately 7.1% for the previous year, and its net profit margin grew to approximately 5.7% from approximately 2.7%, showing clearly the effectiveness of the Group's strategic initiatives and demonstrating its ability to maximise value creation despite challenging market conditions.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Year, the Group leveraged its formidable industry reputation and professional expertise to secure an impressive portfolio of 29 projects, notably Electrical Substation at Jurong Pier Road, awarded by SP PowerAssets Limited with a contract value of approximately S$52.6 million across critical fields including public infrastructure initiatives, residential developments and industrial complexes. This significant achievement was augmented by the Group's attainment of prestigious A2-grade contractor status under BCA, a coveted certification in both civil engineering and general building segments that has markedly enhanced the Group's ability to undertake and execute large-scale, high-value projects. The quality of the Group's exceptional project portfolio was highlighted by two landmark achievements: the innovative design and construction of noise barriers commissioned by LTA and the comprehensive infrastructure development in Toa Payoh West awarded by HDB. These prestigious project acquisitions not only showcase the Group's technical prowess and project execution excellence, but also cement its strategic market position, underscoring its capacity to deliver complex, high-profile projects while maintaining robust long-term profitability and strengthening its leadership position in Singapore's dynamic construction sector.

The Group is strategically positioned to capitalise on the continuously evolving opportunities in Singapore's property investment market, with an emphasis on harnessing opportunities across the residential and commercial sectors while reinforcing its dedication to sustainable development through advanced construction productivity initiatives. Drawing upon its considerable expertise, the Group has established a strategic focus on the resilient landed property segment and the premium grade-A office market, which continues to demonstrate remarkably stable occupancy rates despite global economic uncertainties. The Group's strategic approach is neatly aligned with Singapore's well-regulated market and pragmatic government policies, ensuring optimal returns while effectively managing investment risks. A cornerstone of the Group's operational development is its implementation of DfMA technologies, exemplified by its state-of-the-art off-site pre-casting of concrete and structural steel components. This technological integration, coupled with the Group's deep market intelligence, facilitates its precise identification of value-generating opportunities across the residential, commercial and industrial segments, with a particular focus on areas benefitting from the burgeoning digital economy and logistics industries. The Group's commitment to excellence is further demonstrated by its implementation of comprehensive training programmes and strategic initiatives, including sophisticated tender pricing strategies, the increased adoption of prefabrication and modular construction techniques, strategic investments in advanced machinery and equipment such as automated noise barrier installers, and the enhanced utilisation of BIM for superior project planning, coordination and team communication. By bringing together the best of local market expertise, international investment standards and cutting-edge construction methodologies, the Group is well-positioned to deliver exceptional stakeholder value while contributing significantly to Singapore's ongoing evolution as a premier investment hub in the Asia-Pacific region, all while maintaining its commitment to sustainable, efficient construction practices.

In alignment with Singapore's buoyant construction sector outlook, the Group has strategically diversified into property redevelopment initiatives, fortifying its market presence while implementing comprehensive risk mitigation measures. Leveraging its acclaimed project management capabilities, coupled with the expertise of its tender evaluation team and extensive operational resources, the Group is in an advantageous position to pursue and secure significant infrastructure development opportunities. This strategic trajectory not only reinforces the Group's established market leadership, but also ensures sustainable long-term growth in the dynamic construction industry, positioning it for continued success in executing complex, high-value projects that contribute to Singapore's infrastructure development.

Earthworks and Ancillary Services

During the Reporting Year, the earthworks and ancillary services segment remained the Group's core revenue generator, demonstrating its continued strategic centrality to the Group's operational portfolio. The segment contributed approximately 67.8% to total revenue, amounting to approximately S$97.4 million and representing an approximately 15.4% increase from approximately S$84.4 million recorded in the financial year ended 31 December 2023. This revenue enhancement is attributable mainly to the Group's exemplary project execution and robust delivery capabilities, which are strategically aligned with the sustained recovery and stabilisation of Singapore's construction sector.

As of 31 December 2024, the Group was engaged in a total of 72 ongoing earthworks and ancillary services projects. During the Reporting Year, it successfully secured 26 new projects in the segment with a total combined contract value of approximately S$122.0 million. The Group's achievement in securing these significant public infrastructure projects reflects its sophisticated tender strategy and agile market responsiveness. This success underscores the Group's enhanced competitive positioning and its ability to identify and capture high-value opportunities in the infrastructure development market, particularly projects offering superior profit margins and strategic growth potential.

General Construction Works

The general construction works segment generated revenue of approximately S$39.2 million during the Reporting Year, marking a strategic increase from approximately S$36.4 million as of 31 December 2023. This positive revenue growth reflects the Group's successful execution of high-value projects and enhanced operational efficiency. The growth is primarily attributed to the successful completion of several significant milestones across major projects, optimised resource utilisation, and the Group's ability to secure premium contracts in the country's vibrant construction landscape. Such revenue pattern exemplifies the segment's advanced operational model, wherein project lifecycles and completion benchmarks are meticulously orchestrated to maximise financial performance across the Reporting Year. The Group's commitment to excellence manifests through its disciplined approach to project selection and execution, implementing advanced project management methodologies that ensure optimal resource allocation while effectively managing the inherent revenue cyclicality of project-based operations.

Throughout the Reporting Year, the Group was engaged in 10 ongoing general construction works projects. It secured 3 new general construction works projects in 2024 with a total combined contract value of approximately S$56.8 million. The Group's proven track record of operational excellence, combined with its sophisticated market intelligence capabilities, has been instrumental in securing these significant contracts, driving substantial revenue growth in the segment.

Property Investment

During the Reporting Year, the Group achieved a transformative milestone through the Acquisition, a pivotal transaction that substantially enhanced both operational capabilities and financial position. The strategic acquisition was a multifaceted value proposition, facilitating comprehensive operational integration while securing purpose-built accommodation infrastructure for foreign workforce deployment, thereby achieving significant cost optimisation through the elimination of third-party housing dependencies. The Property's strategic utilisation model encompasses strategic surplus capacity leasing, generating stable recurring rental income and demonstrating the Group's commitment to efficient asset monetisation. The Acquisition has materially enhanced the Group's operational efficiency and expanded its revenue diversification strategy, capitalising on robust market demand for premium industrial spaces and worker accommodation facilities, ultimately contributing approximately S$7.1 million to the Group's consolidated revenue during June to December 2024.

The Property has emerged as a vital component within the Group's operational matrix, representing a seamless integration of corporate and operational capabilities. It exemplifies operational excellence through its comprehensive infrastructure matrix of advanced workforce accommodation solutions, expansive logistics facilities for the deployment of heavy equipment, and purpose-engineered production environments. This integrated operational hub stands as a testament to the Group's commitment to ongoing operational development and infrastructure optimisation, producing a synergistic environment that enhances operational efficiency and productivity. The transition to full property ownership represents a pivotal shift in the Group's operational model, yielding immediate and substantial operational cost optimisation while significantly enhancing its strategic agility. The Group's strategic control over its key infrastructure assets positions it advantageously for future expansion initiatives and operational scaling. The Property's prime location and comprehensive infrastructure ecosystem establish a formidable foundation for operational excellence and market leadership. Moreover, the Property's revenue-generating capabilities, strategically activated through selective tenancy arrangements, contribute to a robust financial architecture that reinforces the Group's market resilience and accelerates its growth trajectory.

PROSPECTS

The global economic outlook is nuanced yet promising, with International Monetary Fund projections indicating a 3.3% expansion for 2025-26. Although this growth rate falls marginally below historical averages, it underscores the remarkable adaptability and resilience of the global economic system amid prevailing macroeconomic challenges and geopolitical complexities. The contemporary economic landscape is characterised by a matrix of interconnected dynamics involving evolutionary shifts in labour paradigms, accelerated technological transformation and an increasingly high-stakes geopolitical discourse that continues to alter the parameters of international commerce and trade relations. Growth within this multifaceted environment demonstrates the global economy's capacity to maintain forward momentum while adapting to structural changes and emerging challenges.

Within this global context, Singapore's economic outlook is a compelling narrative of resilience and strategic adaptation. According to MTI, the country's economy is forecast to grow in the range of 1% to 3% in 2025, reflecting both a moderation in global economic growth and domestic economic strength. This growth trajectory is underpinned by the robust performance of key industries including electronics, aerospace, finance and information technology, and benefits from a sustained recovery in international tourism. The country's manufacturing and trade-related services sectors continue to serve as primary growth engines, demonstrating remarkable adaptability to global economic conditions. Furthermore, the government's forward-looking economic policies and strategic diversification initiatives effectively mitigate external pressures while fostering an ecosystem conducive to innovation and productivity enhancement across sectors, positioning Singapore advantageously within the evolving global economic landscape.

Singapore's construction sector shows robust growth potential for 2025, with BCA forecasting construction demand reaching S$35 billion to S$39 billion in real terms. This projection represents a significant increase of 0.3% to 11.7% from pre-pandemic levels, highlighting the sector's resilient recovery trajectory. Its growth is anchored by transformative infrastructure initiatives, including the landmark development of Changi Airport Terminal 5 and the strategic expansion of Marina Bay Sands, complemented by substantial investments in public housing, industrial developments, educational institutions, healthcare facilities and infrastructure enhancements. Construction output is expected to range from S$30 billion to S$32 billion in real terms, marginally exceeding 2019 levels. The sector's vitality is demonstrated further by the BCA's forecast of construction contract awards valued at S$47 billion to S$53 billion, representing a notable increase from 2024's estimated S$44.2 billion. The industry modernisation agenda is advancing rapidly with the mandated implementation of CORENET X, an advanced digital regulatory platform, a digital transformation initiative that will commence on 1 October 2025, initially focusing on large-scale projects before expanding to include all new construction projects by 1 October 2026. In addition, the sector is seeing increased adoption of sophisticated project management methodologies through NEC4 contract implementation, supported by enhanced contractual frameworks and comprehensive training programmes.

Leveraging its prestigious A2-grade BCA civil engineering and general building contractor status, the Group is strategically positioned to capitalise on emerging market opportunities. Central to its expansion strategy is the selective pursuit of high-value public sector projects that offer compelling profit margins while nurturing enduring client relationships across Singapore's construction market. The Group's technical sophistication is shown by its current engagement in the HDB's Toa Payoh West development project, where it manages complex civil engineering operations including canal diversion, sewer construction and ground improvement works. The Group's portfolio is further distinguished by successful collaborations with HDB on notable developments, including the Telok Blangah C1 project and Woodlands C1 projects, demonstrating its comprehensive project execution capabilities. The successful execution of these complex operations demonstrates the Group's project management excellence and technical capabilities, strengthening its ability to secure future contracts from key public sector entities, including HDB, PUB and Jurong Town Corporation. Moreover, successful project completion is expected to elevate the Group's classification within the BCA's Contractors Registration System, further cementing its market position and enhancing its future growth prospects.

MANAGEMENT DISCUSSION AND ANALYSIS

In a strategic initiative to optimise operational efficiency and ensure regulatory compliance, the Group has successfully integrated Hulett Construction's assets into its operations. The Acquisition mitigates the escalating costs associated with foreign worker accommodation in Singapore while adhering to increasingly stringent regulatory requirements. It yields immediate tangible benefits, significantly enhancing the Group's infrastructure capacity for workforce accommodation and heavy vehicle management. The Group's incorporation of such strategic assets exemplifies its proactive approach to resource optimisation and compliance management. Aligned with the Group's long-term strategic vision, the initiative creates a robust platform for sustainable growth and operational resilience.

The Group strengthened its market position with two strategic milestone achievements during the Reporting Year: the Acquisition and the successful procurement of the HDB's dormitory operating tender. These successes have secured a robust stream of recurring rental revenue, significantly enhancing the Group's financial stability. The Dormitory, strategically positioned to accommodate foreign workers engaged in the HDB's development projects, demonstrate the Group's successful portfolio of diversification strategy in an expansion that not only broadens its revenue streams, but also reinforces its risk management framework through calculated market positioning. In its commitment to operational excellence, the Group employs a systematic approach to dormitory management, incorporating rigorous assessment protocols for leasing arrangements. This methodology ensures strict adherence to regulatory requirements while maximising operational efficiency and resource optimisation, attesting to the Group's dedication to sustainable growth and operational sophistication.

In Singapore's dynamic construction market, the Group demonstrates visionary leadership through strategic investments in three pivotal domains: digital transformation, sustainability initiatives and avant-garde automation technologies. This multifaceted approach aligns harmoniously with national regulatory frameworks while underscoring the Group's steadfast dedication to operational excellence and environmental stewardship. Central to this progressive strategy is the deployment of a cutting-edge photovoltaic system at the Property, in addition to seamless integration with sophisticated robotic systems in the Group's large-scale infrastructure projects. The synergistic fusion of renewable energy solutions and advanced automation testifies to the Group's dedication to sustainable operational excellence. The implementation of precision-engineered robotic systems marks a transformative milestone in construction methodology, establishing new benchmarks for automated construction processes across the industry. The Group's comprehensive sustainability framework is aligned with the requirements of the coveted BCA's Green Mark Super Low Energy certification, setting new standards in sustainable infrastructure development. This ambitious positioning not only makes the Group a driving force behind Singapore's 2050 decarbonisation agenda, but also demonstrates its pioneering role in embracing future-ready construction methodologies. Through the strategic combination of renewable energy solutions with advanced robotics, the Group continues to cement its position as an industry trailblazer in an innovative convergence that drives sustainable development and substantially enhances its operational efficiency and project execution capabilities. The Group's integrated approach to technological development and environmental responsibility underscores its transformative vision of a sustainable, automated construction ecosystem.

MANAGEMENT DISCUSSION AND ANALYSIS

As Singapore's construction sector continues to evolve, it remains on a promising growth trajectory, navigating persistent industry-wide challenges, characterised largely by acute labour constraints and sustained increases in material costs. In response to these market dynamics, the Group has adopted a position of comprehensive strategic preparedness through the implementation of sophisticated market intelligence systems, prudent financial governance protocols and robust risk mitigation strategies. This integrated approach, underpinned by vigilant market monitoring and strategic resource optimisation, enables the Group to maintain operational resilience while safeguarding profit margins and ensuring long-term business sustainability, reinforcing its commitment to sustainable growth and stakeholder value creation in Singapore's dynamic construction sector.

Recognising human capital as the foundation of competitive differentiation, the Group has an unshakeable commitment to pioneering talent development initiatives. Its holistic talent management philosophy incorporates performance-calibrated bonus mechanisms that acknowledge and remunerate exceptional individual contributions, ensuring that reward structures align with both individual accomplishments and organisational goals. This approach to human capital cultivation, augmented by fine-tuned learning interventions and strategically crafted career trajectories, fortifies the Group's operational prowess while amplifying organisational adaptability in an increasingly dynamic industry environment. The strategic confluence of professional enrichment initiatives and performance-linked incentivisation frameworks cements the Group's position as a pre-eminent employer, while its continuing investment in talent development catalyses sustainable competitive advantages through unparalleled excellence in human capital stewardship, ensuring heightened responsiveness to evolving industry demands and fostering long-term organisational resilience.

Singapore's construction sector shows exceptional promise for sustained upward momentum, underwritten by the government's firm dedication to pioneering infrastructure initiatives and visionary urban metamorphosis programmes. The convergence of substantial public sector undertakings with ongoing private sector investments creates unprecedented opportunities for discerning industry participants. With its distinguished track record of operational excellence, industry expertise spanning decades and its sophisticated market intelligence apparatus, the Group is in an enviable position to deftly navigate complex market dynamics, demonstrate remarkable adaptability to evolving economic paradigms, and strategically harness emerging opportunities in the construction sector. This strategic readiness, bolstered by the Group's proven ability to execute complex projects, robust risk management frameworks and innovative technological solutions, enables it to maintain its competitive advantage while contributing significantly to Singapore's infrastructure transformation.

Leveraging its impressive legacy and deep expertise in Singapore's construction industry, the Group maintains an unwavering commitment to the highest business ethics and operational standards, ensuring impeccable project execution and timely delivery. With a firm focus on operational excellence and stakeholder value creation, the Group possesses exceptional agility to navigate emerging challenges while steadfastly pursuing optimum sustained returns for the Company's shareholders (the "**Shareholders**"), reinforcing its position as an example of world-class corporate governance and operational distinction in the construction sector.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Results for the Year

Revenue and Gross Profit

	2024			2023		
	Revenue recognised S$'000	**Gross profit S$'000**	**Gross profit margin**	Revenue recognised S$'000	Gross profit S$'000	Gross profit margin
Earthworks and ancillary services	**97,434**	**14,425**	**14.8%**	84,436	3,841	4.5%
General construction works	**39,225**	**3,205**	**8.2%**	36,396	4,751	13.1%
Property investment	**7,091**	**1,329**	**18.7%**	–	–	–
Total	**143,750**	**18,959**	**13.2%**	120,832	8,592	7.1%

The total revenue of the Group for the year ended 31 December 2024 amounted to approximately S$143.8 million, representing a surge of approximately S$22.9 million or 19.0% as compared to the year ended 31 December 2023. The remarkable growth was primarily attributed to the sustained momentum in Singapore's construction sector, complemented by the Group's successful execution of strategic operational initiatives. The Group's revenue enhancement was driven by several key strategic implementations, including competitive bid pricing, a systematic reduction in subcontractor reliance, the maximisation of internal expertise and resource utilisation, the implementation of comprehensive post-project evaluation frameworks, and the deployment of analytics-driven tender pricing strategies. Furthermore, enhanced contribution from the earthworks and ancillary services segment significantly bolstered the Group's financial performance. As a result, the Group registered a substantial increase in gross profit, rising approximately 120.7% to reach approximately S$19.0 million (31 December 2023: approximately S$8.6 million). The gross profit margin also increased to approximately 13.2% (31 December 2023: approximately 7.1%), while the Group's profit for the Year amounted to approximately S$8.1 million (31 December 2023: approximately S$3.2 million).

Earthworks and Ancillary Services

During the Year, earthworks and ancillary services segment remained the primary revenue generator for the Group, accounting for approximately 67.8% of its total revenue. The exceptional performance was underpinned by the exemplary execution of higher-margin government agency projects, coupled with sophisticated project cost optimisation, and heightened operational excellence. Furthermore, the Group demonstrated strategic excellence through the sophisticated deployment of scale economies, characterised by precision-engineered resource allocation frameworks and the implementation of cutting-edge construction methodologies. This dual-pronged approach yielded substantial operational cost efficiency while simultaneously driving enhanced segment profitability. The segmental revenue experienced a year-on-year increase of approximately 15.4% to approximately S$97.4 million (31 December 2023: approximately S$84.4 million). Particularly noteworthy was the segmental gross profit, which exhibited remarkable growth, surging more than threefold to approximately S$14.4 million (31 December 2023: approximately S$3.8 million).

The Group successfully secured 26 new earthworks and ancillary services projects with a total contract value of approximately S$122.0 million during the Reporting Year, highlighting its distinguished project execution excellence and robust operational capabilities, strategically positioning it to capitalise on Singapore's construction sector's sustained recovery and stabilisation trajectory. The Group had a total of 72 ongoing earthworks and ancillary services projects during the Reporting Year, with an aggregate contract sum of approximately S$582.4 million.

General Construction Works

During the Reporting Year, the Group demonstrated exceptional operational prowess through the successful execution of high-value projects, achieving significant operational efficiency, and strategically securing premium contracts within the country's vibrant construction landscape. The Group's commitment to operational excellence manifested in the successful completion of multiple strategic milestones across major projects, coupled with sophisticated resource optimisation protocols. Financial performance metrics revealed segment revenue of approximately S$39.2 million, representing a strategic enhancement from approximately S$36.4 million as at 31 December 2023. Nevertheless, the segmental gross profit experienced a measured decline to approximately S$3.2 million (31 December 2023: approximately S$4.8 million), mainly due to elevated construction costs encompassing increased material and labour costs, combined with intensified market competition that resulted in compressed project margins.

During the Reporting Year, the Group maintained strategic oversight and operational excellence across 10 general construction works projects. Demonstrating its continued market leadership and business development capabilities, the Group successfully procured 3 new general construction works projects in 2024, commanding an aggregate contract value of approximately S$56.8 million.

Property Investment

During the Reporting Year, the Group achieved a significant milestone through its strategic acquisition of Hulett Construction, a crucial transaction that substantially augmented both operational capabilities and financial fundamentals. This segment contributed approximately S$7.1 million to the Group's consolidated revenue, underscoring the Acquisition's immediate value creation. The Group's strategic utilisation model encompasses strategic surplus capacity leasing, generating stable recurring rental income and demonstrating the Group's commitment to optimal asset monetisation. The segmental gross profit reached approximately S$1.3 million, primarily attributable to consistent rental income stream from the newly integrated property portfolio. The segment's impressive performance was underpinned by robust occupancy rates, effective tenant management and stringent cost control measures, all of which collectively ensured sustainable returns on investment.

Other Income and Gains

Other income and gains amounted to approximately S$3.2 million for the year ended 31 December 2024, representing a decrease of approximately S$0.8 million, as compared to the year ended 31 December 2023. Such decrease was mainly due to the decrease in gain on settlement of financial assets at fair value through profit or loss ("**FVTPL**") during the Reporting Year.

Administrative and Other Operating Expenses

During the Reporting Year, administrative and other operating expenses increased slightly by approximately 10.6% to approximately S$7.7 million (31 December 2023: approximately S$7.0 million). The increment was primarily attributed to enhanced human capital investments, encompassing both workforce expansion and market-competitive salary adjustments; augmented professional service fees driven by heightened regulatory compliance requirements and business growth initiatives; and increased depreciation and amortisation expenses resulting from the strategic acquisition and integration of new assets into the Group's expanding portfolio.

Finance Costs

For the year ended 31 December 2024, finance costs increased to approximately S$2.0 million (31 December 2023: approximately S$237,000), primarily driven by the heightened interest expenses on bank borrowings, promissory note and lease liabilities, expanded financing requirements for the Acquisition and increased capital expenditure for machinery acquisition to support both secured and potential large-scale development projects.

Share of Loss of Associates and Joint Venture

The Group's share of loss of associates and joint venture amounted to approximately S$568,000 and S$5,000 respectively during the Reporting Year (31 December 2023: share of loss of associates of approximately S$640,000). The loss was primarily attributable to the dual impact of significantly elevated interest rates on the bank loan secured for the Group's property redevelopment project, reflecting prevailing market conditions, and the concurrent escalation of construction costs encompassing both labour and material costs.

Income Tax Expense

For the year ended 31 December 2024, income tax expense amounted to approximately S$3.1 million, while that of approximately S$1.3 million was recorded for the year ended 31 December 2023.

Net Profit attributable to Owners of the Company and Net Profit Margin

The confluence of the aforementioned factors resulted in a net profit attributable to owners of the Company of approximately S$8.1 million during the Reporting Year, marking a significant increase of approximately 150.9% from approximately S$3.2 million for the year ended 31 December 2023. The Group's net profit margin demonstrated notable improvement, reaching approximately 5.7% for the year ended 31 December 2024 (31 December 2023: net profit margin of approximately 2.7%).

Earnings per Share

For the year ended 31 December 2024, the basic earnings per share was S$0.64 cent, with the calculation based on net profit attributable to owners of the Company for the Year and the weighted average number of 1,263,427,200 Shares in issue during the Year.

For the year ended 31 December 2024, the diluted earnings per share was S$0.61 cent, with the calculation based on net profit attributable to owners of the Company for the Year and the weighted average number of Shares adjusted for the effects of dilution from the Group's share options of 1,342,651,200.

For the year ended 31 December 2023, the basic earnings per share was S$0.31 cent, with the calculation based on net profit attributable to owners of the Company for the year ended 31 December 2023 and the weighted average number of 1,036,456,000 Shares in issue during the year ended 31 December 2023.

For the year ended 31 December 2023, the diluted earnings per share was S$0.29 cent, with the calculation based on net profit attributable to owners of the Company for the year ended 31 December 2023 and the weighted average number of Shares adjusted for the effects of dilution from the Group's share options of 1,136,408,000.

Liquidity, Financial Resources and Gearing Ratio

Liquidity

During the Reporting Year, the Group exhibited robust financial resilience, sustaining a strong balance sheet buoyed by a strategic blend of internally generated funds and bank borrowings. As at 31 December 2024, the Group had cash and cash equivalents of approximately S$31.4 million (31 December 2023: approximately S$30.1 million). The year-on-year increase was primarily attributable to the proficient execution of effective financial management strategies that enhanced liquidity and operational efficiency.

In maintaining its robust financial health, the Group employs rigorous monitoring protocols for cash and cash equivalents, implementing comprehensive oversight mechanisms to ensure optimal liquidity levels that both sustain operational requirements and provide an effective buffer against unforeseen cash flow volatility. This proactive approach to liquidity management underscores the Group's commitment to financial prudence and operational resilience.

Cash Flows Analysis

The table below summaries the Group's cash flows for the years ended 31 December 2024 and 2023:

	2024 **S$'000**	2023 S$'000
Net cash flows generated from operating activities	**28,783**	22,470
Net cash flows used in investing activities	**(43,038)**	(11,034)
Net cash flows generated from/(used in) financing activities	**15,447**	(4,645)

Operating Activities

For the year ended 31 December 2024, the Group generated net cash inflow from operating activities of approximately S$28.8 million (31 December 2023: approximately S$22.5 million). The approximate S$8.0 million difference between the operating profit before working capital changes and net cash generated from operating activities was mainly attributable to (i) the increase in contract assets amounted to approximately S$1.0 million; (ii) the increase in trade receivables amounted to approximately S$1.8 million; (iii) the increase in inventories amounted to approximately S$1.6 million; (iv) the decrease in deposits, prepayments and other receivables of approximately S$2.0 million; (v) the substantial growth in contract liabilities of approximately S$10.7 million; (vi) the decrease in trade payables of approximately S$1.4 million; and (vii) the increase in other payables, accruals and deposits received of approximately S$2.6 million. The positive working capital contribution was partially offset by income tax payments of approximately S$1.5 million.

Investing Activities

For the year ended 31 December 2024, the net cash flows used in investing activities was approximately S$43.0 million (31 December 2023: approximately S$11.0 million), mainly attributable to (i) the acquisition of assets through the Acquisition of approximately S$41.6 million; (ii) the investment in associates and joint venture of approximately S$3.1 million; (iii) the purchase of property, plant and equipment of approximately S$3.1 million; (iv) the purchase of financial assets at FVTPL of approximately S$378,000; (v) the proceeds from settlement of financial assets at FVTPL of approximately S$3.8 million; (vi) the proceeds from disposals of property, plant and equipment of approximately S$931,000; and (vii) the interest and dividend received of approximately S$371,000.

Financing Activities

For the year ended 31 December 2024, the net cash flows generated from financing activities was approximately S$15.4 million (31 December 2023: approximately S$4.6 million used in financing activities), which was principally attributable to (i) the proceeds from borrowings of approximately S$31.7 million; (ii) the repayment of borrowings of approximately S$9.8 million; (iii) the repayment of sales loan of S$4.0 million; (iv) the repayment of principal portion of the lease liabilities of approximately S$3.4 million; (v) the repayment of interest portion of the lease liabilities amounted to approximately S$527,000; (vi) the proceed from issue of new Shares of approximately S$2.9 million; and (vii) the interest on borrowings of approximately S$1.4 million paid.

Use of Proceeds

On 17 November 2023, the Company and Mr. Phang Yew Kiat, the chairman of the Board and an executive Director (who was then a non-executive Director), entered into the subscription agreement dated 17 November 2023 (the "**Subscription Agreement**"), pursuant to which the Company conditionally agreed to allot and issue, and Mr. Phang conditionally agreed to subscribe for, 207,291,200 Shares (the "**Subscription Shares**") at the subscription price of HK$0.074 per Subscription Share for the total consideration of HK$15,339,548.80 in cash (the "**Subscription**").

After deduction of the related fees and expenses, the net proceeds (the "**Net Proceeds**") of the Subscription amounted to approximately HK$15,000,000.00 (equivalent to approximately S$2.6 million), all of which had been fully utilised on or before 30 June 2024.

Intended purposes	**Planned use of the Net Proceeds** S$'000	**Amount utilised during the Year** S$'000	**Amount utilised up 31 December 2024** S$'000	**Unutilised balance up to 31 December 2024** S$'000
Purchase of excavation machines and tipper trucks	615	615	615	–
Leasing or acquisition of industrial property	666	666	666	–
Working capital	1,281	1,281	1,281	–
Total	2,562	2,562	2,562	–

As of 31 December 2024, the Group had fully utilised the Net Proceeds in accordance with the intended purposes as disclosed.

Borrowing and Gearing Ratio

As at 31 December 2024, the Group had an aggregate of current and non-current bank borrowings and lease liabilities of approximately S$52.1 million, a surge from approximately S$8.7 million as at 31 December 2023. As at 31 December 2024, the Group's gearing ratio was approximately 0.51 time (31 December 2023: approximately 0.09 time). Gearing ratio is calculated by dividing total borrowings (borrowings and lease liabilities) by total equity as at the end of the respective year.

Cash and Cash Equivalents

As at 31 December 2024, the Group had cash and cash equivalents of approximately S$31.4 million (31 December 2023: approximately S$30.1 million). The Group had cash and cash balances of approximately S$32.7 million but the amount was reduced by the pledge for the guarantee arrangement and issuance of performance bonds, along with the banking facilities including letter of credit, overdraft and banking guarantee of approximately S$13.1 million.

Foreign Exchange Exposure

The Group principally operates in Singapore, with the majority of business transactions being in Singapore Dollars.

The Group has no substantial foreign exchange risk due to limited foreign currency transactions other than the functional currency of respective entities. To maintain prudent risk management, the Group implements systematic monitoring protocols and conducts regular assessment in a timely manner.

Charges on Group's Assets

As at 31 December 2024, the Group's banking facilities were secured by the pledge of the Group's deposits of approximately S$1.3 million (31 December 2023: approximately S$1.3 million), while the Group's lease liabilities were secured by the charge over the leased assets of net book value of approximately S$15.3 million (31 December 2023: approximately S$10.8 million).

Contingent Liabilities

As at 31 December 2024, the Group had contingent liabilities in respect of performance bonds of construction contracts in its ordinary course of business in the amount of approximately S$7.1 million as compared to approximately S$7.2 million for the year ended 31 December 2023. The guarantees in respect of performance bonds issued by banks were secured by pledged deposits.

Capital Expenditure and Capital Commitments

For the year ended 31 December 2024, the Group invested approximately S$10.7 million (31 December 2023: approximately S$12.3 million) in the purchase of property, plant and equipment, which was mainly funded by finance lease liabilities and working capital.

As at 31 December 2024, the Group's capital commitments in respect of acquisition of property, plant and equipment amounted to approximately S$2.1 million (31 December 2023: approximately S$1.8 million).

Significant Investments Held, Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures and Disclosable Transactions

Save as disclosed elsewhere in this annual report, during the Reporting Year and up to the date of this annual report, there has been no material change in the current information in relation to the significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures and disclosable transactions from the information as disclosed in the interim report of the Group for the six months ended 30 June 2024 (the "**2024 Interim Report**").

Connected Transactions

Save as disclosed elsewhere in this annual report, during the Reporting Year and up to the date of this annual report, there has been no material change in the current information in relation to the connected transactions from the information as disclosed in the 2024 Interim Report.

During the Reporting Year and up to the date of this annual report, three continuing connected transactions carried out by the Group were subject to the annual review and/or disclosure requirements under Chapter 14A of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Details of the major connected transactions and continuing connected transactions are set out in the section headed "RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS" in the "Report of the Directors" on pages 74 to 77 of this annual report.

Off-balance Sheet Transactions

As of 31 December 2024, the Group did not involve in any material off-balance sheet transaction.

Quantitative and Qualitative Disclosure about Material Risk

Foreign Currency Risk

The majority of the Group's transactions take place in Singapore and are denominated in Singapore Dollars, which serves as the Group's functional currency. The Group currently does not have a foreign currency hedging policy. The Group's management (the "**Management**") is dedicated to maintaining vigilant oversight of foreign currency exposures, implementing strategic hedging mechanisms when warranted to mitigate significant currency risks.

Credit Risk

As at 31 December 2024, the Group's maximum exposure to credit risk, which could potentially result in financial loss arising from counterparties' failure to fulfil their contractual obligations, encompasses several key financial components. The risks include trade and other receivables, contract assets, pledged deposits, cash and cash equivalents and the contingent liabilities stemming from financial guarantees issued by the Group.

The Group maintains a stringent policy of engaging exclusively with recognised and reputable third-party entities for trading transactions. Prior to contract initiation, the Group conducts comprehensive due diligence evaluations encompassing multiple criteria, including the prospective customer's payment history, current financial capacity, specific business circumstances and the broader economic environment in which they operate.

The Group has established a credit policy and monitored the exposures to these credit risks on an ongoing basis.

Liquidity Risk

The Group prudently manages liquidity risk by monitoring and maintaining sufficient cash and cash equivalents to ensure adequate liquidity for operations as well as alleviate the effects of cash flow volatility. Primarily financed by cash flow generated from operating and financing activities, the Group proactively monitors the utilisation of borrowings and ensures compliance with loan covenants.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARES OPTION SCHEME

A share option scheme (the "**Share Option Scheme**") was adopted pursuant to the written resolutions of the Shareholders passed on 10 May 2016. The objective of the Share Option Scheme is to enable the Company to grant options to employees and eligible participants, serving as incentives or rewards to optimise their contribution to the Group, and to attract and retain talented individuals essential for the Group's performance and expansion.

Details of the Share Option Scheme are disclosed in the "Report of the Directors" on pages 67 to 69 of this annual report and Note 34 to the audited consolidated financial statements (the "**Consolidated Financial Statements**") of the Group for the financial year ended 31 December 2024.

EMPLOYEE AND EMOLUMENT POLICY

As at 31 December 2024, the Group had 610 (31 December 2023: 574) employees.

Total staff costs including the Directors' emoluments amounted to approximately S$29.2 million for the year ended 31 December 2024 (31 December 2023: approximately S$25.4 million).

Employees of the Group are remunerated according to their job duties and market trends. All employees are also entitled to discretionary bonus depending on their respective performance. The Group has also implemented the Share Option Scheme to acknowledge and incentivise the valuable contribution of the employees towards the Group's growth and advancement.

DIVIDEND

The Directors does not propose the payment of a final dividend for the year ended 31 December 2024.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Lim Kui Teng, aged 56, founder of the Group, was appointed as a Director on 25 August 2015 and re-designated as an executive Director and the chairman of the Board (the "**Chairman of the Board**") on 5 October 2015. Mr. Lim relinquished his role as the Chairman of the Board on 16 October 2020 and retired as the chairman of the nomination committee (the "**Nomination Committee**") of the Board on 19 April 2021, but he has continued to act as an executive Director, a member of the remuneration committee (the "**Remuneration Committee**") of the Board and the chief executive officer (the "**CEO**") of the Company. Mr. Lim founded Chuan Lim Construction Pte. Ltd. ("**Chuan Lim**"), a company incorporated in Singapore with limited liability which is an indirect wholly-owned operating subsidiary of the Company, in January 1996 and has been a director of the same since then. Mr. Lim is responsible for the Group's overall management, strategic planning and business development. Mr. Lim is also the sole director of Longlands Holdings Limited ("**Longlands**"), a company incorporated in the British Virgin Islands ("**BVI**") with limited liability which is a wholly-owned subsidiary of the Company, and a director of CLC Machinery Pte. Ltd. ("**CLC Machinery**"), a company incorporated in Singapore with limited liability which is an indirect wholly-owned subsidiary of the Company, and Hulett Construction.

Mr. Lim has over 28 years of experience in the provision of earthworks in the construction industry in Singapore. He started his career as a trainee operator and site supervisor at Cheng Yap Construction Pte Ltd in January 1985 and was promoted to a formal operator and site supervisor in January 1988. During the course of his work, he had managed various projects including earthworks for Central Expressway tunnel and the apron for the aircraft at Changi Airport Terminal 2. After leaving Cheng Yap Construction Pte Ltd in May 1992 and prior to establishing the Group in January 1996, Mr. Lim set up and operated Chuan Lim Construction & Engineering, which was engaged in the business of building construction and rental of machinery and equipment, as the sole proprietor.

Mr. Lim is the sole shareholder and sole director of Brewster Global Holdings Limited ("**Brewster Global**"), a company incorporated in the BVI with limited liability which has an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**").

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Phang Yew Kiat, aged 56, joined the Company as an independent non-executive Director on 10 May 2016. He was re-designated as a non-executive Director on 16 October 2020 and has later been re-designated as an executive Director with effect from 1 January 2024. Mr. Phang has also served as the Chairman of the Board with effect from 16 October 2020 and the chairman of the Nomination Committee with effect from 19 April 2021.

Mr. Phang brings over 30 years of experience in banking and managerial roles. He began his career with Standard Chartered Bank in 1994 and held various management positions within the bank's corporate and consumer banking sectors. Notably, he was appointed as the chief financial officer in Indonesia and as the general manager for small and medium enterprises in Singapore and Malaysia. In 2005, Mr. Phang was seconded to China to establish China Bohai Bank, a new national joint-stock commercial bank headquartered in Tianjin. He served as an executive director and the deputy chief executive officer of the bank, overseeing the consumer banking business. From July 2014 to April 2020, Mr. Phang was an executive director, the vice chairman and the chief executive officer of Chong Sing Holdings FinTech Group Limited. Since July 2016, he has acted as a co-founder, the chairman and a non-executive director of Acore Capital Investments, a company licensed by the Monetary Authority of Singapore for Capital Market Services. Also, with effect from 16 December 2024, Mr. Phang has been appointed as the independent non-executive chairman of TOTM Technologies Limited, shares of which are listed on the Singapore Exchange Limited (SGX Symbol:42F.SI). Mr. Phang graduated from the University of Manchester Institute of Science and Technology in July 1993 with a Bachelor's Degree in Engineering in Microelectronic Systems Engineering. He also obtained a Master's Degree in Business Administration in International Business from the University of Bristol in June 1995. Furthermore, he served as a member of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) Business Advisory Council until May 2023.

Mr. Bijay Joseph, aged 56, was appointed as a Director on 25 August 2015 and has been re-designated as an executive Director with effect from 5 October 2015. Mr. Joseph joined the Group in September 2000 and is currently responsible for planning, organising and managing the overall construction development projects. Mr. Joseph is also the chairman of the environmental, social and governance ("**ESG**") working taskforce (the "**ESG Taskforce**") of the Group and a director of Chuan Lim and Hulett Construction. Mr. Joseph has over 32 years of working experience in the construction industry. Prior to joining the Group, Mr. Joseph worked at Econ Piling Pte Ltd as a project engineer for the period between August 1995 and August 2000. Mr. Joseph graduated from the Bangalore University, India with a Bachelor of Engineering Degree in Civil Engineering in June 1993. He also obtained a Master of Science (Project Management) Degree from the National University of Singapore in January 2006 and a Master of Business Administration Degree from Nanyang Technological University, Singapore in 2016. Mr. Joseph has achieved accreditations in being a Chartered Engineer of the Institution of Engineers Singapore, a Professional Project Manager of the Society of Project Managers, Singapore and an Accredited Construction Professional of The Singapore Contractors Association Limited.

Ms. Ong Sok Hun, aged 51, has been appointed as an executive Director with effect from 1 November 2024. Ms. Ong joined the Group in October 2005 and has been appointed as the chief financial officer (the "**CFO**") and the head of the human resources department of the Company with effect from 1 January 2020 and 26 June 2024 respectively. She is responsible for financial, accounting, human resources, taxation, secretarial affairs, treasury and banking matters of the Group. Ms. Ong is also the head of the ESG Team of the ESG Taskforce. Ms. Ong has over 19 years of experience in the accounting and finance aspects of the construction industry. Ms. Ong graduated from Oxford Brookes University with a Bachelor of Science (Honours) Degree in Applied Accounting in 2003. She was admitted as a Fellow of the Association of Chartered Certified Accountants in October 2008.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wee Hian Eng Cyrus, aged 58, has been appointed as an independent non-executive Director and a member of the audit committee (the "**Audit Committee**") of the Board with effect from 17 December 2019. Mr. Wee has over 25 years of management experience and over 19 years of real estate industry experience covering a broad spectrum across sales and marketing, project development and investment. Mr. Wee started his real estate career in 2001 with Isshin Realty as a general manager. He proceeded to join Surbana International Consultants Pte. Ltd. in 2007 as the vice president, where he was responsible for spearheading the opening up of consultancy business of Surbana International Consultants Pte. Ltd. in Singapore. Mr. Wee was then promoted to the senior vice president, CEO's Office and the deputy managing director, Singapore in 2011 and 2014 respectively. For the period between 31 December 2018 and 8 April 2021, Mr. Wee was an executive director and the deputy chief executive officer of ZACD Group Ltd., shares of which are listed on the GEM of the Stock Exchange (Stock Code:8313). Mr. Wee obtained a Bachelor's Degree in Engineering (Electrical) from the National University of Singapore in June 1992.

Mr. Wong Ka Bo Jimmy, aged 44, has been appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee with effect from 27 May 2022. Mr. Wong has more than 18 years of experience in the provision of assurance and advisory services. Mr. Wong worked in Ernst and Young for eight years from 2005 to 2013 with his last position as an audit manager. He then worked as an advisory and audit manager in a Japanese accounting firm from 2013 to 2014. He was an accounting and finance manager of a subsidiary of a company listed on the Main Board of the Stock Exchange from 2014 to 2016. He then joined another accounting firm as a senior audit manager from 2016 to 2018. From November 2019 to November 2020, Mr. Wong was an executive director of Chong Sing Holdings FinTech Group Limited. Since 2020, he has been the managing director of Jon Gepsom CPA Limited (previously named as McM (HK) CPA Limited), a Hong Kong accounting firm. For the period between 22 January 2021 and 25 September 2024, Mr. Wong was an independent non-executive director of China Nex-Gen Commerce and Supply Chain Limited (previously named as S&T Holdings Limited), shares of which are listed on the Main Board of the Stock Exchange (Stock Code:3928). Mr. Wong obtained a Bachelor's Degree in Accountancy, Specialism in Accounting Information System from The Hong Kong Polytechnic University in 2005. Mr. Wong is a practising member of the Hong Kong Institute of Certified Public Accountants.

Mr. Xu Fenglei, aged 47, has been appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee with effect from 16 October 2020. He has over 21 years of experience in telecom, mobile internet and information technology fields. From 2004 to 2006, Mr. Xu was a solution manager of ZTE Corporation, shares of which are listed on the Main Board of the Stock Exchange (Stock Code:763). He became the head of the technical and commercial department and the vice president of the sales department of ZTE Singapore Pte. Ltd., a then subsidiary of ZTE Corporation, in 2006 and 2008 respectively. He was the managing director of ZTE Singapore Pte. Ltd. from 2011 to 2017. For the period between 2017 and 2022, Mr. Xu was the chief executive officer and a partner of Sunway International Pte. Ltd. He is currently a co-founder and chief strategy officer of iMin Technology Pte. Ltd., which he joined in March 2022. Mr. Xu obtained a Bachelor's Degree in Communication Engineering from the Hebei University of Science and Technology, a Master's Degree in Software Engineering from the Beijing University of Technology and a Master's Degree in Management from the National University of Ireland, Dublin in June 2001, January 2008 and September 2012 respectively.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Lau Yan Hong, aged 59, was appointed as a Director on 25 August 2015 and re-designated as an executive Director on 5 October 2015. Mr. Lau retired as an executive Director on 27 May 2022, but he has remained to act as a senior management (the "**Senior Management**") of the Group. Mr. Lau joined the Group in January 2000 and is currently responsible for overseeing the project team and managing, executing and coordinating the alteration and addition projects. He is also a director of Chuan Lim and the sole director of Advance Data Global Limited, a company incorporated in the BVI with limited liability which is a wholly-owned subsidiary of the Company. Mr. Lau has over 22 years of working experience in the construction industry. Prior to joining the Group, Mr. Lau had approximately 10 years of working experience in quality control and assurance in the retail industry. He obtained a Certificate in Building Construction Safety Supervisors from BCA in November 2000 and is currently a Registered Personnel in Structural Works under the Construction Registration of Tradesmen Scheme of BCA.

Mr. Hong Kyung Seon, aged 61, joined Chuan Lim in August 2018 and is currently an executive director of Chuan Lim. Mr. Hong is mainly responsible for execution of the project tender, alteration and addition works construction and reclamation earthwork. Mr. Hong has over 35 years of experience in civil business promotion and tender in the construction industry. Prior to joining the Group, he was the vice president of Daelim Industrial Co. at its head office in Seoul and its Singapore branch respectively, where he was entrusted with responsibilities for civil business promotion and tender for South East Asia region and was in charge of tender for projects for LTA and marine project for JTC Corporation and the Maritime and Port Authority of Singapore. Mr. Hong graduated from Seoul National University, South Korea with a Bachelor's Degree in Civil Engineering in 1986. Mr. Hong held several senior professional positions such as project manager and project cost and contract manager in various international renowned projects.

Mr. Lee Yunsang, aged 45, joined Chuan Lim in October 2018 and is currently a deputy director, tender of Chuan Lim. Mr. Lee is responsible for participating in tender projects such as road and earthwork, setting up the cost budget control programme for the projects or contracts for the purpose of improving the forecast procedure for each project, and drafting the project operation plan. Mr. Lee has over 20 years of professional experience in the construction industry. Prior to joining the Group, Mr. Lee held several senior professional positions such as construction engineer, planning engineer, design manager for tender, project manager and tender contract manager in various construction companies. Mr. Lee graduated from Yonsei University, South Korea with a Bachelor's Degree in Civil Engineering in 2005. Mr. Lee also obtained Certificates of Design for Safety Professional and Construction Safety Course for Project Manager.

Mr. Lim Chai Huat, aged 55, joined Chuan Lim in September 2001 and is currently an operation director of Chuan Lim and a director of CLC Machinery. Mr. Lim is responsible for overseeing the execution and implementation of projects, ensuring they are completed on time and within budget, and with a strong focus on safety. His role involves managing progress schedules, cost control and implementing safety measures to maintain the highest standards of quality and efficiency. With over 33 years of experience in the construction industry, Mr. Lim's expertise lies in earthwork operations, which has been the focus of much of his career. Prior to joining the Group, Mr. Lim worked in both Singapore and Malaysia, where he gained diverse and valuable experience in construction management and site operations. Such background has equipped him with a deep understanding of the industry, enabling him to contribute effectively to various projects throughout his career. Over the years, Mr. Lim continues to expand his knowledge and qualifications. He became a Registered Earthwork Supervisor in 2017 and obtained the Construction Safety Management certification from the Singapore's LTA Academy in 2018. Those credentials have strengthened his leadership capabilities and allowed him to better manage large-scale projects while prioritising safety and sustainability.

CORPORATE GOVERNANCE REPORT

Achieving high standards of corporate governance has always been one of the Group's prime tasks. The Board is committed to conducting the Group's business in a transparent and responsible way and maintaining good corporate governance practices, which are considered essential to protect the Shareholders' interests and to enhance corporate value and accountability.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of good corporate governance in and adopted all of the code provisions (the "**Code Provision(s)**") of the Corporate Governance Code (the "**CG Code**") set out in Part 2 of Appendix C1 to the Listing Rules as its own code on corporate governance practices.

The Company had complied with all applicable Code Provisions throughout the Year.

The Board is aware that the Company shall comply with the CG Code and any deviation from the CG Code shall be carefully considered and disclosed in the interim and annual reports of the Group. The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance.

BOARD OF DIRECTORS

The Group is led and controlled by the Board, which is collectively responsible for promoting the success of the Group by directing and overseeing the overall management of the Group's affairs and business and establishing the long-term purpose, values and strategy of the Group which are in line with the Group's culture. The Directors take decisions objectively with the aim of protecting and maximising the interests of the Group and the Shareholders.

The Board, with the assistance of the Audit Committee, is also responsible for performing the corporate governance duties as required under the CG Code, which include:

– to develop and review the Company's policies and practices on corporate governance;

– to review and monitor the training and continuous professional development of the Directors and the Senior Management;

– to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

– to develop, review and monitor the code of conduct and compliance manual, if any, applicable to the employees of the Group and the Directors; and

– to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report of the Company.

CORPORATE GOVERNANCE REPORT

The Board is committed to ensuring values of acting lawfully, ethically and responsibly are embedded throughout the Group's vision, culture, policies and strategy. All Directors must act with integrity, lead by example, and promote the desired culture of the Group. Detailed information about the Group's vision, mission, corporate values and strategy is set out in the "Environmental, Social and Governance Report" of this annual report.

The day-to-day management, administration and operations of the Group are delegated to the Management, which works under the leadership and supervision of the CEO and the executive Directors, as discussed in the section headed "Management Functions" below.

Board Composition

During the Year, (i) Mr. Phang Yew Kiat was re-designated from a non-executive Director to an executive Director with effect from 1 January 2024; and (ii) Ms. Ong Sok Hun was appointed as an executive Director with effect from 1 November 2024. Ms. Ong obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 30 October 2024, and she has confirmed that she understood her obligations as a Director. For further details, please refer to the announcements of the Company dated 19 November 2023 and 29 October 2024.

As at 31 December 2024, the Board consisted of seven Directors, including four executive Directors and three independent non-executive Directors.

The composition of the Board and the biographical details of the Directors as at the date of this annual report are set out on page 2 and pages 29 to 31 of this annual report respectively.

An updated list of the Directors identifying their roles and functions and the identity of the independent non-executive Directors is maintained on the website of the Stock Exchange and the website of the Company. The independent non-executive Directors are identified in all corporate communications containing the names of the Directors.

No Director has any relationship (including financial, business, family or other material/relevant relationship(s)) with any other Directors.

The Board currently consists of a diverse mix of the Directors in terms of gender, cultural and educational background, industry experience, professional knowledge and skills. The Board reviews its composition annually to ensure that it has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business.

Board Independence

A balanced composition of the executive and non-executive Directors (including the independent non-executive Directors) is maintained to ensure a strong independent element on the Board, which can effectively exercise independent judgment and provide sufficient checks and balances that safeguard the interests of the Shareholders. The non-executive Directors (including the independent non-executive Directors) possess diverse academic and professional qualifications, skills and experience and give the Board the benefit of a wide range of valuable business and financial knowledge and expertise. Their views and active participation in the meetings of the Board and its committees (the "**Board Committees**") bring independent advice on issues relating to the Group's strategy, conflicts of interest and management process and ensure that the interests of the Shareholders are taken into account.

During the Year and up to the date of this annual report, the Board has at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Board currently has three independent non-executive Directors, representing more than one-third of the Board, and at least one of whom has appropriate professional qualifications or accounting or related financial management expertise. No independent non-executive Director has served for more than nine years.

None of the independent non-executive Directors informed the Company that there was any change of circumstances which might affect his independence during the Year. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence for the Year pursuant to Rule 3.13 of the Listing Rules and considers each of them to be independent for the Year.

The Board has established mechanisms to ensure that independent views and input are available to the Board and reviews their implementation and effectiveness on an annual basis (the "**Board Independence Evaluation Mechanism**"). Pursuant to the Board Independence Evaluation Mechanism, the Board conducted an assessment and discussion on the results of the questionnaire on Board independence submitted by all individual Directors, and taking into account the following channels, the Board considers that it had in place effective mechanisms to ensure a strong independent element on the Board for the Year:

- to maintain a sufficient number of three independent non-executive Directors, representing more than one-third of the Board, and to ensure that all of them continue to devote sufficient time and attention to the affairs of the Group;

- to encourage all Directors to express their views in an open and candid manner during the meetings of the Board and the Board Committees and to ensure that they have opportunity to provide input to the agenda for the meetings;

- to encourage all Directors to access and consult with the Senior Management independently, if necessary;

- to have in place a mechanism for the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, including to assist the Directors in performing their duties to the Company, at the Company's expense;

- to have in place procedures for assessing the independence of a candidate who is nominated to be a new independent non-executive Director before his/her appointment and to ascertain the continued independence of the current independent non-executive Directors;

- to support the division of responsibilities between the Chairman of the Board and the CEO to ensure a balance of power and authority;

- to ensure that the Chairman of the Board at least annually holds meetings with the independent non-executive Directors without the presence of other Directors;

- to ensure that no equity-based remuneration with performance-related elements is granted to the independent non-executive Directors; and

- to ensure that all Directors are required to declare their interests (if any) in the matters placed before the Board. If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall be dealt with by a physical Board meeting with the independent non-executive Directors who, and whose close associates, have no material interest in the transaction present. The Directors who, or whose close associates, are considered to be materially interested in the matter shall abstain from voting on the resolution approving such matter.

Appointment, Re-election and Removal of Directors

Pursuant to the articles of association (the "**Articles of Association**") of the Company, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Such appointment shall be recommended by the Nomination Committee and approved by the Board based on the formal written procedures and policies adopted by the Company for the nomination of the Directors (the "**Nomination Policy**") and the diversity of the Board (the "**Board Diversity Policy**"), summaries of which are set out in the sections headed "Nomination Policy" and "Board Diversity Policy" below respectively. According to Article 83(3) of the Articles of Association, any Director so appointed shall hold office only until the first annual general meeting ("**AGM**") of the Company after his/her appointment and shall then be eligible for re-election.

Furthermore, according to Article 84(1) of the Articles of Association, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (i.e. including those appointed for a specific term) shall be subject to retirement at the AGM at least once every three years. A retiring Director shall be eligible for re-election.

All Directors (including the non-executive Directors) have a three-year term of appointment and are subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. Each Director has entered into a written service agreement or a written letter of appointment with the Company setting out the key terms and conditions of his/her appointment, brief details of which are as follows:

– Mr. Lim Kui Teng, the CEO and an executive Director, has renewed his service agreement with the Company for a term of three years commencing from 1 June 2022, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. He is entitled to a basic salary of S$1,113,600 per annum, which was raised from the previous basic salary of S$1,041,600 per annum as determined by the Board based on the recommendation of the Remuneration Committee with reference to Mr. Lim's job responsibilities and involvement with the Group's affairs and the prevailing conditions during the Year, plus a discretionary bonus, which may be subject to adjustment as determined by the Board and the Remuneration Committee with reference to the performance of the Group. The remuneration package of Mr. Lim was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his qualifications and competence, job responsibilities and involvement with the Group's affairs and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time;

– Mr. Phang Yew Kiat, the Chairman of the Board and an executive Director, has entered into a new service agreement with the Company for a term of three years commencing from 1 January 2024, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. He is entitled to a basic salary of S$120,000 per annum. The remuneration of Mr. Phang was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his qualifications and competence, job responsibilities and involvement with the Group's affairs and the prevailing market condition and is subject to review by the Board and the Remuneration Committee from time to time;

– Mr. Bijay Joseph, an executive Director, has renewed his service agreement with the Company for a term of three years commencing from 1 June 2022, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. He is entitled to a basic salary of S$336,000 per annum, which was raised from the previous basic salary of S$276,000 per annum as determined by the Board based on the recommendation of the Remuneration Committee with reference to Mr. Joseph's job responsibilities and involvement with the Group's affairs and the prevailing conditions during the Year, plus a discretionary bonus, which may be subject to adjustment as determined by the Board and the Remuneration Committee with reference to the performance of the Group. The remuneration package of Mr. Joseph was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his qualifications and competence, job responsibilities and involvement with the Group's affairs and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time;

- Ms. Ong Sok Hun, the CFO and an executive Director, has entered into a new service agreement with the Company for a term of three years commencing from 1 November 2024, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. She is entitled to a basic salary of S$176,400 per annum and a fixed year-end bonus of S$14,700 plus a discretionary bonus, which may be subject to adjustment as determined by the Board and the Remuneration Committee with reference to the performance of the Group. The remuneration package of Ms. Ong was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, her qualifications and competence, job responsibilities and involvement with the Group's affairs and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time;

- Mr. Wee Hian Eng Cyrus, an independent non-executive Director, has renewed his letter of appointment with the Company for a term of three years commencing from 17 December 2022, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. Mr. Wee is entitled to a director's fee of S$21,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his skill, knowledge and experience, time commitment and duties and responsibilities within the Company and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time;

- Mr. Wong Ka Bo Jimmy, an independent non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 27 May 2022, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. Mr. Wong is entitled to a director's fee of HK$180,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his skill, knowledge and experience, time commitment and duties and responsibilities within the Company and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time; and

- Mr. Xu Fenglei, an independent non-executive Director, has renewed his letter of appointment with the Company for a term of three years commencing from 16 October 2023, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. Mr. Xu is entitled to a director's fee of S$24,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his skill, knowledge and experience, time commitment and duties and responsibilities within the Company and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time.

Pursuant to Article 83(3) of the Articles of Association, Ms. Ong Sok Hun will retire from office at the forthcoming AGM and, being eligible, has offered herself for re-election. In accordance with Article 84(1)-(2) of the Articles of Association, Mr. Lim Kui Teng, Mr. Wee Hian Eng Cyrus and Mr. Xu Fenglei will retire from office by rotation at the forthcoming AGM and, being eligible, have offered themselves for re-election.

Directors' Induction and Continuous Professional Development

All newly appointed Directors shall obtain the legal advice referred to in Rule 3.09D of the Listing Rules before their appointments become effective. They shall also receive a comprehensive, formal and tailored induction upon appointment to ensure that they have an appropriate understanding of the Group's business and operations and full awareness of their responsibilities and obligations as a Director under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies, as well as the possible consequences of making a false declaration or giving false information to the Stock Exchange. From time to time, the Company provides materials, briefings and/or professional development necessary to keep the Directors abreast of their responsibilities and the Group's conduct, business activities and development. The Directors are encouraged to attend seminars, talks and continuous professional development training to enrich their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

During the Year, legal and regulatory updates were provided from time to time to the Directors for their reading to ensure compliance and enhance the Directors' awareness of good corporate governance practices. The Senior Management reported the Group's business activities, including the operations, performance, strategy and new initiatives, at the regular Board meetings and provided the Directors with updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Directors to discharge their duties under the Listing Rules. All Directors attended a training relating to an update on the amendments to the Listing Rules arranged by the Company, with the assistance of the company secretary (the "**Company Secretary**") of the Company. The participation of each Director in continuous professional development for the Year is summarised below:

Name of the Directors	Reading regulatory updates	Attending seminars, talks and continuous professional development training
Mr. Lim Kui Teng *(CEO)*	✓	✓
Mr. Phang Yew Kiat *(Chairman of the Board)*	✓	✓
Mr. Bijay Joseph	✓	✓
Ms. Ong Sok Hun *(CFO)* (appointed on 1 November 2024)	✓	✓
Mr. Wee Hian Eng Cyrus	✓	✓
Mr. Wong Ka Bo Jimmy	✓	✓
Mr. Xu Fenglei		

CORPORATE GOVERNANCE REPORT

Roles and Responsibilities of Directors

The executive Directors oversee the daily operations and management of the Group which include, among others, the implementation of policies and strategy set by the Board. They report periodically to the Board on their works and business decisions.

The non-executive Directors (including the independent non-executive Directors) have the same duties of care and skill and fiduciaries duties as the executive Directors and should make a positive contribution to the development of the Group's strategy and policies through independent, constructive and informed comments. Their functions include:

– to participate in the Board meetings to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;

– to take the lead where potential conflicts of interests arise;

– to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee, if invited; and

– to scrutinise the Group's performance in achieving agreed corporate goals and objectives and to monitor performance reporting.

The Directors (including the non-executive Directors) should ensure that they can give sufficient time and attention to the affairs of the Group. Pursuant to Code Provision C.1.5, all Directors disclosed to the Company at the time of their appointments the number and nature of offices held in public companies or organisations (including the identities thereof) and other significant commitments, as well as an indication of the time involved, and they have agreed to disclose to the Company in a timely manner for any changes thereof.

The Board regularly reviews whether the Directors devote sufficient time and make contributions to the Group that are commensurate with their role and Board responsibilities.

Directors' and Officers' Liability Insurance and Indemnity

The Company has arranged appropriate liability insurance, which is reviewed from time to time, to indemnify the Directors and the officers of the Company in respect of legal actions against them arising from corporate activities. During the Year, no claim was made against any Director or officer of the Company.

Chairman of the Board and CEO

Code Provision C.2.1 stipulates that the roles of the Chairman of the Board and the CEO should be separate and should not be performed by the same individual and that the division of responsibilities between the Chairman of the Board and the CEO should be clearly established and set out in writing. The Company fully supports such a division of responsibilities in order to ensure a balance of power and authority. During the Year and up to the date of this annual report, the Board has been chaired by Mr. Phang Yew Kiat, an executive Director, whereas Mr. Lim Kui Teng, an executive Director, has acted as the CEO. Those positions have clearly defined separate responsibilities.

The Chairman of the Board provides leadership for the Board with the aim of ensuring that the Board works effectively and performs its responsibilities and that all key and appropriate issues can be discussed by the Board in a timely manner. His primary responsibilities include:

– to ensure that good corporate governance practices and procedures are established and maintained;

– to encourage all Directors to make a full and active contribution to the Board's affairs and to take the lead to ensure that the Board acts in the best interests of the Company;

– to ensure that all Directors are properly briefed on issues arising at the Board meetings;

– to ensure that all Directors receive, in a timely manner, adequate information, which must be accurate, clear, complete and reliable;

– to ensure that appropriate steps are taken to provide effective communication with the Shareholders and that their views are communicated to the Board as a whole; and

– to promote a culture of openness and debate by facilitating the effective contribution of the non-executive Directors in particular and ensuring constructive relations between the executive and non-executive Directors.

The Chairman of the Board is committed to maintaining good corporate governance practices and proper board procedures. During the Year, the Chairman of the Board ensured to have taken into account, where appropriate, any matters proposed by the other Directors for inclusion in the agenda for the Board meeting, encouraged and allowed sufficient time for constructive discussions, criticisms and/or debates among the Directors in the Board meetings, and ensured that the Board decisions fairly reflected the Board consensus. He also held a meeting with the independent non-executive Directors without the presence of other Directors.

The CEO leads the day-to-day management of the Group and takes overall responsibility for the supervision of the Management and the monitoring and conducts of the Group's business and ordinary operations in accordance with the policies, strategy and objectives established. The CEO remains accountable to the Board, which sets limits to the authorities exercisable by the CEO and monitors the performance of the CEO to ensure that the Board's objectives are attained.

Management Functions

Whilst the Board is responsible for directing and approving the Group's overall policies, strategy and objectives, the Group has also formed strong management teams in its business areas, with authorities and responsibilities to develop and exercise both operational and non-operational duties. The management teams' members have a wide range of skills, knowledge and experience necessary to govern the Group's operations.

CORPORATE GOVERNANCE REPORT

The Board and the Management fully appreciate their respective roles and are committed to achieving good corporate governance. The Board gives clear directions to the Management as to its powers of management and administration, in particular, circumstances where the Management should report back and obtain the Board's prior approval before making any decisions or entering into any commitments on the Group's behalf. Major matters of the Group are reserved for the Board's own decisions, including the overall policies, strategy, directions and objectives of the Group; the issue, allotment and disposal of, or grant of options in respect of, the Shares and the debentures of the Company; the significant changes in accounting policies; the appointment and removal of the Directors, Company Secretary and external auditor (the "**Auditor**") of the Company; the dividend of the Company; major acquisitions and disposals; major capital investments; notifiable transactions; and other major operational and financial matters. The Directors clearly understand delegation arrangements in place, which are reviewed by the Board periodically to ensure that the same remain appropriate to the Group's needs and do not significantly hinder or reduce the ability of the Board as a whole to perform its functions.

The Management, under the leadership and supervision of the CEO and the executive Directors, is responsible for the day-to-day management, administration and operations of the Group, the execution of the policies, strategy and objectives set by the Group, and the implementation of adequate systems of risk management and internal control procedures. The Management is required to report directly to the CEO and the relevant executive Directors on a regular basis in respect of the business performance and the operational and functional issues of the Group.

Conduct of Board Proceedings and Supply of and Access to Information

The Board meets regularly and holds meetings at least four times a year at approximately quarterly intervals. A regular Board meeting is scheduled in advance with at least 14 days' notice being given to all Directors so as to give them an opportunity to attend. For all other Board meetings, reasonable notice is generally given. A meeting agenda and accompanying board papers/materials, in the form and quality sufficient to enable the Board to make informed decisions on the matters placed before it, are sent in full to all Directors in a timely manner and at least three days before the intended date of a Board meeting. All Directors are given an opportunity to include matters in the agenda for Board meetings. The Directors may participate in Board meetings in person or by means of conference telephone, electronic facilities or other communications equipment through which all participants thereof can communicate with each other simultaneously and instantaneously. The Directors may also approve various matters by way of circulating written resolutions, where appropriate.

All Directors are required to declare their interests (if any) in the matters placed before the Board in accordance with the Articles of Association. Should a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall be dealt with by a physical Board meeting, rather than a written resolution, and the independent non-executive Directors who, and whose close associates, have no material interest in the transaction will be present at the Board meeting. Pursuant to the Articles of Association, the Directors who, or whose close associates, are considered to be materially interested in the matter shall abstain from voting on the resolution approving such matter.

The Company Secretary assists the Chairman of the Board to prepare the meeting agendas and ensures that all applicable rules and regulations regarding board procedures are followed. The Company Secretary is also responsible for taking and keeping minutes of all Board meetings, which should record in sufficient detail the matters considered and decisions reached, including any concerns raised by the Directors or dissenting views expressed. Draft minutes are normally sent to the Directors for their comment within a reasonable time after the Board meeting is held and the final signed versions of the minutes are available for inspection at any reasonable time on reasonable notice by any Director.

During the Year, the Board held four regular meetings and the attendance record of each Director at those meetings is set out below:

Name of the Directors	**Attendance/ Number of meetings**
Executive Directors	
Mr. Lim Kui Teng *(CEO)*	4/4
Mr. Phang Yew Kiat *(Chairman of the Board)* (re-designated from a non-executive Director to an executive Director on 1 January 2024)	4/4
Mr. Bijay Joseph	4/4
Ms. Ong Sok Hun *(CFO)* (appointed on 1 November 2024)	N/A
Independent Non-executive Directors	
Mr. Wee Hian Eng Cyrus	4/4
Mr. Wong Ka Bo Jimmy	4/4
Mr. Xu Fenglei	4/4

During the Year, the Board considered and approved, among others, the annual results and report of the Group for the financial year ended 31 December 2023; the annual budget for the Year; the results and performance update against the annual budget together with business reports from the Management; the interim results and report of the Group for the six months ended 30 June 2024; the proposed re-election of the retiring Directors; the proposed re-appointment of Ernst & Young LLP ("**EY**") as the Auditor; the appointment of Ms. Ong Sok Hun as an executive Director; the remuneration packages of the Directors and the Senior Management; the very substantial acquisition and connected transaction in relation to the Acquisition; the discloseable transaction in relation to the provision of further shareholder's loan to Longlands; the continuing connected transactions in relation to the extension of the new master lease agreement; as well as other critical business operations, compliance and housekeeping matters, including the allotment and issuance of the Shares to Mr. Phang Yew Kiat upon the completion of the Subscription and upon Mr. Phang's exercise of share options granted to him under the Share Option Scheme, the repurchase of the Shares under the general mandate to buy-back the Shares, the issuance of voluntary announcements in relation to the award of tender for tenancy for the Dormitory to Hulett Construction and the formation of joint venture company with the provision of shareholder's loan, the early redemption of the Promissory Note, the repayment of bank loans, as well as the review of the Board Independence Evaluation Mechanism and the shareholders communication policy (the "**Shareholders Communication Policy**") of the Company. The Board also, with the assistance of the Audit Committee, performed its corporate governance duties as required under the CG Code, including but not limited to the review of the Company's compliance with the CG Code and of the adequacy of the systems of risk management and internal control of the Group, as elaborated in the section headed "Risk Management and Internal Control" below.

All Directors are provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities. They have access to the advice and services of the Company Secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed. The Management is obliged to supply the Board with adequate information, which must be complete and reliable, in a timely manner, to enable the Board to make informed assessments and decisions and shall answer further enquiries raised by any Director. Accordingly, the Board and individual Directors have separate and independent access to the Senior Management. Queries raised by the Directors shall receive a prompt and full response, if possible.

All Directors, upon reasonable request and with the consent of the Chairman of the Board and/or the chairman of the Audit Committee, may seek independent professional advice in appropriate circumstances, including to assist the Directors in performing their duties to the Company, at the Company's expense. During the Year, no Director exercised his/her right for independent professional advice.

BOARD COMMITTEES

The Board has established three Board Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, and given the Board Committees specific terms of reference, which are no less exacting than those set out in the CG Code and are sufficiently clear to enable them to perform their functions properly.

All Board Committees are required by their terms of reference to report their decisions, findings or recommendations to the Board, unless there are legal or regulatory restrictions on their ability to do so.

The Company Secretary acts as the secretary of all Board Committees and is responsible for taking and keeping minutes of all Board Committees meetings, which should record in sufficient detail the matters considered and decisions reached, including any concerns raised by the Directors or dissenting views expressed. Draft minutes are normally sent to the respective Board Committee members for their comment within a reasonable time after the Board Committee meeting is held and the final signed versions of the minutes are available for inspection at any reasonable time on reasonable notice by any Director.

All Board Committees are provided with sufficient resources to perform their duties and have access to independent professional advice, at the expense of the Company, if necessary. The Board regularly evaluates the performance of the Board Committees.

Audit Committee

The Audit Committee currently comprises all three independent non-executive Directors, namely Mr. Wong Ka Bo Jimmy (chairman), Mr. Wee Hian Eng Cyrus and Mr. Xu Fenglei.

Mr. Wong Ka Bo Jimmy has appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules. No former partner of the Company's existing auditing firm acts as a member of the Audit Committee within two years from the date of his/her ceasing to be a partner of or to have any financial interest in the firm, whichever is later. The Board expects the members to exercise independent judgment in conducting the business of the Audit Committee.

The written terms of reference of the Audit Committee detailing its role and the authority delegated to it by the Board are available on the Stock Exchange's website and the Company's website. The major duties of the Audit Committee include:

– to act as the key representative body for overseeing the Company's relations with the Auditor;

– to review the Group's financial information;

– to oversee the Group's financial reporting system and risk management and internal control systems; and

– to review arrangements the Group's employees can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and to ensure that proper arrangements are in place for fair and independent investigation of those matters and for appropriate follow-up action.

During the Year, the Audit Committee held two meetings and the attendance record of each member of the Audit Committee at those meetings is set out below:

Name of the Directors	**Attendance/ Number of meetings**
Mr. Wong Ka Bo Jimmy *(chairman)*	2/2
Mr. Wee Hian Eng Cyrus	2/2
Mr. Xu Fenglei	2/2

During the Year, the Audit Committee performed, inter alia, the following works:

(1) considered and approved the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 and reviewed any significant financial reporting judgement contained therein before submission to the Board;

(2) considered and approved the annual results and report of the Group for the financial year ended 31 December 2023 and the interim results and report of the Group for the six months ended 30 June 2024;

(3) assessed and confirmed the independence of the Auditor for the Year;

(4) reviewed and made recommendation to the Board on the proposed re-appointment of EY as the Auditor and its terms of engagement, including remuneration in respect of audit and non-audit services;

(5) reviewed and approved the audit plan of the Group for the Year;

(6) reviewed the Group's risk management and internal control systems (including ESG risk management and internal control systems) and considered the necessity for an internal audit function;

(7) reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting functions, as well as those relating to the Group's ESG performance and reporting;

(8) reviewed the anti-bribery, anti-corruption and anti-money laundering policy (the "**Anti-corruption Policy**") and the whistleblowing policy (the "**Whistleblowing Policy**") of the Company; and

(9) assisted the Board to perform its corporate governance duties set out in the section headed "BOARD OF DIRECTORS" above.

During the Year, the Board and the Audit Committee had no disagreements on the selection, appointment, resignation or dismissal of the Auditor.

Remuneration Committee

The Remuneration Committee currently comprises two independent non-executive Directors, namely Mr. Xu Fenglei (chairman) and Mr. Wong Ka Bo Jimmy, and an executive Director, namely Mr. Lim Kui Teng.

A majority of the Remuneration Committee members are the independent non-executive Directors. The Board expects the members to exercise independent judgment in conducting the business of the Remuneration Committee.

The written terms of reference of the Remuneration Committee detailing its role and the authority delegated to it by the Board are available on the Stock Exchange's website and the Company's website. The major duties of the Remuneration Committee include:

– to review and make recommendations to the Board on the Company's policy and structure for all Directors' and Senior Management remuneration (the "**Remuneration Policy**") and on the establishment of a formal and transparent procedure for developing the Remuneration Policy;

– to review and approve the Management's remuneration proposals with reference to the Board's corporate goals and objectives;

– to make recommendations to the Board on the remuneration packages of individual executive Directors and Senior Management;

– to make recommendations to the Board on the remunerations of the non-executive Directors;

– to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

– to review and approve compensation payable to the executive Directors and the Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

- to review and approve compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

- to ensure that no Director or any of his/her associates is involved in deciding that Director's own remuneration; and

- to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Remuneration Policy

The Remuneration Policy is set and recommended by the Remuneration Committee to the Board. Under the Remuneration Policy, remuneration levels should be fair and sufficient to attract and retain high-quality Directors and staff to enable smooth operation within the Group without paying more than necessary. When setting the remuneration to each Director and Senior Management, regards shall be given to his/her qualifications and competence, time commitment, job responsibilities and involvement with the Group's affairs; the Group's performance and profitability; employment conditions elsewhere in the Group; salaries paid by comparable companies; and the prevailing market conditions. The Remuneration Committee shall consult the Chairman of the Board and/or the CEO with regard to their remuneration proposals for other executive Directors. No Director or any of his/her associates shall be involved in deciding that Director's own remuneration.

To ensure the fairness and competitiveness of the remuneration payable to each executive Director and Senior Management, his/her remuneration package is structured to include:

- an appropriate rate of base remuneration for the job of the executive Director/Senior Management;

- competitive benefit programmes;

- bonus linked to sets of performance measures and targets for performance-related annual and long-term incentive plans based on an appropriate independent advice and/or an assessment of the interests of the Shareholders and taking into account an appropriate balance of risks and rewards for the Directors and other participants; and

- other benefits-in-kind, pension rights and compensation payments, including any compensation payable for loss or termination of his/her office or appointment.

Remuneration to each non-executive Director is based on an adequate compensation for the efforts and time dedicated by such Director to the Group's affairs including his/her participation in the Board and the respective Board Committees. No equity-based remuneration with performance-related elements is granted to the independent non-executive Directors to avoid bias in their decision-making or compromising their objectivity and independence.

The Remuneration Committee periodically reviews the Remuneration Policy and the remuneration packages of the Directors and the Senior Management.

During the Year, the Remuneration Committee held three meetings and the attendance record of each member of the Remuneration Committee at those meetings is set out below:

Name of the Directors	Attendance/ Number of meetings
Mr. Xu Fenglei *(chairman)*	3/3
Mr. Lim Kui Teng	3/3
Mr. Wong Ka Bo Jimmy	3/3

During the Year, the Remuneration Committee performed, inter alia, the following works:

(1) reviewed the Remuneration Policy;

(2) assessed the performance of the executive Directors for the Year;

(3) reviewed and made recommendation to the Board on the remuneration packages of all Directors and Senior Management for the Year;

(4) reviewed and made recommendation to the Board on the Management's remuneration proposals with reference to the Board's corporate goals and objectives; and

(5) considered and made recommendation to the Board on the terms of the new service agreement of Ms. Ong Sok Hun.

During the Year, the Board and the Remuneration Committee had no disagreements on any remuneration or compensation arrangements. No Director or any of his/her associates was involved in deciding that Director's own remuneration.

Nomination Committee

The Nomination Committee currently comprises the Chairman of the Board and an executive Director, namely Mr. Phang Yew Kiat (chairman), and two independent non-executive Directors, namely Mr. Wong Ka Bo Jimmy and Mr. Xu Fenglei.

A majority of the Nomination Committee members are independent non-executive Directors. The Board expects the members to exercise independent judgment in conducting the business of the Nomination Committee.

The written terms of reference of the Nomination Committee detailing its role and the authority delegated to it by the Board are available on the Stock Exchange's website and the Company's website. The major duties of the Nomination Committee include:

– to review the structure, size and composition (including the skills, knowledge and experience) of the Board annually and to make recommendations to the Board on any proposed changes to the Board to complement the Group's corporate strategy;

– to identify individuals suitably qualified to become the Directors and to select or make recommendations to the Board on the selection of individuals nominated for directorships;

– to assess the independence of the independent non-executive Directors;

– to make recommendations to the Board on the appointment or re-appointment of the Directors and succession planning for the Directors, in particular the Chairman of the Board and the CEO;

– to monitor, review and disclose the Board Diversity Policy and the Nomination Policy; and

– to develop and make recommendations to the Board on the measurable objectives for achieving diversity on the Board and to monitor the progress on achieving those objectives.

Board Diversity Policy

The Company is committed to equality of opportunity and does not discriminate on the grounds of gender, age, race, nationality, disability, religious and other factors. In recognition of the Board diversity as an essential element in enhancing Board effectiveness and supporting its sustainable and balanced development, the Company has adopted the Board Diversity Policy since 1 January 2019.

The Company sees diversity as a wide concept. In determining the Board composition and the selection of candidates for directorship, factors including but not limited to gender, age, ethnicity, language, cultural and educational background, professional qualifications, industrial experience, skills and knowledge, length of service and other qualities will be considered. All Board appointments shall be based on meritocracy, and candidates shall be considered against the objective criteria, having regards for the benefits of diversity on the Board, the Group's business model and its specific needs from time to time. The ultimate decision shall be based on the merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee has been monitoring the implementation of the Board Diversity Policy since its adoption and reviews the implementation and effectiveness of the Board Diversity Policy (including the measurable objectives set for achieving the Board diversity) on an annual basis to ensure its effectiveness.

In recognition of the benefits of achieving gender diversity at all levels of the Group, the Board has adopted the gender diversity plan (the "**Gender Diversity Plan**") of the Group since 30 June 2022. Under the Gender Diversity Plan, the Company is committed to increasing the proportion of female members over time when selecting and making recommendations on suitable candidates for the Board appointments and employing suitable employees and officers (including the Senior Management) within the corporation level of the Group, where appropriate. The Nomination Committee shall give due consideration on gender diversity when identifying and selecting candidates for directorship. During the Year, the Board appointed a female executive Director, thereby meeting the numerical target set for achieving gender diversity on the Board under the Gender Diversity Plan. In view of the Board size, the Company considers gender diversity has been achieved on the Board and targets to maintain such parameter unless there is any change in either the market average in Hong Kong or the Listing Rules requirements.

Achieving gender diversity is a challenge to the Group due to the characteristics of its principal activities. As most of the construction works require high intensity of physical labour, the workforce of the construction industry comprises mostly male construction workers. It is inevitable that the proportion of the Group's male workforce is much higher and therefore, achieving gender diversity across the Group's workforce at construction sites is challenging. The Board will review the gender ratio in the Group's workforce from time to time and is committed to achieving a good balanced gender ratio in its workforce (in particular, for the non-labour extensive workforce). Gender diversity was achieved at the Senior Management, comprising one female member, whom has been appointed as an executive Director with effect from 1 November 2024, and four male members, for the Year. Details on the gender ratio in the workforce (including the Senior Management) of the Group together with the relevant data are set out in the "Environmental, Social and Governance Report" on pages 117 and 118 of this annual report.

Nomination Policy

Since 1 January 2019, the Company has adopted the Nomination Policy in relation to the nomination, appointment and re-appointment of the Directors, as well as the nomination procedures of the Directors, with the aim of ensuring changes to the Board composition can be managed without undue disruption.

The Nomination Committee is delegated authority to identify potential candidates for directorship through different means and channels, including recommendations from the Directors or the Shareholders, use of external search firms and any other means or channels it deems appropriate. In the case of nominating a candidate for directorship, the Nomination Committee shall hold a meeting to consider the candidate identified against the nomination criteria and make recommendation to the Board, if applicable. The Board shall deliberate and decide on the appointment based on the recommendation of the Nomination Committee. In the case of re-appointing a retiring Director, the Nomination Committee shall review the profile of the retiring Director and his/her overall contribution and service to the Company and determine whether the retiring Director continues to meet the nomination criteria set out in the Nomination Policy. The Nomination Committee will, where appropriate, recommend the retiring Director to the Board for consideration and recommendation to the Shareholders for the proposed re-election of the retiring Director at an AGM.

In evaluating and selecting any candidate for directorship, the Nomination Committee shall consider the structure, size, composition and needs of the Board, taking into account the succession planning and diversity of the Board, where appropriate; the diversity criteria set out under the Board Diversity Policy; the candidate's character and integrity, independence (where applicable) and commitment to devote time and effort for discharging his/her duties and responsibilities as a Director; and such other criteria that are appropriate to the business of the Group.

The Nomination Committee believes that independence is essential for fulfilling the Board's duty to supervise the management of the business and affairs of the Group. All Directors are required to disclose their interests in any competing business to the Company. Cross-directorships in Hong Kong or overseas between the Directors (if any) are also reviewed annually.

The Nomination Committee has been following the nomination criteria and procedures under the Nomination Policy since its adoption and reviews the Nomination Policy from time to time.

During the Year, the Nomination Committee held two meetings and the attendance record of each member of the Nomination Committee at those meetings is set out below:

Name of the Directors	Attendance/ Number of meetings
Mr. Phang Yew Kiat *(chairman)*	2/2
Mr. Wong Ka Bo Jimmy	2/2
Mr. Xu Fenglei	2/2

During the Year, the Nomination Committee performed, inter alia, the following works:

(1) reviewed the existing Board structure, size and composition;

(2) assessed the independence of the independent non-executive Directors;

(3) reviewed and made recommendation to the Board on the retiring Directors' eligibility for re-election at the AGM held on 31 May 2024 ("**2024 AGM**");

(4) considered and made recommendation to the Board on the proposed re-election of the retiring Directors and the appointment of Ms. Ong Sok Hun as an executive Director; and

(5) monitored, reviewed and disclosed the Board Diversity Policy, the Nomination Policy and the Gender Diversity Plan.

CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. All Directors, following specific enquiries made by the Company, have confirmed that they had complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the Year.

The Company has also adopted a written code of conduct on terms no less exacting than the Model Code for its relevant employees (including all employees of the Company and all directors and employees of the Company's subsidiaries who, because of their office or employment, are likely to possess inside information in relation to the Company or its securities, the "**Relevant Employees**") in respect of their dealings in the Company's securities. All Relevant Employees are required to follow such code when dealing in the securities of the Company.

AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT

Financial Reporting

The Board is responsible for presenting a balanced, clear and comprehensive assessment of the Group's performance, position and prospects. The Directors acknowledge their responsibility for preparing the financial statements of the Group for each financial year ended 31 December, which should give a true and fair view of the state of affairs of the Company and of the Group on that date and of the Group's results and cash flows for that year in accordance with the applicable accounting standards and the relevant laws and disclosure provisions of the Listing Rules. The Management shall provide sufficient explanation and information to the Board to enable it to make an informed assessment of financial and other information put before it for approval.

In preparing the financial statements of the Group for the Year, the Directors adopted appropriate and consistent accounting policies and made prudent and reasonable judgments and estimations. The financial statements of the Group for the Year were prepared by the Directors on a going concern basis, and the Directors were not aware of any material uncertainties relating to events or conditions that might cast significant doubt on the Group's ability to continue as a going concern. A statement by the Auditor regarding its reporting responsibilities is set out in the "Independent Auditor's Report" of this annual report.

Risk Management and Internal Control

The Board has overall responsibilities for maintaining sound and effective risk management and internal control systems (including ESG risk management and internal control systems) to safeguard the Shareholders' investments and the Group's assets and reviewing the effectiveness of such systems on an annual basis.

The Group's risk management and internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. Hence, such systems are to provide clear governance structure, policies and procedures as well as the reporting mechanism to facilitate the Group to manage its risks across business operations.

With the continuous efforts of the Board, the Group has established and maintained appropriate and effective internal control systems and a risk management framework, which consists of three tiers of structure, being the Board, the Audit Committee and the Management, to safeguard corporate operating management, asset security, financial reporting and the fairness, accuracy and completeness of dissemination of the relevant information in a rational manner.

The Board is responsible for evaluating and determining the nature and extent of the risks (including material risks relating to ESG) it is willing to take in achieving the Group's strategic objectives. The Audit Committee is delegated to oversee the Group's risk management and internal control systems on an ongoing basis and conduct a review of the effectiveness of the same, which should cover all material controls including financial, operational and compliance controls, at least annually. Under the supervision of the Audit Committee, the Management is responsible for the formulation, implementation and monitoring of the risk management and internal control systems as well as the review and update of the same to ensure that they remain relevant and adequate. The Board has also established and empowered the ESG Taskforce for ESG-related matters, duties of which are explained in the "Environmental, Social and Governance Report" of this annual report.

To assist the Audit Committee in fulfilling its responsibilities, the Management has developed a risk management policy in providing directions to identify, evaluate and manage significant risks (including ESG risks). Each half year, the Management follows the policy to identify and assess the key risk areas which cover all aspects of corporate strategy, operations, finance and ESG, as well as the changes thereof, reviews the internal control systems, distinguishes the material defects thereof (if any), and discusses the solutions to address such risk areas and defects, where appropriate. Risk management and internal control reviews shall be reported by the Management to the Audit Committee at least once a year, to enable the Audit Committee to assess the Group's control and the effectiveness of risk management and to make recommendations to the Board, where appropriate.

The Group does not have an internal audit function. In light of the Group's relatively simple corporate and operation structure, close supervision of the Senior Management, and effective communications with the Auditor in respect of any material control deficiency identified during the course of financial statement audit, the Board is currently of the view that there is no immediate need to set up an internal audit function within the Group. As opposed to diverting resources to establish a separate internal audit department, the Board, supported by the Audit Committee, shall be responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems. In order to maintain high standards of corporate governance, the Group also engages external independent consultants with professional staff in possession of the relevant expertise to perform independent review of the adequacy and effectiveness of the Group's risk management and internal control systems on project-basis as well as to give trainings to the Group's staff on implementing and monitoring such systems. The Group will continue to review the need for an internal audit function on an annual basis.

Procedures and Internal Controls for Handling and Dissemination of Inside Information

The Group has adopted a policy on the disclosure of inside information which sets out the procedures and controls for the handling and dissemination of inside information in compliance with the SFO and the Listing Rules. The policy contains guidelines to the Directors, the Relevant Employees and officers of the Group with the aim of enhancing the Group's system of handling of inside information and ensuring the truthfulness, accuracy, completeness and timeliness of the public disclosures of the Group.

Certain reasonable measures are taken by the Group from time to time to ensure that proper safeguards are in place to prevent any breach of the disclosure requirements in relation to the Group, which include:

– The Group ensures to conduct its affairs with close adherence to the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission of Hong Kong;

– Access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligation to preserve confidentiality;

– Confidentiality covenants will be in place when the Group enters into significant negotiations. In addition, all Relevant Employees are required to strictly adhere to the rules and regulations regarding the management of inside information, including the securities transactions rules adopted by the Company which are on terms no less exacting than those required under the SFO and the Listing Rules; and

– The Group is committed to disclosing inside information as soon as reasonably practicable under the applicable laws and regulations. Before any information is fully disclosed to the public, the Group ensures that such information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that the confidentiality covenants may have been breached, the Group shall immediately disclose such information to the public. The Group is committed to ensuring that the information contained in its announcements or circulars is not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

Whistleblowing Policy

Under the Whistleblowing Policy, the Group has in place a clear system and procedures for all directors, officers and employees at all levels and divisions of the Group as well as other stakeholders (including business counterparts) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Group.

Depending upon the circumstances, the CFO or a suitable investigation officer with suitable seniority at the Company will be appointed, or a special committee will be set up, for investigation of the reported case in a confidential and timely manner, and the same shall report the investigation results, with any recommendations for change or improvement (if applicable), to the Audit Committee.

The Audit Committee shall regularly review the Whistleblowing Policy and make appropriate revision, where necessary, to improve its effectiveness.

Anti-corruption Policy

The Group takes a zero-tolerance approach towards all forms of bribery, corruption, money laundering or fraud. The Group has adopted the Anti-corruption Policy which sets out the basic standard of conducts and provides guidance to all directors, officers and employees at all levels and divisions of the Group on the acceptance of advantages and handling of conflicts of interest. The Group also encourages and expects its business partners to abide by the principles of the Anti-corruption Policy.

Under the Anti-corruption Policy, the Group's regular auditing procedures may, when deemed necessary and appropriate, include a review of the local circumstances that may make particular officer or project vulnerable to corruption and the defences and strategy that are in place to mitigate such risk. The Company may, where necessary, also arrange an audit of compliance with the Anti-corruption Policy on an office and function basis, result of the same shall be reported to the Audit Committee.

Pursuant to the Anti-corruption Policy, the Group shall arrange regular anti-corruption trainings and briefings for all of its employees (including the Directors), and further trainings which are specific to the respective employees' fields of business, to ensure their awareness of the Group's anti-bribery, anti-corruption and anti-money laundering practices as well as the compliance with the laws and regulations.

The Audit Committee shall regularly review the Anti-corruption Policy and make appropriate revision, where necessary, to improve its effectiveness.

The Company has confirmed that the risk management and internal control provisions under the CG Code had been complied with throughout the Year. The Audit Committee has performed the annual review on the effectiveness of the Group's risk management and internal control systems (including ESG risk management and internal control systems) for the Year, including but not limited to the changes (if any) in the nature and extent of significant risks (including ESG risks); the Group's ability to cope with the changes in its business and the external environment; the scope and quality of the Management's ongoing monitoring of risks (including ESG risks) and of the internal control systems; the extent and frequency of communication to the Audit Committee in relation to the monitoring results; the significant control failures or weaknesses (if any) identified during the Year and their related implications; the effectiveness of the Group's processes for financial reporting and compliance with the Listing Rules; and the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting functions, as well as those relating to the Group's ESG performance and reporting. The Audit Committee received a confirmation from the Management on the effectiveness of the risk management and internal control systems (including ESG risk management and internal control systems) of the Group for the Year, which was endorsed by the Audit Committee and submitted to the Board. Based on the result of the review, the Board has confirmed that the Group's risk management and internal control systems (including ESG risk management and internal control systems) were effective and adequate during the Year. No significant area of concern that might affect the Shareholders was identified.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

The Company Secretary supports the Board by ensuring good information flow within the Board and that the Board policies and procedures are followed and facilitates induction and professional development of the Directors. The Company Secretary reports to, and advises the Board on governance matters through, the Chairman of the Board.

The selection, appointment or dismissal of the Company Secretary shall be approved by the Board by a physical Board meeting rather than a written resolution. During the Year and up to the date of this annual report, Mr. Ho Kai Tak ("**Mr. Ho**"), a practicing solicitor in Hong Kong and an external service provider, has been the Company Secretary. The primary corporate contact person at the Company for the purpose of Code Provision C.6.1 is Ms. Ong Sok Hun, the CFO and an executive Director.

Mr. Ho has confirmed that he took no less than 15 hours of relevant professional training during the Year.

AUDITOR'S REMUNERATION AND AUDITOR RELATED MATTERS

The re-appointment of EY as the Auditor was approved by the Shareholders at the 2024 AGM.

The analysis of remuneration paid or payable in respect of audit and non-audit services provided by EY to the Group during the Year is set out below:

	Remuneration paid/payable S$'000
Audit services	
– Annual audit services	210
– Audit work done on the Acquisition	100
Non-audit services	
– Tax returns compliance services	18
	328

SHAREHOLDERS' RIGHTS

The Company is committed to ensuring that all Shareholders are treated equitably and fairly. Set out below is a summary of certain rights of the Shareholders as disclosed pursuant to the mandatory disclosure requirements under the CG Code:

– Convening an extraordinary general meeting ("EGM") of the Company and putting forward proposals at general meetings

Pursuant to Article 58 of the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition at least one-tenth of the voting rights, on a one vote per share basis, in the share capital of the Company shall at all times have the right to make a requisition in writing to the Board or the Company Secretary to convene an EGM and/or add resolution(s) to the agenda of a meeting. Such requisition shall be signed by the requisitionist(s) and deposited at the Company's principal place of business in Singapore or Hong Kong, for the purpose of requiring an EGM to be called by the Board for the transaction of any business or resolution specified in such requisition; and such EGM shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene an EGM, the requisitionist(s) himself/herself/itself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The relevant contact details are set out in the "Corporate Information" of this annual report.

Pursuant to Article 85 of the Articles of Association, a Shareholder may propose a person other than the retiring Director(s) for election as a Director at a general meeting of the Company. Detailed procedures for the same are available on the Company's website.

– Putting enquiries to the Board

The Shareholders may at any time send their written enquiries in relation to the Group and/or the Board by addressing the same to the Board via the Company's website (www.chuanholdingsltd.com), mail to the Company's principal place of business in Singapore or email at chuanlc@singnet.com.sg.

In addition, the Shareholders may contact the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, if they have any enquiry about their shareholdings or entitlements to dividend. The relevant contact details are set out in the "Corporate Information" of this annual report.

INVESTOR RELATIONS AND SHAREHOLDERS ENGAGEMENT

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations and recognises the importance of disclosing the Group's information in a timely, accurate and complete manner, thereby enabling the Shareholders, investors as well as the public to make rational and informed investment decisions.

The Company is also committed to protecting the privacy rights on all personal data collected from the Shareholders. When collecting personal data from the Shareholders, the Company will specify in the relevant document the purpose of such collection and the use of the personal data. Contact details are also provided to the Shareholders for accessing and correcting their personal data.

The Company has adopted the Shareholders Communication Policy with the objective of ensuring that the Shareholders, and in appropriate circumstances, the Group's customers and the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Group, in order to enable the Shareholders to exercise their rights in an informed manner and to allow them and the investment community to engage actively with the Company. The Board shall be responsible for maintaining an on-going dialogue with the Shareholders and investors and reviewing the implementation and effectiveness of the Shareholders Communication Policy on a regular basis.

Information of the Group is mainly communicated through the Company's general meetings, corporate communications (including but not limited to annual and interim reports, notices, announcements, circulars and proxy forms) and disclosures on the website of the Company. Under the Shareholders Communication Policy, the Shareholders are encouraged to participate in the Company's general meetings, and all Directors should attend the general meetings to gain and develop a balanced understanding of the views of the Shareholders. The Company shall monitor and review the proceedings of the general meetings, as elaborated in the section headed "General Meetings" below, to ensure compliance and that the Shareholders' needs are fulfilled. The Company's website provides general and up-to-date information of the Group at a dedicated "Investor Relations" section and an effective communication platform to the Shareholders, investors and the public. Contact details of the Company, such as telephone hotline, fax number, email address and postal address, are also available on the Company's website, in order to enable the Shareholders and other stakeholders to communicate their views via such means. Apart from raising general enquiries to the Board, manner of which is set out in the section headed "SHAREHOLDERS' RIGHTS" above, and reporting concerns about possible improprieties in any matter related to the Group under the scope of the Whistleblowing Policy set out in the section headed "Whistleblowing Policy" above, the Shareholders and other stakeholders may lodge any suggestion and/or complaint with full details in relation to the Group and/or the Board by addressing to the complaints officer designated by the Group via the Company's website (www.chuanholdingsltd.com), mail to the Company's principle place of business in Singapore or email at chuanlc@singnet.com.sg, or by phone, if such person has any individual difficulty to lodge a written suggestion/complaint.

The Shareholders Communication Policy are available on the Company's website. Having reviewed the Shareholders Communication Policy and taking into account (i) multiple channels of communication and engagement that are in place for the Shareholders to communicate their views on various matters affecting the Company and steps taken to solicit and understand the views of the Shareholders and stakeholders; (ii) the Company's disclosures in its corporate communications and website for the Year; and (iii) the Directors' attendance at the Company's general meetings held during the Year, the Board has confirmed that the Shareholders Communication Policy was appropriate and effective for the Year.

During the Year, there was no change to the Company's constitutional documents, which are available on the Stock Exchange's website and the Company's website.

Dividend Policy

Since 1 January 2019, the Company has adopted a policy to determine the dividend payout (the "**Dividend Policy**"), which aims to allow the Shareholders to participate in the Company's profits sharing whilst enabling the Company to retain adequate reserves for future growth.

Under the Dividend Policy, subject to the requirements of the relevant laws and regulations and approval by the Shareholders, the Company may pay annual dividends to the Shareholders if the Group is profitable, the operation environment is stable and there are no significant investments or commitments made by the Group. The proposed dividend payout shall be based on the Group's capacity to pay from accumulated and future earnings, liquidity position and future commitments at the time of declaration of dividend with reference to the Group's actual and expected financial performance, expected working capital requirements and future expansion plans; the Group's debt to equity ratios; the restrictions on payment of dividends that may be imposed by the Group's lenders (if any); the business cycle of the Group's business; the dividends received from the Company's subsidiaries and associates; the Shareholders' and investors' expectation; general economic conditions; the industry's norm; and any other factors that the Board deems relevant. The Board may from time to time pay to the Shareholders such dividends as appear to the Directors to be justified taking into account the Group's profits.

The Dividend Policy shall be reviewed by the Board from time to time so as to keep the same in line with the future prospects and capital requirements of the Group as well as the changes in market conditions

General Meetings

One of the principal channels of communication with the Shareholders is the Company's general meetings, where the Shareholders can directly exchange their views with the Board. For each substantially separate issue at a general meeting, the chairman of such meeting, who is generally the Chairman of the Board, shall propose a separate resolution to the Shareholders for their consideration and approval. The Chairman of the Board and the chairmen of all Board Committees, or in their absence, another member of the respective Board Committees, shall attend the AGM to answer questions from the Shareholder. The Auditor shall also be invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and the Auditor's independence. The chairman of the independent committee of the Board (if any) shall attend any general meeting to approve a connected transaction or any other transaction that requires independent Shareholders' approval and be available to answer questions thereat.

CORPORATE GOVERNANCE REPORT

The Company reviews the proceedings of its general meetings from time to time to ensure that the same follow good corporate governance practices. Pursuant to the Listing Rules and the Articles of Association, the Company shall arrange a notice of the AGM to be sent to the Shareholders not less than 21 clear days before the AGM and a notice of the EGM to be sent to the Shareholders not less than 14 clear days before the EGM. All votes of the Shareholders at a general meeting shall be taken by poll. The chairman of a general meeting shall ensure that the detailed procedures for conducting a poll are explained to the Shareholders and answer any questions relating thereto prior to the poll being taken. The Company's Hong Kong branch share registrar and transfer office shall act as the scrutineer for the vote-taking. Announcement on the poll vote results shall be made by the Company in the manner prescribed under Rule 13.39(5) of the Listing Rules and shall be published on the website of the Stock Exchange and the website of the Company.

During the Year, the Company held the first EGM on 4 January 2024 (the "**2024 First EGM**"), the second EGM on 7 May 2024 (the "**2024 Second EGM**") and the 2024 AGM on 31 May 2024 at the Company's headquarters and the attendance record of each Director at those general meetings is set out below:

Name of the Directors	**Attendance/ Number of EGMs**	**Attendance of the 2024 AGM**
Executive Directors		
Mr. Lim Kui Teng *(CEO)*	1/2 *(Note)*	✓
Mr. Phang Yew Kiat *(Chairman of the Board and chairman of the Nomination Committee)* (re-designated from a non-executive Director to an executive Director on 1 January 2024)	2/2	✓
Mr. Bijay Joseph	2/2	✓
Ms. Ong Sok Hun *(CFO)* (appointed on 1 November 2024)	N/A	N/A
Independent Non-executive Directors		
Mr. Wee Hian Eng Cyrus	2/2	✓
Mr. Wong Ka Bo Jimmy *(chairman of the Audit Committee)*	2/2	✓
Mr. Xu Fenglei *(chairman of the Remuneration Committee)*	2/2	✓

Note: Mr. Lim Kui Teng excused himself from the 2024 Second EGM due to his material interest in the Acquisition.

Business transacted at the 2024 AGM includes the adoption of the audited consolidated financial statements of the Group together with the reports of the Directors and of the Auditor for the financial year ended 31 December 2023; the re-election of the retiring Directors; the authorisation to the Board to fix the Directors' remunerations; the re-appointment of EY as the Auditor and the authorisation to the Board to fix its remuneration; and the grant to the Directors of the general mandates to buy-back the Shares and to issue the Shares (and the extension thereof).

All of the aforesaid proceedings were duly followed at the 2024 First EGM, the 2024 Second EGM and the 2024 AGM.

REPORT OF THE DIRECTORS

The Directors are pleased to present their report together with the Consolidated Financial Statements for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are:

– the provision of earthworks and ancillary services, including land clearing, demolition, rock breaking, mass excavation, deep basement excavation, foundation excavation, earth disposal, earth filling and shore protection. Certain earthworks projects may require civil engineering works, such as road diversions, road reinstatements, overhead bridge, sewerage, drainage, pipe laying and cable trench works;

– the provision of general construction works, including alteration and addition works, which can be classified into interior works or works affecting building systems or components, such as structural works, additions of lifts and reinforcement works, and construction of new buildings; and

– property leasing and management operations.

A list of the Company's subsidiaries and their particulars are set out in Note 33 to the Consolidated Financial Statements.

An analysis of the Group's segment information for the Year by business is set out in Note 4 to the Consolidated Financial Statements.

BUSINESS REVIEW

A fair review of the business of the Group, an analysis of the Group's performance using financial KPIs and a description of the principal risks and uncertainties facing the Group for the Year as well as an indication of likely future development in the Group's business are provided throughout this annual report, particularly in the "Chairman's Statement" and the "Management Discussion and Analysis" of this annual report as well as the Consolidated Financial Statements. Details of the Group's financial risk management are set out in Note 35 to the Consolidated Financial Statements.

REPORT OF THE DIRECTORS

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to reinforcing values of acting lawfully, ethically and responsibly in its daily operations to fulfill its environmental and social responsibilities. The Group has an integrated management system ("**IMS**") to govern the ESG-related aspect of its operations.

In particular, the Group considers that environmental protection is essential to the long-term development of the Group and constantly improves its management practices so as to reduce waste, maximise efficiencies and minimise negative impact on the environment.

In order to minimise the impact of its construction activities on the environment, the Group has adopted and implemented an environmental management policy (the "**Environmental Management Policy**") with procedures to enable the Group to fulfill its commitment to the long-term sustainability of the environment and the communities in which it operates. The Group endeavours to maintain an environmentally-friendly and low-carbon emission business operations to minimise the Group's impact on environment and natural resources and help fight against global climate changes.

Detailed information on the ESG practices adopted by the Group is set out in the "Environmental, Social and Governance Report" of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

In recognition of the importance of complying with the regulatory requirements and the risk of non-compliance with the same, the Group has allocated sufficient systems and manpower resources to ensure ongoing compliance with all relevant laws and regulations in different jurisdictions which have a significant impact on the Group in conduct of its business and operations.

The principal activities of the Group comprise the provision of earthworks and ancillary services, the provision of general construction works and property leasing and management operations, operations of which are mainly carried out by the Company's subsidiaries in Singapore, whereas the Company itself was incorporated in the Cayman Islands and has been listed on the Main Board of the Stock Exchange since June 2016. Accordingly, the Group shall have to comply with the relevant laws and regulations in Singapore, the Cayman Islands and Hong Kong.

On the corporate level, the Company had complied with the Listing Rules and the SFO in relation to, among others, disclosure of information and corporate governance matters throughout the Year. The Company has also adopted the Model Code.

So far as it is known to the Directors, the Group had complied with all relevant laws and regulations whereat it was operating that had a significant impact on the Group throughout the Year.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group actively engages with its employees, customers and suppliers through different channels to develop mutual beneficial relationships and promote sustainability.

The Group ensures that all employees are reasonably remunerated and regularly reviews and improves its policies on remunerations and benefits, training, occupational health and safety. The Group is also committed to ensuring all employees and job candidates are treated fairly and equally.

In view of maintaining long-term business relationships with the Group's major customers and suppliers will further enhance the market recognition of the Group and attract more potential business opportunities, the Group endeavours to maintain good and stable relationships with its customers and suppliers. With the aim of improving service quality, the Group has put in place a customer complaint handling mechanism to receive, analyse and study complaint cases (if any) and to make recommendations on remedial actions. The Group regularly reviews and evaluates the performance of its suppliers by conducting fair and strict appraisals.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the "Consolidated Statement of Comprehensive Income" of this annual report.

No interim dividend was paid during the Year and the Board did not recommend the payment of a final dividend for the Year. There were no arrangements under which a Shareholder had waived or agreed to waive any dividends during the Year.

FIVE YEARS' FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on pages 4 and 5 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the Year are set out in Note 12 to the Consolidated Financial Statements.

INVESTMENT PROPERTY

Details of movements in the investment property of the Group during the Year are set out in Note 13 to the Consolidated Financial Statements.

REPORT OF THE DIRECTORS

SHARE CAPITAL

Details of movements in the Company's share capital during the Year are set out in Note 27 to the Consolidated Financial Statements.

EQUITY-LINKED AGREEMENTS

Save for the Subscription Agreement and the Share Option Scheme as disclosed in the sections headed "ISSUE OF SHARES" and headed "SHARE OPTION SCHEME" below respectively, no equity-linked agreement was entered into by the Company during the Year or subsisted at the end of the Year.

RESERVES

Details of movements in the reserves of the Group and of the Company during the Year are set out in Notes 27 and 32 to the Consolidated Financial Statements respectively.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution to the Shareholders represent the aggregate of share premium and contributed surplus less accumulated losses. Under the Companies Act, laws of the Cayman Islands (as amended, supplemented or otherwise modified from time to time), the share premium of the Company may be applied for paying distributions or dividends to the Shareholders subject to the provisions of the Company's Memorandum and Articles of Association, provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business. As at 31 December 2024, the Company's reserves available for distribution to the Shareholders were approximately S$59.2 million, being the aggregate of share premium and contributed surplus of approximately S$74.7 million less accumulated losses of approximately S$15.5 million.

DONATIONS

The Group's donations for charitable and other purposes during the Year are disclosed on page 134 of this annual report.

DIRECTORS

The Directors during the Year and up to the date of this report are set out below:

Executive Directors

Mr. Lim Kui Teng *(CEO)*
Mr. Phang Yew Kiat *(Chairman of the Board)* (re-designated from a non-executive Director to an executive Director on 1 January 2024)
Mr. Bijay Joseph
Ms. Ong Sok Hun *(CFO)* (appointed on 1 November 2024)

Independent Non-executive Directors

Mr. Wee Hian Eng Cyrus
Mr. Wong Ka Bo Jimmy
Mr. Xu Fenglei

The biographical details of the Directors as at the date of this report are set out on pages 29 to 31 of this annual report.

Pursuant to Article 83(3) of the Articles of Association, Ms. Ong Sok Hun will retire from office at the forthcoming AGM and, being eligible, has offered herself for re-election. In accordance with Article 84(1)-(2) of the Articles of Association, Mr. Lim Kui Teng, Mr. Wee Hian Eng Cyrus and Mr. Xu Fenglei will retire from office by rotation at the forthcoming AGM and, being eligible, have offered themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

Details of the Directors' service contracts are set out on pages 37 and 38 of this annual report.

None of the Directors (including the Directors proposed for re-election at the forthcoming AGM) has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

REPORT OF THE DIRECTORS

PERMITTED INDEMNITY PROVISION

It is provided in the Articles of Association that the Directors for the time being of the Company and every one of them, and every one of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts, provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.

During the Year and up to the date of this report, the Group has taken out and maintained a directors' liability insurance, which provides appropriate cover for the legal actions against the Directors and the directors of the Company's subsidiaries arising from corporate activities. The level of the insurance coverage is reviewed annually.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of the Directors and the chief executives (the "**Chief Executives**") of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Aggregate Long Positions in the Shares and Underlying Shares

	Number of Shares						
Name of the Directors	**Personal interest (held as beneficial owner)**	**Corporate interest (interest of controlled corporation)**	**Family interest (interest of spouse or child under 18)**	**Sub-total**	**Number of underlying Shares held under equity derivatives** *(Note 4)*	**Total**	**Approximate percentage of the total number of issued Shares as at 31 December 2024**
Mr. Lim Kui Teng (**"Mr. Lim"**)	21,380,000	529,125,000 *(Note 1)*	–	550,505,000	–	550,505,000	43.57%
Mr. Phang Yew Kiat ("**Mr. Phang**")	228,019,200 *(Note 2)*	–	–	228,019,200	10,364,000	238,383,200	18.87%
Mr. Bijay Joseph ("**Mr. Joseph**")	–	–	–	–	8,000,000	8,000,000	0.63%
Ms. Ong Sok Hun ("**Ms. Ong**")	–	–	108,000 *(Note 3)*	108,000	8,500,000	8,608,000	0.68%

Notes:

1. These Shares were held by Brewster Global, entire issued share capital of which is directly held by Mr. Lim.

2. These Shares were allotted and issued by the Company to Mr. Phang during the Year as follows:

   (a) On 23 January 2024, the Company allotted and issued the Subscription Shares of 207,291,200 Shares to Mr. Phang pursuant to the terms and conditions of the Subscription Agreement, details of which are set out in the section headed "ISSUE OF SHARES" below; and

   (b) On 12 April 2024, the Company allotted and issued 20,728,000 Shares to Mr. Phang upon Mr. Phang's exercise of 20,728,000 share options granted to him under the Share Option Scheme, details of which are set out in the section headed "SHARE OPTION SCHEME" below.

3. These Shares were held by the spouse of Ms. Ong.

4. These interests represented the interests of these Directors in the underlying Shares in respect of the share options granted to them as beneficial owners under the Share Option Scheme, details of which are set out in the section headed "SHARE OPTION SCHEME" below.

Save as disclosed above, as at 31 December 2024, none of the Directors or the Chief Executives had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

Pursuant to the written resolutions of the Shareholders passed on 10 May 2016, the Company adopted the Share Option Scheme which became effective from 10 May 2016. Pursuant to the Share Option Scheme, the Board may grant share options to eligible participants under the Share Option Scheme to subscribe for the Shares.

– Purpose

The purpose of the Share Option Scheme is to enable the Board to grant share options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high-calibre eligible participants and attract human resources that are valuable to the Group.

– Eligible participants

Eligible participants include employees or proposed employees (whether full time or part time, including directors) of members or invested entities of the Group; suppliers of goods or services; customers; persons or entities that provide research, development or other technological support; the Shareholders; and other participants who contribute to the development and growth of the Group or its invested entities.

– Total number of Shares available for issue

The total number of Shares which may be issued in respect of all share options to be granted under the Share Option Scheme must not exceed 10% of the total number of issued Shares as at the date of approval of the Share Option Scheme (i.e. 100,000,000 Shares).

The total number of Shares available for issue under the Share Option Scheme is 79,272,000 Shares, representing approximately 6.3% of the total number of issued Shares, as at the date of this report.

- **Maximum entitlement of each eligible participant**

  No share options shall be granted to any eligible participant if any further grant of share options would result in the Shares issued and to be issued upon exercise of all share options granted and to be granted to such person (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such further grant exceeding 1% of the total number of Shares in issue from time to time, unless (i) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the eligible participant and his/her close associates (as defined in the Listing Rules), or associates (as defined in the Listing Rules) if such eligible participant is a connected person (as defined in the Listing Rules), shall abstain from voting; (ii) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including the identity of the eligible participant, the number and terms of the share options to be granted and the share options previously granted to such eligible participant in the 12-month period, the purpose of granting share options to such eligible participant and an explanation as to how the terms of the share options serve such purpose); and (iii) the number and terms (including the exercise price) of such share options have been fixed before the Shareholders' approval is sought.

- **Period within which the share option may be exercised by the grantee**

  Share options may be exercised in whole or in part by the grantee at any time before the expiry of the period to be determined and notified by the Board to the grantee which, in any event, shall not be longer than 10 years commencing from the date of the offer letter and expiring on the last day of such 10-year period.

  There are no general requirements on the performance targets that must be achieved before a share option may be exercised under the Share Option Scheme. However, the Board may, on the case-by-case basis, make an offer subject to the conditions in relation to performance targets to be achieved and the relevant clawback mechanism for the Company to recover the share options granted as the Board may determine in its absolute discretion.

- **Vesting period of share options granted**

  No vesting period shall be provided for the share options granted under the Share Option Scheme unless otherwise determined by the Board at the time of grant.

- **Payment on acceptance of the share option**

  An offer of grant of a share option may be accepted by an eligible participant within 21 days from the date of grant of the share option (the "**Date of Grant**"), which must be a trading day, upon payment of HK$1.00.

- **Basis of determining the exercise price of share options granted**

  The exercise price of share options granted under the Share Option Scheme shall be such price as determined by the Board and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the Date of Grant; and (iii) the nominal value of the Shares on the Date of Grant. Where a share option is to be granted, the date of the Board meeting at which the grant is proposed shall be taken to be the Date of Grant.

– Remaining life

The Share Option Scheme shall expire on 9 May 2026.

No share options were granted by the Company under the Share Option Scheme during the Year. The number of share options available for grant under the Share Option Scheme at the beginning and the end of the Year are 48,000 and 48,000 respectively. The number of Shares that may be issued in respect of the share options granted under the Share Option Scheme during the Year divided by the weighted average number of Shares in issue for the Year is nil%.

Details of movements in the share options granted by the Company under the Share Option Scheme during the Year are as follows:

			Number of share options								
Name of the participants	Date of Grant	Exercise price per Share HK$	Outstanding as at 1 January 2024 *(Note 1)*	Transferred to another category during the Year *(Note 1)*	Transferred from another category during the Year *(Note 1)*	Granted during the Year	Exercised during the Year *(Note 1)*	Lapsed during the Year	Cancelled during the Year	Outstanding as at 31 December 2024 *(Note 1)*	Exercise period *(Note 4)*
Directors											
Mr. Phang	28 October 2020	0.090	10,364,000 (L)	–	–	–	(10,364,000 (L)) *(Note 2)*	-	-	–	16 October 2021 to 9 May 2026 (both days inclusive)
	29 October 2021	0.220	10,364,000 (L)	–	–	–	–	-	-	10,364,000 (L)	16 October 2022 to 9 May 2026 (both days inclusive)
	1 November 2022	0.103	10,364,000 (L)	–	–	–	(10,364,000 (L)) *(Note 2)*	-	-	–	16 October 2023 to 9 May 2026 (both days inclusive)
Mr. Joseph	28 October 2020	0.090	8,000,000 (L)	–	–	–	–	-	-	8,000,000 (L)	10 May 2021 to 9 May 2026 (both days inclusive)
Ms. Ong	28 October 2020	0.090	–	–	8,500,000 (L) *(Note 3)*	–	–	-	-	8,500,000 (L)	10 May 2021 to 9 May 2026 (both days inclusive)
Employees of the Group	28 October 2020	0.090	60,860,000 (L)	(8,500,000 (L)) *(Note 3)*	–	–	–	-	-	52,360,000 (L)	10 May 2021 to 9 May 2026 (both days inclusive)
Total			99,952,000 (L)	(8,500,000 (L))	8,500,000 (L)	–	(20,728,000 (L))	-	-	79,224,000 (L)	

Notes:

1. The letter "L" denotes a long position in the underlying Shares.

2. On 12 April 2024, the Company allotted and issued 20,728,000 Shares to Mr. Phang upon Mr. Phang's exercise of (i) 10,364,000 share options granted to him on 28 October 2020 at the exercise price of HK$0.090 per Share; and (ii) 10,364,000 share options granted to him on 1 November 2022 at the exercise price of HK$0.103 per Share under the Share Option Scheme. The weighted average closing price of the Shares immediately before the date on which the share options were exercised was HK$0.057.

3. Ms. Ong has been appointed as an executive Director with effect from 1 November 2024. Accordingly, the share options granted to Ms. Ong were transferred from the category of "Employees of the Group" to the category of "Directors".

4. The vesting period of each share option granted commences from the Date of Grant of the share option up to the date immediately before the same becomes exercisable.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" and headed "SHARE OPTION SCHEME" above:

(a) no arrangements to which the Company or any of its subsidiaries was a party and whose objects were, or one of whose objects was, to enable the Directors, or their spouses or children under 18 years of age, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate subsisted at any time during the Year or at the end of the Year; and

(b) none of the Directors, or their spouses or children under 18 years of age, had any right to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate or exercised any such right during the Year.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as it is known to the Directors and the Chief Executives, as at 31 December 2024, the interests and short positions of the persons, other than the Directors and the Chief Executives, in the Shares and the underlying Shares as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Aggregate Long Positions in the Shares

Name of the substantial Shareholders	Capacity/Nature of interest	Number of Shares	Approximate percentage of the total number of issued Shares as at 31 December 2024
Brewster Global	Beneficial owner	529,125,000 *(Note 1)*	41.88%
Ms. Yee Say Lee ("**Ms. Yee**")	Interest of spouse *(Note 2)*	550,505,000	43.57%

Notes:

1. The entire issued share capital of Brewster Global is directly held by Mr. Lim. Accordingly, Mr. Lim is deemed to be interested in the Shares held by Brewster Global under the SFO. Mr. Lim is a controlling Shareholder and an executive Director.

2. Ms. Yee is the spouse of Mr. Lim. Accordingly, Ms. Yee is deemed to be interested in the Shares in which Mr. Lim is interested under the SFO.

Save as disclosed above, as at 31 December 2024, no person, other than the Directors and the Chief Executives, had any interest or short position in the Shares or the underlying Shares as recorded in the register required to be kept under Section 336 of the SFO.

ISSUE OF SHARES

On 17 November 2023, the Company and Mr. Phang entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to allot and issue, and Mr. Phang conditionally agreed to subscribe for, the Subscription Shares of 207,291,200 Shares at the subscription price of HK$0.074 per Subscription Share for the total consideration of HK$15,339,548.80 in cash. The closing price of the Shares as quoted on the Stock Exchange on 17 November 2023, being the date on which the terms of the issue were fixed, was HK$0.074 per Share.

In view of (i) the Group's business scale, strategic development and ongoing projects; (ii) the term of the master lease agreement dated 14 December 2021 (the "**Master Lease Agreement**") entered into between Hulett Construction and Chuan Lim; (iii) the number of foreign workers staying at the Group's leased worker dormitory and the dormitories operated by third parties; (iv) the surging dormitory costs due to supply shortage of foreign worker dormitories; (v) the more stringent requirements imposed by the Singapore government on the employers' responsibility to ensure their foreign workers are provided with proper housing; and (vi) the future business opportunities of construction works in Singapore, the Group shall continue to strengthen its market presence and competitiveness in the construction industry by increasing its working capital, production capacity and workforce and to provide sufficient and suitable operation space and housing for its foreign workers. The Subscription demonstrates Mr. Phang's confidence and commitment for the Group's long-term development and growth prospect and further strengthens the capital base of the Company by raising additional funds for the Group's business operations and strategic development. In light of the prevailing market conditions that the interest rate for debt financing has raised significantly, the Subscription represents a suitable financial option to support the Group's continuous development and business growth, as compared to other means of financing as it enables the Group to raise capital in an efficient manner without increasing interest burden on the Group.

The Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the specific mandate (the "**Specific Mandate**") to allot and issue the Subscription Shares, were approved by the independent Shareholders at the 2024 First EGM. The completion of the Subscription took place on 23 January 2024 in accordance with the terms and conditions of the Subscription Agreement, upon which the Subscription Shares were allotted and issued by the Company to Mr. Phang, who became a substantial Shareholder. For further details, please refer to the announcements of the Company dated 17 November 2023, 4 January 2024 and 23 January 2024 (the "**Subscription Announcements**") and the circular of the Company dated 15 December 2023 (the "**Subscription Circular**").

After deduction of the related fees and expenses, the Net Proceeds amounted to approximately HK$15,000,000.00 (equivalent to approximately S$2.6 million), representing a net subscription price of approximately HK$0.0724 per Subscription Share. The intended use of the Net Proceeds was as follows:

(a) HK$7,500,000.00 (i.e. 50% of the Net Proceeds and equivalent to approximately S$1,281,000) for strengthening the Group's working capital for tender for additional sizable projects;

(b) HK$3,600,000.00 (i.e. 24% of the Net Proceeds and equivalent to approximately S$615,000) for purchase of excavation machines and tipper trucks; and

(c) HK$3,900,000.00 (i.e. 26% of the Net Proceeds and equivalent to approximately S$666,000) for leasing or acquisition of industrial property for the Group's use.

Details of utilisation of the Net Proceeds during the Year are set out in the section headed "Use of Proceeds" in the "Management Discussion and Analysis" of this annual report.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the Year and up to the date of this report, the Company repurchased a total of 1,048,000 Shares (the "**Repurchased Shares**") on the Stock Exchange. Particulars of the Repurchased Shares are as follows:

Date of repurchase	**Number of Repurchased Shares**	**Repurchase price per Repurchased Share**	**Aggregate price paid (before expenses)**
		HK$	HK$
24 July 2024	1,048,000	0.095	99,560.00

As at the date of this report, all of the Repurchased Shares are cancelled.

Save as disclosed above, there was no purchase, sale or redemption of the Shares by the Company or any of its subsidiaries, and the Company did not hold any treasury shares (within the meaning of the Listing Rules), during the Year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or under the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer the new Shares on a pro-rata basis to the existing Shareholders.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year, none of the Directors or their associates (as defined in the Listing Rules) had any interest in a business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the Group's business.

Mr. Lim, a controlling Shareholder and an executive Director, has confirmed that he had not engaged in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the Group's business and that he had complied with the undertaking given under the deed of non-competition as disclosed in the prospectus of the Company dated 25 May 2016 throughout the Year. The independent non-executive Directors are not aware of any incident of non-compliance of such undertaking.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save for the borrowings of the Group and the related party transactions of the Group as disclosed in Note 29 to the Consolidated Financial Statements, no transaction, arrangement or contract of significance in relation to the Group's business entered into by the Company or any of its subsidiaries and in which a Director, or any of his/her connected entities, had, directly or indirectly, a material interest, subsisted at any time during the Year or at the end of the Year.

MAJOR CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

During the Year,

– Approximately 39.5% (2023: 21.2%) and 85.3% (2023: 73.3%) of the Group's total purchases were attributable to the largest supplier of the Group and the five largest suppliers of the Group combined respectively;

– Approximately 37.7% (2023: 25.2%) and 56.6% (2023: 50.9%) of the Group's total revenue were attributable to the largest customer of the Group and the five largest customers of the Group combined respectively; and

– Approximately 16.5% (2023: 8.8%) and 57.7% (2023: 26.5%) of the Group's total subcontractor fees were attributable to the largest subcontractor of the Group and the five largest subcontractors of the Group combined respectively.

None of the Directors, their close associates (as defined in the Listing Rules) or the Shareholders (which to the knowledge of the Directors own more than 5% of the total number of issued Shares) had any beneficial interest in any of the Group's five largest suppliers or customers during the Year.

MANAGEMENT CONTRACTS

No contracts, other than the contracts of service with the Directors and employment contracts, concerning the management and/or administration of the whole or any substantial part of any business of the Group were entered into or existed during the Year.

CHANGES IN DIRECTORS' INFORMATION

Save as disclosed below, there have been no changes in the information of the Directors since the date of the 2024 Interim Report, or where applicable, the subsequent announcement of the Company in relation to the appointment of the Director, and up to the date of this annual report which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

1. Mr. Wong Ka Bo Jimmy, an independent non-executive Director, resigned as an independent non-executive director of China Nex-Gen Commerce and Supply Chain Limited (previously named as S&T Holdings Limited), shares of which are listed on the Main Board of the Stock Exchange (Stock Code:3928), with effect from 25 September 2024;

2. Mr. Phang has been appointed as the independent non-executive chairman of TOTM Technologies Limited, shares of which are listed on the Singapore Exchange Limited (SGX Symbol:42F.SI), with effect from 16 December 2024;

3. Mr. Lim's basic salary was raised from S$1,041,600 per annum to S$1,083,600 per annum for the Year as determined by the Board based on the recommendation of the Remuneration Committee with reference to Mr. Lim's job responsibilities and involvement with the Group's affairs and the prevailing market conditions; and

4. Mr. Joseph's basic salary was raised from S$276,000 per annum to S$311,000 per annum for the Year as determined by the Board based on the recommendation of the Remuneration Committee with reference to Mr. Joseph's job responsibilities and involvement with the Group's affairs and the prevailing market conditions.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the related party transactions entered into by the Group during the Year are disclosed in Note 29 to the Consolidated Financial Statements. Certain related party transactions constitute connected transactions or continuing connected transactions of the Company which are subject to the annual review and/or disclosure requirements under Chapter 14A of the Listing Rules, details of which during the Year are as follows:

1. On 14 December 2021, the Company (for and on behalf of the Group) and Golden Empire Civil Engineering Pte. Ltd. ("**Golden Empire**"), a company incorporated in Singapore with limited liability, entered into the new rental services framework agreement 1 dated 14 December 2021 (the "**Rental Services Framework Agreement 1**") in respect of the provision of construction-related services such as rental of truck and supply of labour for a term of three years commencing from 1 January 2022 and ended on 31 December 2024 with an option to renew for a further three years upon expiry with mutual consent by the parties after negotiation, subject to the annual cap of S$300,000 for each of the three financial years ended 31 December 2024. Pursuant to the Rental Services Framework Agreement 1, the relevant parties must enter into a separate implementing agreement to stipulate specific terms and conditions, including specific scope of service, form of service and payment method, in respect of a specific transaction relating to the relevant services based on and in accordance with the terms and conditions set out in the Rental Services Framework Agreement 1, and the terms and conditions of such implementing agreement should be fair and reasonable, in accordance with the principles of price fixing stated in the Rental Services Framework Agreement 1 and based on normal commercial terms applicable to the relevant transaction entered into with an independent third party (if available). For further details, please refer to the announcement of the Company dated 14 December 2021 (the "**Announcement**").

   Golden Empire is owned as to 50% by Mr. Lim, a controlling Shareholder and an executive Director, and 50% by an independent third party. As such, Golden Empire is a connected person of the Company for the purpose of the Listing Rules.

   The continuing connected transactions contemplated under the Rental Services Framework Agreement 1 are subject to the reporting, announcement and annual review but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

   The total amount of rental services and labour supply provided by the Group to Golden Empire during the Year was approximately S$0.

2. On 14 December 2021, the Company (for and on behalf of the Group) and Golden Empire-Huationg Pte. Ltd. ("**GEHT**"), a company incorporated in Singapore with limited liability, entered into the new rental services framework agreement 2 dated 14 December 2021 (the "**Rental Services Framework Agreement 2**") in respect of the provision of construction-related services such as rental of truck and supply of labour for a term of three years commencing from 1 January 2022 and ended on 31 December 2024 with an option to renew for a further three years upon expiry with mutual consent by the parties after negotiation, subject to the annual cap of S$300,000 for each of the three financial years ended 31 December 2024. Pursuant to the Rental Services Framework Agreement 2, the relevant parties must enter into a separate implementing agreement to stipulate specific terms and conditions, including specific scope of service, form of service and payment method, in respect of a specific transaction relating to the relevant services based on and in accordance with the terms and conditions set out in the Rental Services Framework Agreement 2, and the terms and conditions of such implementing agreement should be fair and reasonable, in accordance with the principles of price fixing stated in the Rental Services Framework Agreement 2 and based on normal commercial terms applicable to the relevant transaction entered into with an independent third party (if available). For further details, please refer to the Announcement.

   GEHT is owned as to 33.33% by an independent third party and 66.67% by Golden Empire, which in turn is owned as to 50% by Mr. Lim, a controlling Shareholder and an executive Director, and 50% by an independent third party. As such, GEHT is a connected person of the Company for the purpose of the Listing Rules.

   The continuing connected transactions contemplated under the Rental Services Framework Agreement 2 are subject to the reporting, announcement and annual review but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

   The total amount of rental services and labour supply provided by the Group to GEHT during the Year was approximately S$0.

3. On 17 November 2023, the Company and Mr. Phang entered into the Subscription Agreement in respect of the Subscription. Pursuant to the Subscription Agreement, the Company conditionally agreed to allot and issue, and Mr. Phang conditionally agreed to subscribe for, the Subscription Shares of 207,291,200 Shares at the Subscription Price of HK$0.074 per Subscription Share for the total consideration of HK$15,339,548.80 in cash. The Net Proceeds amounted to approximately HK$15,000,000.00.

   Mr. Phang is the Chairman of the Board and an executive Director (who was then a non-executive Director). As such, Mr. Phang is a connected person of the Company for the purpose of the Listing Rules.

   The connected transaction contemplated under the Subscription Agreement is subject to the reporting, announcement, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate, were approved by the independent Shareholders at the 2024 First EGM. The completion of the Subscription took place on 23 January 2024 in accordance with the terms and conditions of the Subscription Agreement, upon which the Subscription Shares were allotted and issued by the Company to Mr. Phang, who became a substantial Shareholder. For further details, please refer to the Subscription Announcements and the Subscription Circular.

4. On 14 February 2024, Mr. Lim, Ms. Yee, Chuan Lim and Hulett Construction entered into the sale and purchase agreement dated 14 February 2024 (the "**Agreement**"), pursuant to which Mr. Lim and Ms. Yee conditionally agreed to sell, and Chuan Lim conditionally agreed to purchase, 1,000,000 ordinary shares of S$1.00 each in the share capital of Hulett Construction, representing the entire equity interest in Hulett Construction, together with the sale loans due and owing by Hulett Construction to Mr. Lim as the director of Hulett Construction in the sum of S$4,000,000 at the total consideration of S$46,700,000, which was settled (i) as to S$8,000,000 by the issue of the promissory note (the "**Promissory Note**") in the principal amount of S$8,000,000 by Chuan Lim to Mr. Lim; and (ii) as to S$38,700,000 in cash.

   Mr. Lim is a controlling Shareholder and an executive Director, and Ms. Yee is the spouse of Mr. Lim. As such, Mr. Lim and Ms. Yee are connected persons of the Company for the purpose of the Listing Rules.

   The connected transaction contemplated under the Agreement is subject to the reporting, announcement, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Agreement and the transactions contemplated thereunder, including the Acquisition, were approved by the independent Shareholders at the 2024 Second EGM. The completion of the Acquisition took place on 31 May 2024 in accordance with the terms and conditions of the Agreement, upon which Hulett Construction has become an indirect wholly-owned subsidiary of the Company and the financial results of Hulett Construction have been consolidated in the consolidated financial statements of the Group. For further details, please refer to the announcements of the Company dated 14 February 2024, 29 April 2024, 7 May 2024 and 31 May 2024 and the circular of the Company dated 22 April 2024 (the "**Acquisition Circular**").

5. As the Master Lease Agreement expired on 31 December 2023 and in contemplation of the Acquisition, on 30 December 2023, Hulett Construction and Chuan Lim entered into the new master lease agreement dated 30 December 2023 (the "**New Master Lease Agreement**") in respect of the provision of rental services from Hulett Construction to Chuan Lim for a term of three months commencing from 1 January 2024 and ended on 31 March 2024, which was subsequently extended to 31 May 2024 pursuant to the lease extension agreement dated 16 April 2024 (the "**Lease Extension Agreement**") entered into between Hulett Construction and Chuan Lim, subject to the annual cap of S$900.000 for the period between 1 January 2024 and 31 May 2024. Pursuant to the New Master Lease Agreement (as extended by the Lease Extension Agreement), Hulett Construction leased to Chuan Lim the premises (the "**Premises**"), including (i) the warehouse, workshop and production space with aggregate floor area of 37,899.26 square feet; (ii) the ancillary office with aggregate floor area of 4,684.19 square feet; (iii) the worker dormitory (based on availability and actual need of Chuan Lim); and (iv) the parking lots for heavy vehicles (based on availability and actual need of Chuan Lim), all situated at the Property, and provided the related management services to Chuan Lim. Chuan Lim paid to Hulett Construction an aggregated sum of the following components in advance on the first day of each calendar month during the term of the New Master Lease Agreement (as extended by the Lease Extension Agreement): (a) monthly rent of S$64,812.01, including the rentals of (i) the warehouse, workshop and production space of 37,899.26 square feet at the monthly rate of S$56,848.89; and (ii) the ancillary office of 4,684.19 square feet at the monthly rate of S$7,963.12; and (b) other charges, including the aggregated sums of (i) worker dormitory charges at the rate of S$450 per bed; (ii) parking charges at the rate of S$280 per parking lot; and (iii) charges for the utilities and management services provided to the Premises and used by Chuan Lim or any occupier thereof, all of which were adjusted and calculated on a monthly basis based on the actual usage by Chuan Lim. For further details, please refer to the announcements of the Company dated 14 February 2024 and 16 April 2024 and the Acquisition Circular.

Hulett Construction was then owned as to 65% by Mr. Lim, a controlling Shareholder and an executive Director, and 35% by Ms. Yee, the spouse of Mr. Lim. As such, Hulett Construction was a connected person of the Company for the purpose of the Listing Rules.

The continuing connected transactions contemplated under the New Master Lease Agreement (as extended by the Lease Extension Agreement) are subject to the reporting, announcement and annual review but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The total amount charged by Hulett Construction in respect of the rental services provided to the Group during the Year was approximately S$847,000.

The price and terms of the continuing connected transactions mentioned in paragraphs 1, 2 and 5 above were determined in accordance with the respective pricing policy and guideline as disclosed in the Announcement, the announcements of the Company dated 14 February 2024 and 16 April 2024 and the Acquisition Circular. The independent non-executive Directors have reviewed the continuing connected transactions for the Year and confirmed that the transactions had been entered into:

– in the ordinary and usual course of business of the Group;

– on normal commercial terms or better; and

– according to the relevant agreement governing them on terms that were fair and reasonable and in the interests of the Shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company engaged the Auditor to report on the aforesaid continuing connected transactions for the Year in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* as promulgated by the International Auditing and Assurance Standards Board and with reference to Practice Note 740 (Revised) *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued an unqualified letter to the Board in accordance with Rule 14A.56 of the Listing Rules containing its confirmation that nothing has come to its attention that causes it to believe that the continuing connected transactions:

– have not been approved by the Board;

– were not, in all material respects, in accordance with the pricing policies of Group if the transactions involve the provision of goods or services by the Group;

– were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and

– have exceeded the cap.

The Company has complied with the disclosure requirements in relation to the abovementioned connected transactions and continuing connected transactions in accordance with Chapter 14A of the Listing Rules. Apart from those transactions, the Group has not entered into any other connected transactions or continuing connected transactions which are required to be disclosed in this annual report pursuant to Chapter 14A of the Listing Rules.

DISCLOSURES PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES

Details of the Group's advances to an entity and financial assistance to, and guarantees given for facilities granted to, the Group's joint ventures and associated companies (collectively, the "**affiliated companies**") as at 31 December 2024 are as follows:

1. On 7 May 2021, each of Longlands, Mr. Tng Kay Lim ("**Mr. Tng**"), an independent third party, and Mr. Yang Tse Pin ("**Mr. Yang**"), an independent third party, entered into a shareholder's loan agreement with Chuan Investments Pte. Ltd. ("**Chuan Investments**"), a company incorporated in Singapore with limited liability which is owned as to one-third each by Longlands, Mr. Tng and Mr. Yang, pursuant to which the balance of the capital contribution to Chuan Investments payable by each of Longlands, Mr. Tng and Mr. Yang shall be made by way of unsecured interest-free shareholder's loans in the amount of not more than S$16,900,000 for the purpose of financing the redevelopment project of Maxwell House, the 13-storey residential and commercial mixed-use building comprising 145 strata units located at 20 Maxwell Road, Singapore 069113 with a land area of 3,883.3 square metres (the "**Redevelopment Project**"). The amount of the contribution was determined based on Chuan Investments' portion (being 30%) of the cash contribution or commitment towards the then capital needs for the Redevelopment Project (being an amount in the range of 20% to 27% of the then total estimated capital needs for the Redevelopment Project). The unsecured interest-free shareholder's loans are repayable on demand. For further details, please refer to the announcement of the Company dated 7 May 2021 and the circular of the Company dated 25 June 2021.

   In order to finance Chuan Investments' portion (being 30%) of the cash contribution or commitment towards the further capital needs for the Redevelopment Project, on the respective dates of 3 January 2024 and 12 March 2024, Longlands and Chuan Investments entered into (i) the further shareholder's loan agreement dated 3 January 2024, pursuant to which Longlands provided to Chuan Investments a further shareholder's loan in the amount of S$500,000 on 3 January 2024; and (ii) the second further shareholder's loan agreement dated 12 March 2024, pursuant to which Longlands provided to Chuan Investments a second further shareholder's loan in the amount of S$2,500,000 on 18 March 2024. The aforesaid further shareholder's loans are unsecured, interest-free and repayable on demand. For further details, please refer to the announcement of the Company dated 12 March 2024.

2. On 16 October 2024, Chuan Lim and BuildStar Contractor Pte. Ltd. ("**BuildStar**"), a company incorporated in Singapore with limited liability which is owned as to 55% by Mr. Lee Kit Ha, an independent third party, and 45% by Mr. Fang Quanxin, an independent third party, entered into the joint venture agreement dated 16 October 2024 in respect of the establishment, operations and management of Chuan Lim-BuildStar JV Pte. Ltd. ("**Chuan Lim-BuildStar JV**"), a company incorporated in Singapore with limited liability which is owned as to 50% each by Chuan Lim and BuildStar. Pursuant to the said joint venture agreement, each of Chuan Lim and BuildStar contributed S$5,000 to the paid-up capital of Chuan Lim-BuildStar JV and agreed to provide to Chuan Lim-BuildStar JV a shareholder's loan in the amount of S$1,000,000 for the purpose of financing Chuan Lim-BuildStar JV's execution of the joint venture project, which involves subcontracting the building works under a public construction project in relation to the erection of a 5-storey electrical substation building at Mukim 06 Lot 04984X, Jalan Ahmad Ibrahim, Jurong Pier Road, Lan Pesawat, Singapore. The aforesaid shareholder's loan is unsecured, interest-free and repayable on demand. For further details, please refer to the announcements of the Company dated 16 October 2024 and 25 October 2024.

The advances to an entity as well as the financial assistance and guarantees to the affiliated companies given by the Group as at 31 December 2024 are set out below:

	2024 **S$'000**	2023 S$'000
Amount due by the affiliated companies *(Note)*	**19,900**	16,900
Guarantees given for the affiliated companies in respect of banking and other credit facilities	**–**	–
Commitments to capital injections and loan contributions	**1,000**	–

Note: The advances are unsecured interest-free shareholder's loans, which are repayable on demand.

Subsequent to the end of the Year, Longlands provided to Chuan Investments a third further shareholder's loan (the "**Third Further Shareholder's Loan**") in the amount of S$750,000 on 7 January 2025 pursuant to the third further shareholder's loan agreement dated 7 January 2025 (the "**Third Further Shareholder's Loan Agreement**"). The Third Further Shareholder's Loan is unsecured, interest-free and repayable on demand. The advances to an entity as well as the financial assistance and guarantees to the affiliated companies given by the Group as at the date of this report (being 28 March 2025) are set out below:

	S$'000
Amount due by the affiliated companies *(Note)*	20,650
Guarantees given for the affiliated companies in respect of banking and other credit facilities	–
Commitments to capital injections and loan contributions	1,000

Note: The advances are unsecured interest-free shareholder's loans, which are repayable on demand.

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of the affiliated companies with financial assistance from the Group and the Group's attributable interests in those affiliated companies as at 31 December 2024 are presented as follows:

	Combined statement of financial position S$'000	The Group's attributable interests S$'000
Non-current assets	58,715	19,572
Current assets	76	28
Current liabilities	(441)	(152)
Total assets less current liabilities	58,350	19,448
Non-current liabilities	(59,904)	(19,968)
Net liabilities	(1,554)	(520)

The combined statement of financial position of the affiliated companies was prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classifications in the statement of financial position, as at 31 December 2024.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

The information required to be disclosed pursuant to Rule 13.21 of the Listing Rules is as follows:

1. On 28 February 2024, each of Chuan Lim and Hulett Construction entered into a facility agreement (collectively, the "**Facility Agreements**") with DBS Bank Ltd ("**DBS**"), a licensed bank in Singapore, pursuant to which (i) Chuan Lim was granted a term loan facility up to the amount of S$5,000,000 for a term of three years from the drawdown date of the loan; and (ii) Hulett Construction was granted a term loan facility up to the amount of S$26,720,000 for a term of seven years from the drawdown date of the loan. The aforesaid facilities were fully utilised on 21 June 2024 for the purpose of financing the Acquisition. Pursuant to the Facility Agreements, Chuan Lim and Hulett Construction shall ensure, among others, that (i) Mr. Lim shall continue to act as the chief executive officer of the Group; and (ii) Mr. Lim, Ms. Yee together with their associates (as defined in the Listing Rules) shall collectively continue to hold at least 30% of the total number of issued Shares. Any breach of the above undertakings would constitute a termination event under the Facility Agreements, upon which DBS may by notice in writing declare all amounts owing or payable to DBS thereunder to be immediately due and payable. For further details, please refer to the Acquisition Circular.

   As at 31 December 2024, the outstanding principal amounts of the aforesaid facilities granted to Chuan Lim and Hulett Construction were approximately S$0 and S$25,384,000 respectively.

2. On 31 May 2024, Chuan Lim issued the Promissory Note in the principal amount of S$8,000,000 to Mr. Lim as partial settlement of the consideration for the Acquisition. The Promissory Note matures on the fourth anniversary from its issue date. Pursuant to the Promissory Note, if, among others, Mr. Lim and his associates (as defined in the Listing Rules) cease to be collectively the single largest Shareholder, Chuan Lim shall on demand of the holder of the Promissory Note forthwith repay the whole (but not part) of the outstanding principal amount of the Promissory Note together with the interest accrued thereon. For further details, please refer to the Acquisition Circular.

   As at 31 December 2024, Chuan Lim had fully repaid the principal amount of the Promissory Note together with the interest accrued thereon pursuant to the early redemption provision under the Promissory Note.

EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES

The employees' emolument policy adopted by the Group and the Remuneration Policy are set out on pages 28 and 47 of this annual report respectively.

The Company has adopted the Share Option Scheme as an appropriate long-term incentive scheme to the Directors and eligible employees of the Group, details of which are set out in the section headed "SHARE OPTION SCHEME" above.

PENSION SCHEME

The Group participates in the Central Provident Fund ("**CPF**") Scheme ("**CPF Scheme**"), which is a defined contribution pension scheme in Singapore. The CPF Scheme is a comprehensive social security system that enables working Singapore citizens and permanent residents to set aside funds for retirement.

Pursuant to the Central Provident Fund Act ("**CPF Act**"), laws of Singapore, the Group is obliged to make CPF contributions for all of its employees who are Singapore citizens or permanent residents employed in Singapore.

CPF contributions are required for both ordinary wages and additional wages (subject to an ordinary wage ceiling and a yearly additional wage ceiling) of an employee at the applicable prescribed rates which are dependent on, among others, the amount of monthly wages and the age of the employee. An employer must pay both the employer's and employee's shares of monthly CPF contributions. However, the employer can recover the employee's share of monthly CPF contributions from his/her wages when the contributions are paid for that month. No forfeited contributions under the CPF Scheme may be used by the employer to reduce the existing level of contributions.

The total costs amounting to approximately S$895,000 charged to profit or loss for the Year represent the CPF contributions paid by the Group. As at 31 December 2024, all due CPF contributions were paid.

Save as disclosed above, the Group did not participate in any other pension schemes during the Year.

REPORT OF THE DIRECTORS

EMOLUMENTS OF DIRECTORS, SENIOR MANAGEMENT AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, the Senior Management and the five highest paid individuals of the Group are set out in Note 8 to the Consolidated Financial Statements. The five highest paid individuals of the Group included 2 Directors and 3 Senior Management for the Year. The remunerations of the Senior Management for the Year are as presented in the table below:

Remuneration band	Number of individuals
Nil – HK$1,000,000	–
HK$1,000,001 – HK$1,500,000	2
HK$1,500,001 – HK$2,000,000	2
HK$2,000,001 – HK$2,500,000	–

There were no arrangements under which a Director had waived or agreed to waive any emoluments during the Year.

TAX RELIEF

The Company is not aware of any relief from taxation to which the Shareholders are entitled by reason of their holding of the Shares.

SUFFICIENCY OF PUBLIC FLOAT

During the Year and up to the date of this annual report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient amount of public float for the Shares as required under the Listing Rules.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out in the "Corporate Governance Report" of this annual report.

In the opinion of the Directors, the Company had complied with all applicable Code Provisions throughout the Year.

AUDITOR

The Consolidated Financial Statements are audited by EY, which shall retire at the forthcoming AGM and, being eligible, has offered itself for re-appointment. A resolution for the re-appointment of EY as the Auditor will be proposed at the forthcoming AGM.

EVENTS AFTER END OF YEAR

Save as disclosed below, the Directors confirm that there have been no significant events affecting the Group after 31 December 2024 and up to the date of this annual report:

In order to finance Chuan Investments' portion (being 30%) of the cash contribution or commitment towards the further capital needs for the Redevelopment Project, on 7 January 2025, Longlands and Chuan Investments entered into the Third Further Shareholder's Loan Agreement, pursuant to which Longlands provided to Chuan Investments the Third Further Shareholder's Loan of S$750,000 on 7 January 2025. The Third Further Shareholder's Loan is unsecured, interest-free and repayable on demand.

On behalf of the Board

Phang Yew Kiat
Chairman and Executive Director
28 March 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE COMPANY AND GROUP

Listed on the Main Board of the Stock Exchange (Stock Code: 1420) since June 2016, the Company has established itself as a prominent earthworks contractor in Singapore. The Group specialises in delivering premium earthworks and ancillary services as well as general construction works, earning a reputation for excellence in the industry . In a strategic milestone that marks a significant expansion of its operational portfolio, the Group successfully completed the acquisition of Hulett Construction in 2024. This transformative transaction has broadened the Group's service offerings to encompass property leasing and management operations, positioning the Group for enhanced growth opportunities across multiple real estate sectors.

The Group generates the majority of its revenue through its earthworks and ancillary services segment, which includes a comprehensive range of activities such as land clearing, demolition, rock breaking, mass excavation, deep basement excavation, foundation excavation, earth disposal, earth filling and shore protection. These services are integral to various commercial and residential projects. In addition, the Group is actively involved in general construction works, offering a wide array of services, including new project development and alteration and addition works for both private and public sector clients. Further enhancing its market positioning, the Group's expanded portfolio now includes an advanced property leasing and management operations. This business segment offers workforce accommodation solutions, expansive logistics facilities for the deployment of heavy equipment and custom-engineered production environments.

With over two decades of industry experience, the Group has solidified its position as a leading earthworks contractor in Singapore. Its unwavering commitment to excellence ensures the delivery of high-quality services with reliability and timeliness, guided by a strong foundation of integrity. Embracing ESG principles, the Group is dedicated to promoting sustainability by balancing social, environmental and economic growth. This commitment extends to addressing the evolving needs of stakeholders and contributing positively to the community.

ABOUT THIS REPORT

Overview

The Group remains steadfast in its commitment to sustainable corporate development, integrating environmentally responsible practices into its daily operations. This Environmental, Social and Governance Report (the "**ESG Report**") provides a detailed account of the Group's ESG principles, policies and achievements during the Reporting Year. It reflects the Group's dedication to transparency and accountability in its sustainability journey.

Reporting Year and Scope

The Group's ESG strategy focuses on creating long-term value for stakeholders by embedding ESG considerations into its operational framework. This approach is aligned with the precautionary principle, which emphasises proactive measures to anticipate, prevent and mitigate potential adverse impacts on the environment, society and business activities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The ESG Report evaluates the Group's sustainability performance and initiatives implemented across its core business segments—earthworks and ancillary services, general construction works and property leasing and management operations in Singapore. Covering the period from 1 January 2024 to 31 December 2024, the ESG Report outlines the ESG measures applied to the Group's operations that fall under its direct control. Furthermore, following the successful acquisition of Hulett Construction in May 2024, the ESG Report also incorporates Hulett Construction's sustainability performance from 1 June 2024 to 31 December 2024. By providing a detailed analysis of its sustainability efforts, the Group reaffirms its role as a responsible industry leader.

The ESG Report aims to offer stakeholders a comprehensive and transparent overview of the Group's performance and progress on key sustainability issues. The reporting scope includes all of the Group's business units in Singapore that contribute significantly to the Group's revenue and are under its direct operational control during the Reporting Year.

Reporting Standards

The ESG Report has been prepared in strict accordance with the Environmental, Social and Governance Reporting Guide (the "**Guide**") as specified in Appendix C2 of the Listing Rules.

The ESG Report adheres to the four reporting principles stipulated by the Guide: "Materiality", "Quantitative", "Balance" and "Consistency". These principles ensure the integrity, transparency and comparability of the disclosed ESG information.

For a detailed reference to ESG aspects, KPIs and their respective locations within the ESG Report, please refer to the Stock Exchange ESG Reporting Guide Content Index on pages 136 to 140.

Reporting Principles

To accurately convey its ESG performance to stakeholders, the Group ensures that the ESG Report aligns with the following four principles:

Materiality

The Group acknowledges the critical importance of stakeholder input in shaping its sustainable development strategy and reporting. Regular materiality assessments are conducted to ensure that the Group identifies, prioritises and addresses the most significant ESG issues. This inclusive approach enables the preparation of an ESG Report that reflects the concerns and expectations of both internal and external stakeholders.

Quantitative

The ESG Report provides quantitative disclosures of relevant ESG KPIs, supplemented by detailed explanations and comparative data. This allows stakeholders and investors to effectively evaluate the Group's ESG performance and track its progress year-on-year.

Balance

The Group is committed to presenting a balanced overview of its ESG performance. The ESG Report avoids selective disclosures, omissions or biased representations that could mislead stakeholders. Both positive achievements and areas requiring improvement are transparently communicated.

Consistency

The Group adopts consistent methodologies, assumptions and principles for compiling and reporting ESG data, barring any regulatory changes. This ensures comparability of ESG performance across reporting periods and fosters confidence among stakeholders.

Confirmation and Approval

To safeguard the accuracy and reliability of the information disclosed, the Group has implemented stringent internal regulatory mechanisms and a rigorous review process. The ESG Report has been meticulously reviewed by the Senior Management and approved by both the Audit Committee and the Board. These measures uphold the integrity, credibility and transparency of the ESG Report.

Opinions and Feedback

The Group highly values the opinions and feedback of its stakeholders, recognising them as critical drivers of continuous improvement in its sustainability management practices. The Group welcomes comments and suggestions regarding the content and format of the ESG Report. Stakeholders are encouraged to share their feedback by emailing the Group at chuanlc@singnet.com.sg.

Forward-looking Statements

The ESG Report contains accessible, practical and forward-looking information rooted in the Group's current evaluations, anticipations, forecasts and assumptions concerning its operations and the markets in which it operates. The ESG Report aims to provide stakeholders with a perspective on the Group's vision, which may evolve as circumstances unfold. The forward-looking statements included in the ESG Report are not assurances of future performance and may be influenced by market variability, risks and external factors beyond the Group's control. Consequently, actual outcomes and returns may vary considerably from the projections presented in the ESG Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MESSAGE FROM CHAIRMAN

To all stakeholders,

On behalf of the Board, I am honoured to present Chuan Holdings Limited's ESG Report for 2024, highlighting the Group's dedicated sustainability initiatives and notable achievements in advancing responsible business practices.

In the face of complex challenges encountered throughout 2024, the Group demonstrated remarkable resilience and progress in advancing its sustainability agenda while concurrently driving business excellence through a strategic focus on its ESG performance. Our achievements underscore the intrinsic link between responsible corporate practices and sustained commercial success. As we look to the future, we reaffirm our unwavering commitment to further advancing our ESG initiatives. This dedication is rooted in our conviction that robust sustainability practices are fundamental to creating enduring value for our diverse stakeholder base and fostering mutually beneficial relationships with our business partners.

During the Reporting Year, the Group strategically integrated its "Think Green; Go Green" initiative into all aspects of its operations, marking substantial progress towards realising its comprehensive sustainability vision. This strategic approach underscores our commitment to environmental stewardship and operational excellence. Our overarching objective extends beyond mere corporate sustainability; we aspire to be a catalyst for positive change, contributing meaningfully to the development of a more sustainable and inclusive global ecosystem. This ambition drives our decision-making processes, guides our strategic investments, and shapes our long-term corporate strategy. Key focus areas of our sustainability efforts include resource efficiency, innovation in eco-friendly technologies and processes, promotion of sustainable practices throughout our supply chain, and fostering a culture of environmental responsibility in our workforce.

By aligning our business operations with these sustainability principles, we strive to generate enduring value for our stakeholders while simultaneously addressing critical environmental and social challenges. Our advances in this domain not only bolster our market position, but also set a new standard for responsible corporate citizenship in our industry.

In 2024, the Group achieved a significant milestone with the Acquisition. Apart from the Property, the principal asset of Hulett Construction which includes a worker dormitory with the maximum capacity of 1,260 workers, Hulett Construction also secured a tenancy agreement with HDB for the operation of a foreign worker dormitory with 1,008 beds. During the Reporting Year, we further demonstrated our commitment to sustainability by installing a state-of-the-art photovoltaic system at the Property. This innovative project, engineered to attain the BCA's prestigious Green Mark Super Low Energy certification, not only establishes a new benchmark for sustainable infrastructure, but also positions the Group at the forefront of advancing Singapore's 2050 decarbonisation objectives. The launch of this advanced renewable energy system exemplifies our forward-thinking approach to sustainability and best-in-class operational standards. It not only enhances our environmental performance, but also strengthens our competitive market position, setting a new standard for responsible corporate practices in our industry.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The built environment sector in Singapore has embraced a paradigm shift towards sustainable construction, with BCA expanding its initiatives to "green" a substantial share of existing buildings and engage occupants in energy conservation efforts. BCA has set an ambitious target of ensuring that a minimum of 80% of buildings in Singapore, measured by gross floor area, achieve green status by 2030. As of end of 2023, significant progress had been made, with approximately 58% of buildings already meeting green standards. Singapore is making steady advances towards its 2030 objective, implementing a comprehensive suite of initiatives and regulatory frameworks to accelerate the transformation. Notably, the nation's sustainability efforts extend beyond merely increasing the number of green buildings. The Green Building Masterplan outlines an additional goal: by 2030, 80% of newly constructed buildings, measured by gross floor area, should meet Super Low Energy building standards, further enhancing the overall sustainability of the built environment. This progress underscores Singapore's unwavering commitment to fostering a more sustainable urban landscape and significantly reducing the carbon footprint of its building sector. These efforts form a crucial component of the Singapore Green Plan 2030. In alignment with government policies and sustainability directives, the Group is committed to proactively championing energy conservation measures and emission reduction strategies. We recognise our pivotal role in promoting sustainable social development, and we are resolutely committed to making significant, measurable contributions to this critical objective. Our comprehensive array of initiatives is carefully designed not only to meet – but also to consistently surpass – regulatory requirements. This approach underlines our unswerving commitment to environmental stewardship and positions us as an industry leader in corporate sustainability. By integrating these principles into our core operational framework, we aim to set new benchmarks for environmental responsibility in our sector. Our efforts are also aligned with global sustainability goals, reflecting our dedication to creating long-term value for both our stakeholders and the broader community.

Fostering a professional environment that engenders a profound sense of belonging, trust and appreciation in our workforce is paramount to the Group's sustained success and competitive advantage. To this end, we have implemented a number of flexible work practices designed to enhance our employees' professional experience and overall job satisfaction. As we move forward, the Group remains committed to exploring and implementing innovative approaches to work-life integration. This commitment is underpinned by our recognition of the critical importance of both the physical and mental well-being of our staff. Our initiatives in this area aim not merely at compliance with industry standards, but also at setting new benchmarks for employee care and engagement in our sector. Safety will always be a non-negotiable priority across all our operational environments, from our corporate offices to our construction sites. We maintain rigorous safety protocols and continuously invest in state-of-the-art protective measures to ensure the highest standards of workplace safety are consistently met – and exceeded. By prioritising these aspects of our work culture, we aim not only to attract and retain top talent, but also to cultivate a workforce that is engaged, motivated and aligned with our corporate values and objectives. We believe that this approach is critical to driving innovation, productivity and ultimately sustainable growth for the Group.

Integral to our corporate mission and sustainability strategy is our rock-solid commitment to making meaningful contributions to the communities in which we operate. This commitment extends beyond mere philanthropy; it is a core component of our business ethos and operational philosophy. As we advance our corporate social responsibility ("**CSR**") initiatives, the Group is implementing a more sophisticated approach to impact assessment and value creation. We are in the process of developing and implementing a comprehensive social value framework designed to quantify, measure and optimise the outcomes of our community engagement efforts. This framework will enable us to establish clear, measurable objectives for our community initiatives, implement robust methodologies for assessing our social return on investment, align our community engagement efforts with both local needs and global sustainability goals, enhance transparency and accountability in our reporting of social impact, and continuously refine and improve our practices based on data-driven insights. By adopting this strategic, metrics-driven approach, we aim to maximise the efficacy of our community investments and ensure that our efforts generate sustainable, long-term value for both the communities we serve directly and our broader stakeholder ecosystem. This enhanced focus on impact measurement and social value creation demonstrates our commitment to responsible corporate citizenship and reinforces our position as a sustainable business practices leader in our industry.

On behalf of the Group, I would like to extend my sincere gratitude to our esteemed Board, management team and employees for their tireless commitment and exemplary dedication to both our customers and our colleagues throughout the Reporting Year. Their exceptional efforts have been the cornerstone of our success. As we navigate the evolving business landscape, it is crucial that we not only maintain, but also enhance, our strategic, quantifiable and transparent approach to our ESG initiatives. This commitment forms the bedrock of our long-term success and sustainability.

Looking ahead, the Group remains resolute in its mission to maximise stakeholder value while striking an optimal equilibrium between business growth and social responsibility. Our strategic focus will continue to centre on fostering innovation across our operations, enhancing operational efficiency and effectiveness, and strengthening our competitive market position, all while adhering to the highest standards of corporate governance and environmental stewardship. Through these concerted endeavours, we aim to generate enduring value for our shareholders, deliver superior experiences for our customers, provide rewarding opportunities for our employees, and contribute meaningfully to the communities in which we operate. As we embark on the next phase of our corporate journey, we remain confident in our ability to navigate challenges, capitalise on opportunities, and drive sustainable growth. Our steadfast commitment to excellence and responsible business practices will continue to guide our path forward, ensuring that we remain at the forefront of our industry while making a positive contribution to society and the environment.

Chuan Holdings Limited
Phang Yew Kiat
Chairman and Executive Director

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUSTAINABILITY VISION

The Group is committed to spearheading industry-wide progress toward genuine sustainability by addressing environmental, social and economic dimensions holistically. Guided by principles of sound corporate governance, the Group's management team emphasises regulatory compliance, sustainable management practices and long-term, stable growth. These efforts reflect the Group's unwavering focus on creating enduring value for all stakeholders.

At the heart of the Group's sustainability mission is its enduring principle, "Green and Gracious", which serves as a cornerstone for its sustainable development strategy. This guiding vision inspires the Group to create a better and more sustainable future for all, ensuring that its operations generate positive and lasting impacts on society and the environment.

Recognising the global imperative to transition to a low-carbon economy, the Group is steadfast in its commitment to improving resource efficiency, reducing carbon emissions, and building climate resilience. Sustainability is seamlessly integrated into the Group's operational processes, encompassing project planning, design and construction. Through these efforts, the Group actively minimises the environmental impact of its core activities, including earthworks and ancillary services, general construction works and property leasing and management operations.

The "Green and Gracious" philosophy is the cornerstone of the Group's sustainability vision. It drives the Group's efforts to foster a sustainable future by embedding responsible practices into every aspect of its operations. These principles guide the Group in achieving its sustainability goals:

Green and Gracious

The Group prioritises the safety and well-being of all employees and the public, cultivating trust and support from stakeholders through unwavering commitment and responsible practices.

Employees First

The Group empowers its employees with comprehensive training on "Green and Gracious" practices, equipping them with the knowledge and skills necessary to drive sustainability. Teamwork, shared experiences and professional expertise are harnessed to achieve collective sustainable objectives.

Nurture a Sustainable Future

The Group is dedicated to contributing to the development of resilient and sustainable communities by creating value in the regions where it operates. These efforts aim to foster long-term prosperity for both the Group and its stakeholders.

Reduce, Reuse and Recycle

The Group actively minimises waste by emphasising the core principles of reduction, reuse and recycling. These practices are fundamental to promoting sustainable operations across all business segments.

Effective and Efficient Resource Utilisation

The Group promotes the responsible and efficient use of essential resources, including electricity, diesel and water. At the same time, it implements robust strategies to manage air and water pollution, ensuring sustainability remains at the forefront of its operational priorities.

The Group firmly believes that advancing sustainability is a shared responsibility, requiring collaboration and engagement with all stakeholders. Employees play an integral role in this journey, driving meaningful change through their dedication and contributions. To support this, the Group maintains open and transparent communication with its workforce, prioritising employee well-being and fostering a collaborative culture. This approach ensures that all employees are empowered to align with the Group's sustainability objectives and work collectively toward achieving its sustainable development goals.

The Group also recognises the importance of inspiring and empowering external stakeholders, including clients, partners and communities, to join in its sustainability efforts. By fostering strong relationships built on trust and mutual understanding, the Group amplifies the positive impact of its sustainability initiatives.

As the Group continues to lead the industry in delivering exceptional earthworks and ancillary services and general construction works, it remains resolute in its mission to contribute to a greener and more sustainable future. With a steadfast focus on optimising long-term economic value and driving positive social and environmental impacts, the Group is committed to upholding its position as a market leader in sustainability.

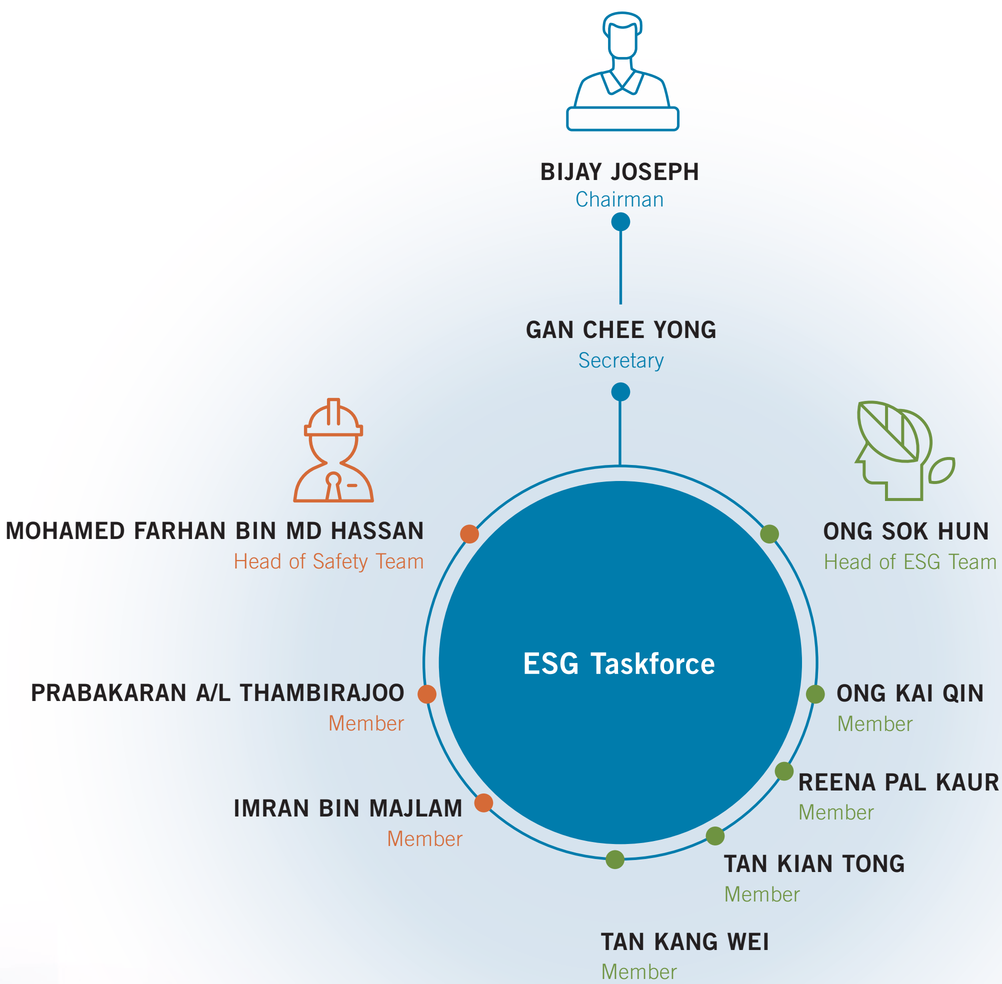
Looking ahead, the Group will continue to enhance its sustainability practices by exploring innovative technologies, adopting best practices, and aligning its operations with global sustainability frameworks. These efforts reflect the Group's ongoing dedication to balancing economic success with environmental stewardship and social responsibility.

By integrating sustainability into its core strategy and operations, the Group is well-positioned to navigate the challenges of a rapidly evolving global landscape. It remains committed to delivering value to stakeholders while creating a lasting and positive legacy for future generations.

ESG GOVERNANCE STRUCTURE

The Group upholds the highest ethical standards in its business practices and remains steadfast in its commitment to effective corporate governance. The Group recognises that transparency, accountability and ethical practices are fundamental to achieving long-term sustainable success for both the Group and its stakeholders.

To ensure the integration of ESG considerations into its operations and strategic decisions, the Group has established a robust ESG governance structure centred on the ESG Taskforce. This structure reflects the Group's dedication to aligning its business objectives with sustainability principles and fostering a culture of continuous improvement.



The ESG Taskforce plays a pivotal role in reinforcing the Group's commitment to sustainable development. By embedding ESG factors into the Group's strategic framework and overseeing the implementation of ESG initiatives across all operations, the ESG Taskforce drives progress toward achieving the Group's sustainability objectives.

The ESG Taskforce comprises a dedicated team of 10 core members, each contributing their expertise to advance the Group's sustainability agenda. The ESG Taskforce is led by the Chairman, an executive Director, who is supported by the Secretary to the Chairman. Additionally, the ESG Taskforce includes the ESG Team and the Safety Team, consisting of five and three members respectively. These teams, composed of highly skilled professionals, provide strategic direction, technical expertise and operational insights to ensure the seamless integration of ESG principles throughout the Group's activities.

The members of the ESG Taskforce are deeply committed to continuous improvement and professional development. Recognising the dynamic nature of sustainability, they actively engage in knowledge enhancement to stay informed of emerging trends, industry best practices and evolving regulatory requirements. This proactive approach enables the ESG Taskforce to adapt its strategies and initiatives, ensuring they remain effective and relevant in addressing both current and future ESG challenges. By fostering a culture of learning and innovation, the ESG Taskforce equips the Group to lead the way in sustainable and responsible business practices.

The Board serves as the governing body of the Group and holds ultimate responsibility for driving long-term value creation. It plays a critical role in aligning the Group's operational and business development strategies with its sustainability objectives. The Board oversees all ESG-related matters and corporate governance practices across the Group's business entities, ensuring they are implemented effectively and consistently.

In its supervisory role, the Board works to strengthen risk management and internal control systems, safeguarding Shareholder interests while promoting transparency and accountability. Through its active engagement with the ESG Taskforce, the Board ensures that the Group's sustainability vision is embedded in its strategic planning processes and operational practices.

The Group's ESG governance structure fosters close collaboration between the ESG Taskforce and various business units to provide strategic guidance on all ESG-related matters. The Board, supported by the Audit Committee, retains ultimate accountability for the Group's ESG strategies and performance, ensuring robust governance and oversight.

By leveraging the expertise of the ESG Taskforce and the strategic leadership of the Board, the Group has cultivated a culture rooted in sustainability, innovation and ethical corporate governance. This collaborative approach enables the Group to effectively manage risks, create enduring value, and make meaningful contributions to the communities and environments in which it operates.

The ESG Taskforce is entrusted with a wide range of critical duties and responsibilities, including:

- **Identifying and Managing ESG Issues:**

  The ESG Taskforce identifies, evaluates, prioritises and manages ESG-related matters, including risks that may impact the Group's operations, that are significant to the Group and stakeholders.

- **Providing Recommendations to the Board:**

  The ESG Taskforce offers recommendations to the Board for endorsement regarding methodologies for identifying material ESG issues, criteria for their prioritisation and the establishment of ESG-related goals and targets that align with the Group's long-term objectives.

- **Developing and Implementing ESG Strategies:**

  The ESG Taskforce formulates, develops and executes the Group's ESG strategies, frameworks and policies. It continuously assesses and refines these initiatives to ensure their relevance, effectiveness and alignment with opportunities for further advancement.

- **Monitoring ESG Performance:**

  The ESG Taskforce evaluates the Group's progress in achieving its ESG goals and quantifies the impact of its initiatives. This ensures the Group remains on track to meet its sustainability objectives.

- **Ensuring Compliance:**

  The ESG Taskforce supports the Board in overseeing ESG-related matters and ensures that all ESG disclosures and reports comply with applicable laws, rules and regulations.

The ESG Taskforce convenes regularly to track progress, formulate development strategies, and maintain alignment with the Group's sustainability vision and long-term value creation goals. The ESG Taskforce works closely with business units to evaluate and refine ESG policies, initiatives and objectives across various segments of the Group's operations.

Insights derived from the ESG Taskforce's analysis of ESG risks and opportunities are presented to the Board at least annually. This includes findings from materiality assessments and associated recommendations. The regular reporting process ensures that the Board remains well-informed and actively engaged in shaping the Group's ESG agenda. This collaborative dynamic enhances transparency, accountability and coherence in the Group's sustainability endeavours.

PERFORMANCE REVIEW

The Group has effectively addressed all ESG considerations during the Reporting Year, successfully achieving the following key milestones.

General Waste Quantity: ↓ 51%

Plastic Usage: ↓ 20%

Non-hazardous Waste from Renovation: ↓ 100%

Paper Usage: ↓ 3%

Over **6,200** of hours training has been provided to employees

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environment:

During the Reporting Year, the Group maintained exemplary compliance with all applicable environmental legislation and regulatory frameworks. The rigorous adherence to environmental governance standards resulted in zero administrative penalties or significant compliance infractions that could materially impact the Group's operations.

Social:

The Group's employee-centric and collaborative workplace culture continues to attract and retain exceptional talent across all levels. Through competitive compensation, comprehensive wellness programmes and robust safety protocols, the Group fosters an environment where professional excellence thrives. This strategic approach to talent management enables employees to maximise their potential, resulting in superior service delivery and enhanced customer satisfaction. The holistic focus on employee development, workplace safety and innovation has established the Group as an employer of choice in the competitive marketplace.

Governance:

The Group maintains robust governance through dedicated committees that oversee environmental compliance and sustainability initiatives, ensuring operational alignment with strategic environmental objectives and industry benchmarks. Comprehensive anti-corruption training has been implemented across all organisational tiers, reinforcing the Group's commitment to ethical business practices. Through continuous enhancement of governance frameworks and protocols, the Group systematically strengthens its operational excellence and organisational performance.

OUR APPROACH TO SUSTAINABILITY

Stakeholder Engagement

Stakeholders and Communication Channels

The Group recognises that its stakeholders' expectations and needs are instrumental in shaping its sustainability strategy and in identifying and prioritising risks and opportunities across its operations. By fostering meaningful dialogue and collaboration with internal and external stakeholders, the Group ensures that its sustainability agenda reflects a comprehensive understanding of their concerns and interests.

The Group's stakeholders represent a diverse array of entities, including but not limited to:

To strengthen its ability to meet and exceed stakeholder expectations in governance, management and sustainability, the Group has developed a robust stakeholder engagement framework. This includes effective communication channels that allow the Group to gather feedback, gain insights, and respond proactively to stakeholder concerns. Beyond conducting annual evaluations, the Group leverages these channels to maintain ongoing dialogue, ensuring it can adapt to evolving needs and maintain relevance in a dynamic operating environment.

The Group's commitment to trust, transparency and accountability is reflected in its approach to stakeholder relationships. By aligning its decisions and actions with stakeholder expectations, the Group not only contributes positively to their interests but also reinforces its sustainability initiatives, enhances business performance, and strengthens its market reputation. This collaborative approach ensures that sustainability remains a shared responsibility and a key driver of the Group's success.

Stakeholder Groups	Issues of Concerns	Engagement Channels
The Board and Management	• Healthy and sustainable business development • Business operations • Business credit and influence	• Board meetings • Executive meetings • Questionnaire survey • Interview with the Management • Phone and emails
Government and Regulatory Authorities	• Occupational safety • Environmental impact • Customer privacy • Compliance with laws and regulations	• Officers' site inspection • Meetings with officials • Public consultation on regulations and policies • Feedback through industry associations
Shareholders and Investors	• Healthy and sustainable business development • Anti-corruption • Business performance • Prospects • Corporate governance • Risk control • Return on investment	• Annual reports, interim reports, ESG reports, announcements and circulars • General meetings and other shareholder meetings • Investor enquiries • Investor meetings
Employees	• Remuneration and welfare • Training opportunities • Labour relations • Safe and healthy working environment • Equal opportunities and anti-discrimination	• Emails and announcements • Internal meetings • Training programmes • Corporate newsletter • Team-building activities • Questionnaire survey

Stakeholder Groups	Issues of Concerns	Engagement Channels
Customers	• Service quality • Delivery schedules • Cost control • Safety management • Customers rights	• Project meetings • Support hotline • Company website
Business Partners	• Co-operation and mutual benefits • Safe and healthy working environment • Long-term partnership • Fair trade and anti-corruption	• Industrial events and supplier meetings • Industry associations
Suppliers and Subcontractors	• Co-operation and mutual benefits • Contract fulfilment	• Daily business communication • Supplier/subcontractor meetings • Site inspection • Performance monitoring • Procurement procedures • Review and assessment
Community and the Public	• Environmental protection • Community investment	• News releases • Community opinion surveys • Charity event planning and participation
Media	• Financial results • Business performance • Prospects • Corporate governance • Sustainable development strategy	• Press releases • Feedback and responses to media enquiries • Interviews and media audits • Annual reports • ESG reports • Company website

Materiality Assessment

Achieving meaningful and transformative progress in sustainability requires inspiring and empowering stakeholders to take action. The Group understands that sustainability goals cannot be accomplished in isolation, which is why it prioritises ongoing collaboration with stakeholders. During the Year, the Group conducted extensive stakeholder engagement and materiality assessments to identify the most significant ESG topics, ensuring its sustainability strategy remains focused and impactful. This process involved the following key steps:

1. *Identifying Relevant Topics*
   The Group identified sustainability topics that are the most relevant to its operations by closely monitoring industry trends, best practices and global developments. This step was guided by alignment with both local and international reporting standards, including the Guide issued by the Stock Exchange and other sustainability frameworks.

2. *Engaging Stakeholders*
   The Group actively engaged with internal and external stakeholders to address potential sustainability concerns and to gather valuable insights. This was accomplished through an online survey, which provided a platform for stakeholders to share their perspectives on ESG priorities and challenges. The feedback gathered was essential in shaping the Group's sustainability agenda.

3. *Prioritising Material Topics*
   The Group evaluated and prioritised the materiality of each identified topic based on stakeholder feedback and its relevance to the Group's operations. This structured approach ensured that the most significant ESG issues—those that have the highest impact on both stakeholders and the Group—were prioritised for action.

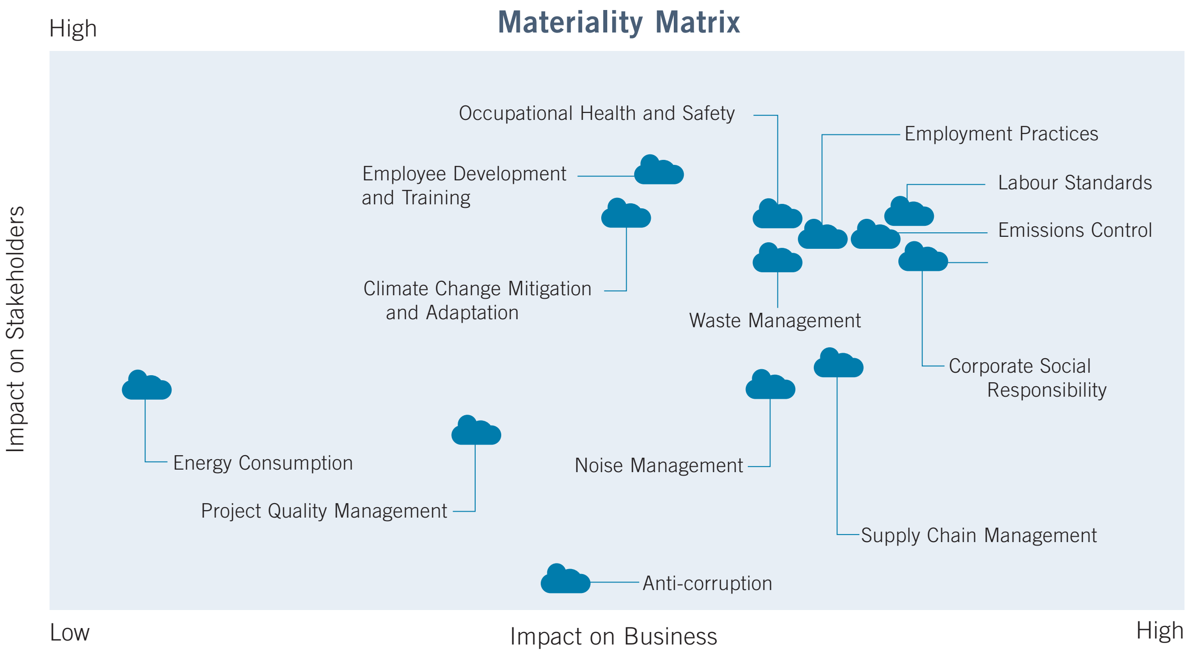
4. *Validating the Sustainability Strategy*
   The Board played a crucial role in the materiality assessment process by reviewing and endorsing the prioritised list of ESG topics. This validation step ensured that the Group's sustainability strategy aligned with emerging business challenges, stakeholder expectations and the Group's long-term objectives. By integrating material ESG topics into its corporate strategy, the Group reinforced its commitment to driving meaningful progress in its sustainability journey.

The materiality assessment process enables the Group to focus its resources and efforts on the issues that matter most to its stakeholders and operations. By identifying and addressing material ESG topics, the Group ensures its sustainability initiatives remain relevant, effective and impactful. This approach also strengthens the alignment between the Group's sustainability strategy and its broader business objectives, further embedding ESG principles into the Group's operations and decision-making processes.

The Group views stakeholder engagement as an ongoing journey rather than a one-time activity. By maintaining an open and transparent dialogue with stakeholders, the Group fosters a collaborative environment where ideas, concerns and solutions are shared. This not only enhances the Group's ability to address ESG risks and opportunities, but also empowers stakeholders to join the Group's mission of creating long-term value for society and the environment.

Overview of Materiality Assessment Results

The Group conducted a comprehensive stakeholder engagement process, soliciting input from both internal and external constituents. This initiative was designed to evaluate 13 pre-identified sustainability issues. Based on the stakeholder feedback and subsequent analysis, the following issues emerged as the most significant material concerns for the Group: (i) labour standards; (ii) CSR; and (iii) emissions control.



Environmental Engagement

Environmentally-friendly Operation Policy

The Group recognises the fundamental importance of addressing the environmental impact stemming from its construction activities and operational processes. This encompasses several critical environmental aspects, including greenhouse gas ("**GHG**") emissions, air pollution, water consumption, waste disposal and noise control measures. Demonstrating an unwavering dedication to environmental stewardship and societal advancement, the Group has implemented a comprehensive environmental management system that is fully compliant with ISO 14001 standards. This framework serves as the foundation for executing strategic initiatives designed to minimise the Group's ecological footprint. During the Reporting Year, the Group systematically enhanced and reinforced its operational infrastructure and environmental governance mechanisms. The ongoing optimisation ensures the seamless integration of environmental protection protocols into daily operations, thereby effectively mitigating potential adverse impacts on both the environment and natural resources. The Group's proactive approach to environmental management reflects its commitment to sustainable development and responsible corporate citizenship.

In advancing its corporate vision for environmental sustainability, the Group maintains exemplary adherence to the comprehensive Environmental Management Policy. This strategic framework enables the Group to effectively manage sustainability initiatives through the integration of business development and innovation in its daily operations, thereby generating long-term value for the Shareholders. The Group actively champions a green corporate culture, dedicating itself to fostering harmonious coordination between business development, environmental stewardship and social advancement. The successful implementation of the Group's green sustainability project (the "**Green Sustainability Project**") has transformed environmental consciousness into an integral component of employee conduct, yielding remarkable achievements in energy conservation and emissions reduction. To fortify environmental awareness among its employees, the Group has instituted a multifaceted approach encompassing strategic sustainability communications, professional development seminars, specialised training programmes and interactive workshops. These initiatives emphasise the adoption of green practices and low-carbon operations while systematically developing workforce competency in sustainability principles. The integrated approach ensures that environmental responsibility becomes intrinsic to organisational culture, driving both operational excellence and ecological preservation. The refined strategy demonstrates the Group's sophisticated approach to environmental management, combining corporate objectives with tangible sustainability outcomes while maintaining focus on long-term value creation and environmental protection.

In alignment with Singapore's legislative framework, the Group's operational sites maintain strict adherence to prescribed environmental standards and regulatory requirements. Through rigorous implementation of statutory requirements in Singapore, including the Environmental Protection and Management Act and Environmental Public Health Act, the Group demonstrates its unwavering commitment to environmental excellence across its operational portfolio. During the Reporting Year, the Group maintained an exemplary compliance record with zero regulatory infractions across all environmental aspects, including those pertaining to air and GHG emissions, water and land discharges, as well as generation of hazardous and non-hazardous waste at its work sites. This sterling compliance record validates the Group's robust environmental governance framework and reinforces its position as an industry leader in environmental responsibility. Through systematic implementation of comprehensive environmental management protocols, the Group continues to set benchmarks for sustainable operational practices while maintaining full alignment with Singapore's stringent regulatory requirements.

Following the strategic acquisition of Hulett Construction, the Group's operational portfolio has undergone significant diversification, necessitating a comprehensive reassessment of its sustainability framework established in 2021. In response to this expanded business scope, the Group undertook a thorough recalibration of its environmental strategy in 2024, implementing an ambitious five-year sustainability roadmap that encompasses multifaceted environmental objectives. This enhanced framework establishes rigorous targets across key sustainability dimensions, including GHG emissions reduction initiatives, advanced energy consumption optimisation protocols, water resource management and efficiency enhancement measures and comprehensive waste reduction strategies for both hazardous and non-hazardous materials. The Group maintains an unwavering commitment to environmental protection through the meticulous implementation of these strategic objectives. Progress toward these goals will be transparently communicated through regular disclosures in its comprehensive ESG reports. To ensure optimal performance and accountability, the Group has implemented a state-of-the-art ESG monitoring infrastructure that enables sophisticated performance tracking, data-driven assessment and strategic refinement across all environmental parameters. The enhanced environmental framework reflects its dedication to sustainable business practices and positions the Group at the forefront of environmental responsibility within the industry sector.

Green Operation

Energy and Carbon Emission Management

With an established legacy in Singapore's construction landscape, the Group stands as a beacon of environmental leadership, seamlessly integrating comprehensive sustainability principles throughout its operational ecosystem. This commitment manifests through sophisticated environmental management protocols that transcend conventional industry standards. Drawing upon decades of industry expertise, the Group has cultivated a profound understanding of its pivotal role in environmental stewardship, particularly in safeguarding biodiversity and maintaining ecological balance. Through the implementation of innovative eco-conscious initiatives, the Group consistently elevates industry benchmarks for environmental preservation and sustainable development. The Group's environmental commitment extends significantly beyond baseline regulatory requirements, exemplifying its position as an industry pioneer in sustainable construction practices. By deploying cutting-edge sustainability measures and maintaining stringent environmental standards, the Group continues to forge new pathways in environmental excellence. This unwavering dedication to environmental stewardship not only reinforces the Group's status as a responsible corporate leader, but also contributes substantially to advancing sustainable construction methodologies in Singapore. The Group's comprehensive approach to environmental management demonstrates its long-term vision for creating enduring positive impact while setting progressive standards for sustainable development in the construction sector.

In recognition of its operational environmental impact, the Group acknowledges the inherent relationship between essential energy consumption and atmospheric emissions in its daily activities. While fuel and electricity usage remain fundamental to operations, the Group maintains acute awareness of their contribution to GHG emissions and atmospheric pollutants, including nitrogen oxides ("**NOx**"), sulfur oxides ("**SOx**") and respirable suspended particulates ("**RSP**"). Understanding the profound environmental implications of these emissions, the Group implements comprehensive monitoring and assessment protocols. Through systematic annual evaluations of GHG emissions performance, the Group demonstrates its unwavering commitment to environmental stewardship. These rigorous assessments inform strategic initiatives and drive continuous improvement in emissions reduction efforts. During the Reporting Year, the Group's operations generated approximately 95.68 tonnes of NOx, 0.10 tonnes of SOx and 6.88 tonnes of RSP, respectively. The Group's methodical approach to emissions management, coupled with dedicated pursuit of established GHG emissions reduction targets, underscores its position as an environmentally conscious industry leader. This proactive stance on environmental sustainability reflects the Group's broader commitment to responsible corporate citizenship and its dedicated efforts to minimise its carbon footprint while maintaining operational excellence.

(i) In pursuit of air quality enhancement, the Group implements a comprehensive environmental strategy centred on the deployment of environmentally-friendly machinery, equipment and fuel. A cornerstone of this approach is the Group's sophisticated dark smoke management protocol, engineered to minimise emissions output. Each fuel-burning apparatus, including air compression systems, undergoes a stringent pre-operational assessment conducted by certified technical examiners. This methodical evaluation process ensures all equipment maintains compliance with established performance criteria while operating at peak efficiency, thereby advancing the Group's commitment to atmospheric preservation and environmental sustainability.

(ii) To optimise energy consumption efficiency, the Group has implemented a comprehensive suite of measures:

- Strategic placement of visual communications, including posters and notices, to reinforce employee engagement in sustainable practices;

- Implementation of strict power management protocols, ensuring the deactivation of idle machinery and non-essential equipment;

- Systematic regulation of air-conditioning systems through dynamic temperature adjustment protocols to maximise energy efficiency;

- Adoption of a procurement policy prioritising equipment and appliances with recognised energy efficiency certifications; and

- Institution of rigorous monitoring and documentation procedures for electricity and fuel consumption patterns, enabling the identification of usage anomalies and facilitating data-driven optimisation of energy conservation initiatives.

(iii) To mitigate dust exposure and maintain optimal operational efficiency at construction sites, the Group has established the following measures:

- Implementation of strategic waste management frameworks with continuous monitoring of environmental impact throughout the entire construction process;

- Deployment of mobile hydration systems, including water trucks and automated sprinkler networks, for systematic dust suppression;

- Integration of advanced PM2.5 dust control testers and automated detection systems for real-time particulate matter surveillance within operational zones;

- Installation of mount de-dust devices on tower cranes to capture the dust emissions generated during high-altitude construction activities;

- Strategic positioning of road-adjacent dust suppression systems to minimise vehicular-induced particulate dispersion; and

- Enforcement of stringent material transport protocols, mandating appropriate vehicle coverage with canvas or equivalent materials, and implementation of comprehensive dust control measures for stockpiled materials through prescribed covering with tarpaulin or specialised fabric barriers.

(iv) In alignment with its environmental governance framework, the Group demonstrates resolute dedication to resource optimisation and ecological stewardship, notwithstanding the inherent operational requirements for diesel fuel consumption, electricity utilisation and paper-based materials across its construction operations and offices. During the Reporting Year, the Group recorded a total of approximately 24,800 tonnes of carbon dioxide equivalent ("**tCO_2e**") in GHG emissions, with an average of approximately 40.8 tCO_2e per employee. Please refer to below for a comprehensive summary of the Group's GHG emissions during the Reporting Year.

(v) To mitigate its operational carbon footprint across direct and indirect GHG emissions, the Group has implemented the following strategic initiatives:

Direct GHG Emissions from Diesel Consumption

- Deployment of high-efficiency vehicles and equipment with optimised fuel economy ratings;
- Execution of systematic diesel engine maintenance for peak performance;
- Implementation of strict idle-time protocols for diesel-powered assets;
- Establishment of fuel consumption and GHG emissions monitoring systems; and
- Integration of sustainable practices across operational facilities.

Energy Indirect GHG Emissions

- Deployment of targeted corporate communications (i.e. emails and social media platforms) to drive employee engagement in energy conservation initiatives and GHG emissions reduction initiatives; and
- Implementation of comprehensive energy management protocols, such as the responsible use of lights and equipment and optimise power-saving features on computers, to cultivate organisational sustainability, integrating operational efficiency measures and technology optimisation standards.

Other Indirect GHG Emissions

- Spearheading of digital transformation through the implementation of paperless workflows and resource-efficient document management practices; and
- Implementation of standardised digital content delivery frameworks to streamline executive communications and optimise knowledge transfer across business presentations.

The Group maintains a strategic imperative to mitigate environmental impacts emanating from its operational activities, encompassing climate change mitigation, resource stewardship, emissions abatement and the advancement of sustainable construction methodologies. The multifaceted approach is further exemplified by the transformative developments following the Acquisition. A particular noteworthy achievement has been the implementation of renewable energy utilisation at the Property, marking a paradigm shift in energy management practices. The Group's transition to sustainable power, validated by Renewable Energy Certificates, demonstrates its commitment to reducing energy consumption. Through systematic implementation of environmentally conscious protocols and innovative green technologies, the Group demonstrates its commitment to environmental excellence and sustainable business practices. In recognition of the Group's expanded operational footprint and diversified business portfolio, the environmental targets established in 2021 no longer align with its current operational scale and complexity. This strategic evolution has necessitated a comprehensive reassessment of its environmental framework. Consequently, in 2024, the Group undertook a thorough recalibration of its environmental objectives, establishing new, more ambitious targets that reflect its enhanced capabilities and broader responsibilities. Central to this renewed environmental commitment is the Group's science-based target of achieving a 3% reduction in GHG emissions intensity by 2029, demonstrating its dedication to meaningful climate action and environmental protection.

	GHG Emissions Amount and Intensity			
	Quantity – tCO_2e		Intensity – tCO_2e per employee[2]	
GHG Emissions[1]	**2024**	2023	**2024**	2023
Scope 1: Direct GHG emissions – diesel consumption	**24,293.03**	21,692.52	**39.96**	37.79
Scope 2: Energy indirect GHG emissions – electricity consumption	**446.02**	257.63	**0.73**	0.45
Scope 3: Other indirect GHG emissions – paper disposal and air travel	**59.89**	11.79	**0.10**	0.02
Total GHG emissions	**24,798.94**	21,961.94	**40.79**	38.26

Notes:

(1) GHG emission data is presented in terms of tCO_2e and is based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "Electricity Grid Emissions Factors and Upstream Fugitive Methane Emission Factor" issued by the Energy Market Authority of Singapore, "How to prepare an ESG Report-Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and the global warming potential in the "Sixth Assessment Report" issued by Intergovernmental panel on Climate Change.

(2) As at 31 December 2024, the total number of full-time employees of the Group was 608 (2023: 574). The data is also used for calculating other intensity data.

Waste Management

The Group has established and deployed comprehensive waste management protocols to systematically monitor and govern operational waste streams across the Group. These robust protocols delineate specific guidelines for the responsible handling and disposal of hazardous waste, general waste and construction waste, ensuring regulatory compliance and environmental protection.

In pursuit of operational excellence and environmental sustainability, the Group has established strategic partnerships with certified waste management vendors for the systematic collection and processing of regulated materials. These specialised contractors manage various hazardous waste streams, including fluorescent lighting components, print consumables and electronic waste. Through scheduled monthly collection protocols from designated receptacles, these partners provide comprehensive waste analytics and performance metrics, enabling data-driven monitoring of waste volumes and disposal efficiency.

The Group has instituted a comprehensive waste segregation framework that aligns with environmental compliance requirements while advancing its sustainability agenda. This comprehensive methodology encompasses end-to-end waste management solutions, including the systematic disposition of non-recyclable materials through certified sanitary landfill facilities and the implementation of advanced material recovery protocols to maximise resource utilisation within circular economy parameters. Central to the Group's integrated environmental management strategy is its innovative multi-stakeholder engagement platform, which orchestrates collaborative initiatives across the entire ecosystem of suppliers, customers and employees. This strategic approach catalyses environmental stewardship throughout the value chain while embedding sustainability principles within the organisational DNA. During the Reporting Year, the Group demonstrated exemplary adherence to environmental protection mandates and waste management protocols, reinforcing its position as an industry leader in environmental governance and corporate sustainability excellence.

Hazardous Waste

During the Reporting Year, the Group's primary generation of regulated materials emanated from its construction sites and the recently integrated dormitory facilities of Hulett Construction, which the Group acquired in May 2024. The composition of these hazardous waste predominantly comprised fluorescent lamps, electronic waste and petroleum-based lubricants. The following metrics detail the Group's hazardous waste management performance and disposal efficiency for the Year:

	Hazardous Waste Disposal Amount and Intensity			
	Quantity – tonnes		**Intensity – tonnes per employee**	
Hazardous Waste	**2024**	2023	**2024**	2023
E-wastes (e.g. waste computers)	**0.242**	0.070	**0.000**	0.000
Tyre	**111.280**	110.840	**0.183**	0.193
Engine oil	**46.218**	38.130	**0.076**	0.066
Fluorescent lamps	**0.005**	0.005	**0.000**	0.000
Plastic	**0.016**	0.020	**0.000**	0.000
Battery	**11.466**	10.760	**0.019**	0.019
Total hazardous waste	**169.227**	159.825	**0.278**	0.278

The Group has implemented a comprehensive environmental management framework to address hazardous waste mitigation and control, integrating advanced protocols across the complete waste lifecycle—from initial collection and secure storage to controlled transportation and sustainable disposal methodologies for both industrial and hazardous materials. In alignment with best-in-class environmental practices, the Group maintains rigorous protocols at all construction facilities, exemplified by its advanced particulate management system where combustion residuals and slag materials are segregated through a specialised collection process and contained within hermetically sealed silo systems to prevent environmental contamination. The Group's retention and transportation protocols incorporate multiple players of environmental safeguards, including advanced containment systems to prevent material leakage, sophisticated weatherproofing measures against precipitation exposure and state-of-the-art dust suppression technologies. These operational procedures are meticulously designed to exceed compliance requirements with all relevant environmental legislation and regulatory frameworks governing hazardous waste management.

In a strategic advancement of its environmental management capabilities, the Group has established a collaborative partnership with a pre-eminent environmental services third party renowned for its cutting-edge waste treatment technologies and exemplary operational standards. This synergistic alliance underscores the Group's deep-seated commitment to environmental excellence, ensuring the adoption of best-in-class safety measures and sustainable methodologies throughout the entire waste disposal process. Demonstrating a proactive and innovative approach, the Group maintains an unrelenting focus on continuous operational enhancement, implementing sophisticated hazardous waste management frameworks while pioneering innovative sustainability solutions. The Group's holistic strategy encompasses all facets of waste management, from initial creation to final disposition, reflecting its steadfast commitment to minimise ecological impact and establish new benchmarks for responsible waste management within the industry.

Non-hazardous Waste

The Group generates various categories of non-hazardous waste through its operational activities, primarily comprising construction-related materials, administrative office waste and general domestic refuse. Guided by its fundamental principles of "Reduce, Reuse, Recycle and Replace", the Group has implemented strategic initiatives to mitigate ecological impact and advance Singapore's environmental sustainability agenda.

In furtherance of its environmental protection initiatives across construction operations, the Group has implemented an advanced waste segregation protocol that methodically classifies waste materials into four distinct categories. This structured approach is reinforced through robust communication channels and extensive training programmes, ensuring optimal understanding and consistent execution of waste management procedures among employees. The systematic categorisation encompasses:

- General construction waste: this category encompasses a broad spectrum of materials generated during excavation and construction activities, including concrete residuals, excavated earth, clay deposits and construction debris;

- Organic waste: this category addresses all food-related waste generated within the construction sites premises;

- Recyclable waste: this category focuses on high-value recoverable resources, particularly steel components and timber products, which possess significant recycling potential; and

- Toxic industrial waste: this category encompasses potentially hazardous materials generated through construction activities, including spent machinery lubricants, equipment maintenance by-products, surplus paint materials and chemical residuals.

In executing its comprehensive waste management strategy, the Group has formed strategic partnerships with leading waste management entities, including authorised general waste collectors and specialised licensed contractors. These carefully selected partners are entrusted with delivering end-to-end waste disposal solutions, incorporating systematic collection protocols and secure transportation to authorised disposal facilities and environmental management centres. These partnerships operate within a robust compliance framework, ensuring strict adherence to regulatory requirements, environmental standards and industry best practices throughout every stage of the waste management process. Through an integrated oversight mechanism, the Group ensures the highest operational standards while leveraging the expertise of certified waste management professionals. This collaborative approach enhances both operational efficiency and environmental responsibility, enabling the Group to optimise its waste disposal processes.

Beyond construction waste management protocols, the Group demonstrates a comprehensive commitment to embedding sustainability principles within its administrative operations. This organisational dedication manifests through strategic initiatives designed to cultivate environmental consciousness across all employee levels. Through the implementation of targeted sustainability education and professional development programmes, the Group systematically enhances workforce competency in environmental protection and sustainable business practices. During the Reporting Year, the Group implemented the following environmental management initiatives across its administrative infrastructure to promote and reinforce sustainable operational practices:

- Implemented mandatory double-sided printing protocol to optimise paper consumption;
- Deployed comprehensive digital workplace solutions, including paperless meetings, electronic documentation and digital signatures;
- Established designated recycling zones for systematic collection of aluminium, glass and paper materials;
- Executed waste material repurposing initiatives to maximise resource efficiency;
- Implemented strategic placement of recycling stations with clear directional signage throughout the facilities;
- Prioritised virtual conferencing platforms over non-essential business travel;
- Instituted sustainable commuting initiatives promoting public transit, carpooling and eco-friendly transportation alternatives;
- Centralised office supply management under dedicated employee to optimal procurement and inventory control; and
- Established preventive maintenance protocols to maximise equipment longevity and operational efficiency.

Non-hazardous Waste Disposal Amount and Intensity

Non-hazardous Waste	Quantity – tonnes 2024	Quantity – tonnes 2023	Intensity – tonnes per employee 2024	Intensity – tonnes per employee 2023
General waste	**233.9**	481.8	**0.385**	0.838
Paper	**1.7**	1.8	**0.003**	0.003
Non-hazardous waste generated from renovation/ relocation of office	**0.7**	213.0	**0.001**	0.370
Total non-hazardous waste	**236.3**	696.6	**0.389**	1.211

During the Reporting Year, the Group demonstrated significant advancement in its waste management initiatives, particularly in the reduction of non-hazardous waste generation through the implementation of sophisticated waste management protocols. Following the Acquisition in 2024, a fundamental recalibration of the Group's waste metrics became necessary, as historical hazardous waste data could no longer serve as a compatible baseline due to the substantial expansion of its operational portfolio. In response to this expanded business scope, the Group has undertook a comprehensive review and recalibration of its waste reduction framework in 2024, establishing new five-year targets that align with its enhanced operational scale. The Group's waste management excellence is supported by comprehensive employee engagement initiatives, strategic awareness campaigns across all operational facilities, enhanced data collection and analysis methodologies, and rigorous performance monitoring systems. The Group maintains stringent oversight through systematic assessment of waste reduction metrics and continuous refinement of waste management methodologies. A notable advancement in data accuracy has been achieved through the transition from traditional volumetric estimations to precise waste collection analytics, enabling superior measurement precision for the Reporting Year. The enhanced waste management framework demonstrates the Group's dedication to environmental excellence while ensuring measurable progress toward its sustainability objectives.

The Group remains committed to advancing innovative waste management solutions through strategic partnerships, focusing on operational optimisation and waste minimisation across its value chain. With a robust implementation framework in place, the Group anticipates measurable outcomes in the forthcoming financial year. Through these proactive waste reduction initiatives, the Group aims to elevate industry benchmarks while catalysing broader environmental stewardship across the sector.

Energy Saving Management Implementation

Energy Consumption

The Group's energy profile is predominantly characterised by electricity consumption and fossil fuel combustion essential for its operational and manufacturing processes. Demonstrating an unwavering commitment to environmentally-friendly workplace, the Group actively pursues and evaluates innovative energy efficiency solutions for comprehensive integration across it operational spectrum. In alignment with this strategic initiative, the Group places paramount importance on energy optimisation protocols and cultivates a culture of resource conservation throughout its workforce. Furthermore, the Group maintains steadfast dedication to implementing a sophisticated energy management framework that not only enhances operational efficiency, but also ensures full compliance with Singapore's regulatory requirements.

Energy Saving

The Group demonstrates an uncompromising dedication to resource optimisation and rigorous environmental impact assessment across its operational portfolio. Its strategic framework is anchored in cultivating environmentally sustainable workplace ecosystems while methodically minimising its ecological impact through measurable initiatives. In pursuit of these environmental imperatives, the Group has instituted a comprehensive sustainability governance structure, incorporating precise operational protocols and resource management directives throughout its business operations. The Group's procurement strategy prioritises advanced equipment and appliances that exemplify superior energy efficiency benchmarks and maintain strict adherence to Euro 6 emission standards, reflecting its commitment to environmental excellence. Central to the Group's renewable energy strategy is the sophisticated deployment of solar technology infrastructure across construction sites and corporate facilities. This encompasses the pioneering deployment of solar-powered surveillance systems, exemplifying the Group's pragmatic approach to sustainable energy integration and technological advancement. Notably, during the Reporting Year, Hulett Construction demonstrated this commitment through a strategic partnership with a specialised third-party contractor for the engineering, design, procurement, installation, testing, commissioning and maintenance of a solar photovoltaic system at the Property, marking a significant milestone in the Group's renewable energy initiatives. Through rigorous evaluation and strategic deployment of energy conservation measures, the Group maintains vigilant oversight in identifying and capitalising on efficiency optimisation opportunities. This methodical approach facilitates continuous enhancement of the Group's energy management protocols and environmental performance indicators, ensuring sustained progression toward its sustainability objectives while setting new industry benchmarks for environmental responsibility.

The Group has instituted strategic energy optimisation protocols that harmonise with stakeholder directives and industry-leading standards while maintaining vigilance on emerging environmental sustainability technologies. Its sophisticated monitoring system facilitates real-time anomaly detection and immediate escalation to executive oversight for expedited corrective measures. The following protocols have been implemented across corporate operations:

- Implementation of sustainable transportation initiatives and advocacy programmes;
- Strategic engagement in comprehensive office supply recycling and resource recovery protocols;
- Acceleration of digital transformation to optimise workflows and eliminate paper-based processes;
- Maintenance of optimal indoor climate conditions (24-26°C) with regulated humidity levels (60%-80%) during peak seasons;
- Prioritisation of energy-efficient systems in HVAC infrastructure upgrades;
- Systematic deployment of advanced energy-efficient lighting solutions, including LED T5 technology and motion-sensor systems;
- Institution of power management protocols encouraging staff engagement in equipment optimisation;

- Strategic placement of environmental stewardship communications to enhance workplace sustainability awareness; and

- Progressive transition to hybrid and electric vehicle fleet operations.

The following data illustrates the Group's operational energy profile, specifically diesel and electricity, during the Reporting Year:

	Energy Consumption Amount and Intensity			
	Quantity – kWh		Intensity – kWh per employee	
Energy Type	**2024**	2023	**2024**	2023
Direct energy consumption				
– Diesel	**98,854,542.8**	88,256,541.1	**162,589.7**	153,757.0
Indirect energy consumption				
– Electricity	**1,082,571.7**	618,107.0	**1,780.5**	1,076.8
Total energy consumption	**99,937,114.5**	88,874,648.1	**164,370.3**	154,833.9

As a global enterprise with significant operational energy dependencies, the Group demonstrates profound leadership in recognising and addressing the paramount importance of efficient energy utilisation in minimising environmental impacts across its operational spectrum. During the Reporting Year, a strategic milestone was achieved through the Acquisition, resulting in an anticipated expansion of the Group's energy consumption metrics. This increase, directly attributable to the integration of Hulett Construction's state-of-the-art dormitory facilities which accommodate a workforce of exceeding 2,000 workers, reflects its growing operational footprint rather than diminished efficiency. The Group maintains an unwavering dedication to operational excellence through systematic performance reviews and the implementation of cutting-edge strategic initiatives designed to optimise energy efficiency. Its comprehensive approach encompasses regular energy audits, advanced monitoring systems and innovative technological solutions that drive continuous improvement in resource utilisation. This commitment is further reinforced by the Group's robust governance framework, ensuring accountability at all organisational levels. The Group's strategic vision extends beyond mere compliance, focusing on pioneering sustainable practices that set new industry benchmarks. Through the judicious stewardship of valuable energy resources and the adoption of innovative conservation measures, the Group is actively shaping a sustainable future while maintaining operational excellence. This balanced approach ensures that its growth trajectory aligns seamlessly with its environmental responsibilities, creating lasting value for both stakeholders and the environment.

Recognising the imperative to align environmental stewardship with its expanded operational portfolio, the Group has executed a comprehensive recalibration of its sustainability framework in 2024, instituting an ambitious quinquennial energy optimisation strategy commensurate with its enhanced operational magnitude and sophistication. This strategic environmental initiative centers on a precisely calibrated objective of achieving a reduction of 1% in energy consumption intensity by 2029, underpinned by a state-of-the-art energy management infrastructure that integrates advanced monitoring systems, pioneering efficiency technologies, sophisticated conservation methodologies and comprehensive organisational engagement protocols. Through the seamless integration of transformative technologies, deployment of rigorous energy conservation frameworks, and fostering of an energy-conscious organisational ethos, the Group exemplifies its resolute commitment to exemplary resource stewardship while sustaining operational excellence across its expanded business ecosystem. The strategically recalibrated energy framework, encompassing methodical environmental objectives, sustainable operational advancement and quantifiable efficiency benchmarks, not only reinforces the Group's position at the vanguard of environmental leadership, but also ensures its targets maintain an optimal balance between ambition and achievability within the expanded operational paradigm.

Through sophisticated real-time monitoring systems, advanced analytics and strategic optimisation of energy consumption patterns, the Group maintains unparalleled visibility into its operational energy matrix. This intelligence-driven methodology enables precise identification and systematic exploitation of efficiency opportunities, facilitating the implementation of targeted performance enhancements across the operational ecosystem. The Group's commitment to energy excellence extends beyond traditional compliance paradigms, establishing itself as a foundational pillar of the Group's organisational DNA and a paramount consideration in its strategic architecture.

Water Resources Management

Water resources serve as a cornerstone of the Group's construction operations, underpinning its sustainable development framework. The Group's comprehensive water management policy demonstrates its commitment to responsible resource stewardship through sophisticated strategies that ensure optimal utilisation across operations. The Group has implemented state-of-the-art water conservation technologies, including advanced low-flow hydraulic systems and water-efficient facilities, complemented by sophisticated monitoring protocols and real-time consumption analytics for strategic efficiency improvements. During the Reporting Year, the Group's water infrastructure maintained exceptional resilience, with primary supply sourced through Singapore's advanced municipal water system, ensuring uninterrupted access to high-quality resources. Looking forward, the Group remains focused on advancing its water management capabilities through innovative conservation solutions and cutting-edge technologies. This strategic approach reinforces the Group's position as a key industry player in sustainable resource management while demonstrating its commitment to environmental protection. Through continuous innovation and optimisation initiatives, the Group strives to set new benchmarks in water conservation while maintaining operational excellence across its enterprise ecosystem.

The following data presents the Group's water consumption, encompassing both headquarter operations and the recently integrated Hulett Construction's dormitory facilities, during the Reporting Year:

	Water Consumption Amount and Intensity			
	Quantity – cubic metre		**Intensity – cubic metre per employee**	
	2024	2023	**2024**	2023
Water	**84,784.3**	3,193.1	**139.4**	5.6

During the Reporting Year, the Group executed pioneering hydrological management initiatives, demonstrating its commitment to water resource optimisation and environmental stewardship. The Group's comprehensive water governance framework encompasses wastewater management, water conservation and recycling efforts, all strategically aimed at reducing environmental impact and advancing its commitment to a greener, more sustainable future.

Wastewater Management

- Established designated containment zones for the efficient sediment and debris management, ensuring site compliance;
- Conducted systematic monitoring and assessment of sediment retention systems to optimise filtration efficiency and maintain peak operational performance;
- Implemented comprehensive vehicle decontamination protocols utilising high-pressure aqueous cleaning systems prior to construction site egress, ensuring environmental compliance and community safety;
- Executed proactive monitoring and rapid response protocols for hazardous material management, including immediate containment and remediation of petroleum, diesel or chemical incidents, ensuring environmental compliance on site;
- Positioned diesel storage tanks strategically to prevent drainage contamination and minimise spill risks;
- Engaged licensed plumbers to install compliant temporary sanitation and water systems at all construction sites;
- Installed sediment control systems to filter construction runoff, such as sand traps, silt traps and sediment basins, before storm drain discharge;
- Channelled stormwater to sediment control facilities using barriers and diversion structures; and
- Constructed boundary channels to intercept external stormwater runoff.

Water Conservation

- Conducted training sessions to promote water conservation awareness and resource management;
- Promoted water conservation by implementing proper faucets usage protocols;
- Performed scheduled inspections and maintenance of water infrastructure to prevent leakage and maximise efficiency; and
- Implemented water-efficient fixtures, including automated taps and float valves, across facility washrooms and construction areas.

Recycling

- Executed comprehensive water management strategies at construction sites to optimise resource utilisation while sustaining operational performance;
- Established on-site wastewater treatment facilities to optimise construction site effluent recycling processes;
- Deployed rainwater harvesting systems for sustainable facility operations, including sanitation, maintenance and landscape irrigation; and
- Engineered and deployed an advanced wastewater reclamation system for multiple construction site applications, encompassing site sanitation, airborne particulate control, equipment decontamination stations and safety barrier system maintenance etc.

During the Reporting Year, the Group water consumption metrics demonstrated an anticipated upward trajectory, primarily attributed to the strategic expansion of its reporting scope, specifically the integration of the Hulett Construction's dormitory facilities which provide comprehensive accommodation for a workforce exceeding 2,000 personnel. While the Group had previously established an ambitious five-year water conservation roadmap in 2021, the significant expansion of its business operations in 2024 prompted a strategic recalibration of the water management framework. This comprehensive revision aligns the Group's environmental objectives with its enhanced operational scale while introducing cutting-edge water consumption monitoring systems, advanced analytics and optimised resource management protocols. Through the integration of sophisticated data analysis methodologies - encompassing historical consumption metrics, usage pattern evaluation and predictive trend analysis, the Group anticipates to achieve 1% reduction in water usage within five-year that reflects both its commitment to environmental protection and its evolving organisational complexity.

Use of Packaging Materials

Due to the Group's business model and operational framework, packaging materials represent an insignificant portion of its resource utilisation profile. The consumption of these materials maintained minimal levels during the Reporting Year, aligning with the Group's operational requirements.

Tackling Climate Change

The escalating challenges of climate change extend beyond immediate physical impacts, presenting complex transition risks as organisations navigate toward a low-carbon future. The Group acknowledges these multifaceted challenges while recognising the transformative opportunities they present for innovation and sustainable growth. Its operational framework addresses substantial climate-related vulnerabilities, including project timeline disruptions, infrastructure resilience challenges and critical safety considerations for its workforce and clientele. In response, the Group has implemented sophisticated resource optimisation systems and robust information architectures to systematically manage climate-related contingencies.

Comprehensive Risk Mitigation and Operational Resilience

To fortify its operational resilience, the Group has established an integrated framework that exemplifies industry-leading standards in climate risk management and mitigation. The comprehensive infrastructure seamlessly integrates real-time monitoring systems, agile response mechanisms and meticulously detailed contingency protocols. This comprehensive approach enables effective identification, evaluation and mitigation of climate-related impacts across the Group's operational spectrum. Through the strategic deployment of advanced information architectures and precision-engineered resource allocation protocols, the Group maintains robust safeguards for physical assets, ensures comprehensive workforce safety measures, and guarantees operational continuity during extreme weather events, while its proactive risk management approach and swift response capabilities position the Group at the forefront of sustainable business practices and operational resilience in an evolving environmental landscape.

Transition Strategy and Stakeholder Engagement

In anticipation of the global transition toward a low-carbon economy, the Group has strategically aligned its business model, demonstrating exceptional adaptability to evolving market dynamics and emerging regulatory frameworks. This forward-thinking approach integrates sophisticated market analysis, regulatory compliance mechanisms and continuous innovation in sustainable business practices. Through the cultivation of dynamic stakeholder ecosystems and the establishment of transparent communication channels, the Group fosters robust collaborative partnerships that drive meaningful carbon reduction initiatives across its entire value chain, while its commitment to operational excellence and environmental leadership continues to create sustainable value for all stakeholders in this rapidly evolving business landscape.

Alignment with National Sustainability Framework

The Group's sustainability initiatives align strategically with the Singapore Green Plan 2030, a transformative national framework that champions sustainable development through an integrated whole-of-government approach.

By strategically harmonising its initiatives with the ambitious targets outlined in the GreenGov.SG framework, the Group has established a robust roadmap encompassing enhanced energy efficiency protocols, advanced water conservation mechanisms and innovative waste management solutions. The Group's commitment to environmental protection is further strengthened by Singapore's progressive trajectory toward net zero emissions by 2045, which serves as a catalyst for the Group's sustainability initiatives and positions the Group at the forefront of environmental leadership in alignment with national environmental objectives and global sustainability imperatives.

Operational Excellence and Future Commitments

During the Reporting Year, the Group maintained exemplary compliance with climate-related regulations while accelerating the integration of climate considerations into core strategy and operations. The Group's comprehensive approach is built on three strategic pillars: sustainable raw material sourcing, systematic transition to low-carbon fuel alternatives and implementation of a comprehensive carbon reduction programme across its value chain. These meticulously orchestrated initiatives not only underscore its unwavering commitment to environmental responsibility, but also strategically position the Group as a vanguard organisation in the global transition toward a low-carbon economy, creating sustainable competitive advantages while contributing to broader climate action objectives.

Employment and Labour Practices

Recruitment and Promotion

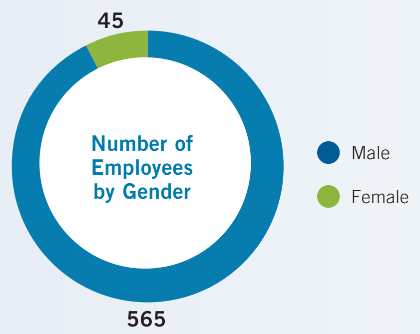
The Group highly values the exceptional contributions of its talented team members, who play a pivotal role in driving its continued success. Recognising the importance of nurturing talent, the Management is dedicated to providing comprehensive training programmes and fostering an environment that inspires employees to achieve excellence. Furthermore, the Group is steadfast in its commitment to maintaining a safe and healthy workplace while promoting equal employment opportunities for all.

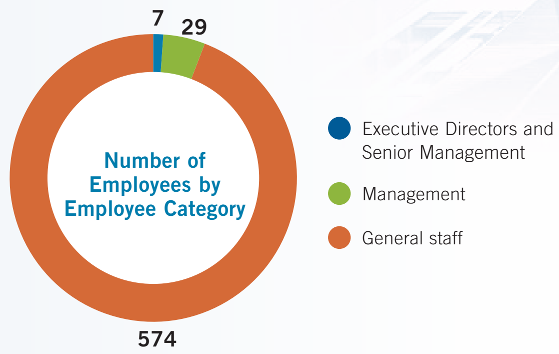
The Group has implemented a thorough diversity policy designed to cultivate a workforce that values and embraces diversity across all levels, including management positions. The policy acknowledges that diversity encompasses a broad spectrum of attributes, including professional experiences, business perspectives, skills, knowledge, gender, age, cultural and educational backgrounds and ethnicity. In the selection of candidates and promotion decision-making, the Management aligns decisions with the Group's vision, mission and core values, emphasising merit and the unique contributions individuals can offer to enhance and broaden the Group's competencies, experiences and perspectives. Through the adoption of the Gender Diversity Plan, the Group is committed to progressively increasing female representation in its workforce, where appropriate, with a particular focus on non-labour intensive role, to achieve a balanced gender ratio and promote inclusivity. During the Year, the Group further underscored its dedication to this initiative by appointing a female Director.

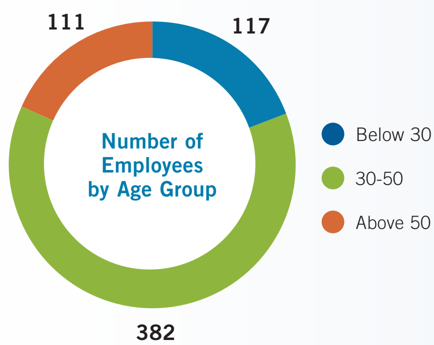
As of 31 December 2024, the Group employed a proficient team of 610 individuals, dedicated to supporting its business operations. The team composition is detailed as follows:

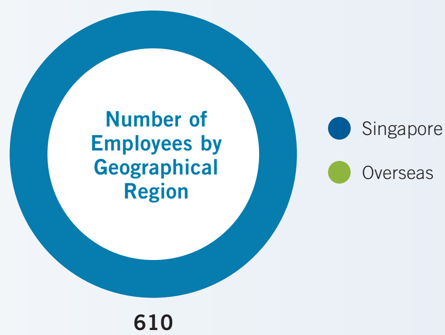
	Categories	2024 Number	2023 Number
Gender	Male	565	534
	Female	45	40
Employee Category	Executive Directors and Senior Management	7	6
	Management	29	18
	General staff	574	550
Age Group	Below 30	117	122
	30-50	382	348
	Above 50	111	104
Geographical Region*	Singapore	610	574
	Overseas	0	0
Employment Type	Full time	608	574
	Part time	2	0

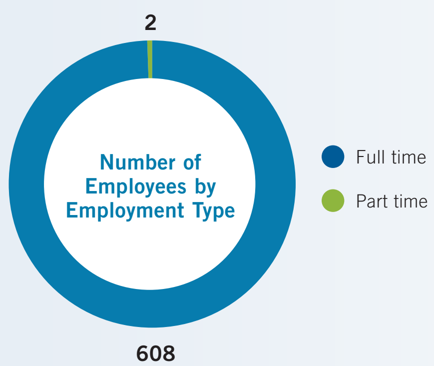
**Note:* Geographical region distinguishes employees of the Group working in Singapore or working in overseas countries (outside Singapore). The same definition is also applied to other relevant KPIs.


45
Number of Employees by Gender
565
Male
Female


7
29
Number of Employees by Employee Category
574
Executive Directors and Senior Management
Management
General staff


111
117
Number of Employees by Age Group
382
Below 30
30-50
Above 50

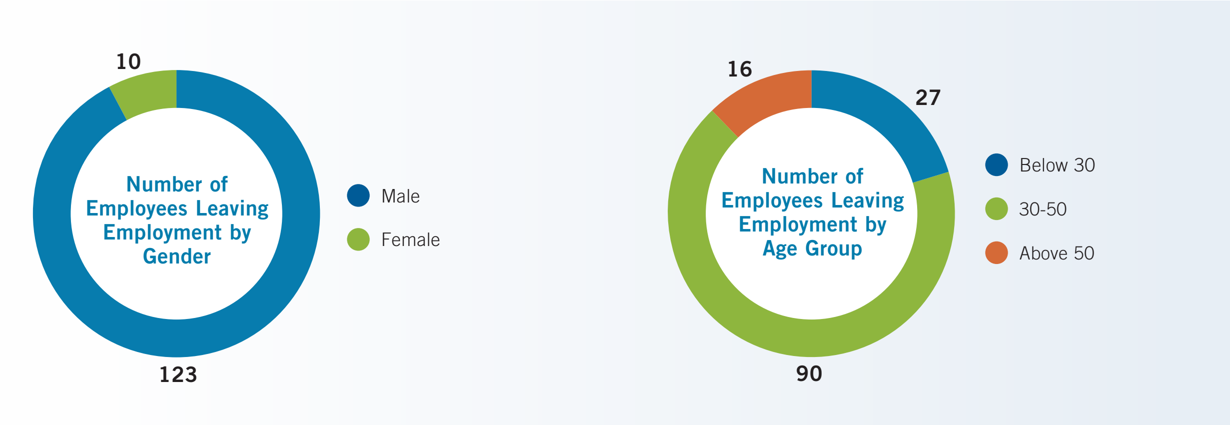

Number of Employees by Geographical Region
610
Singapore
Overseas

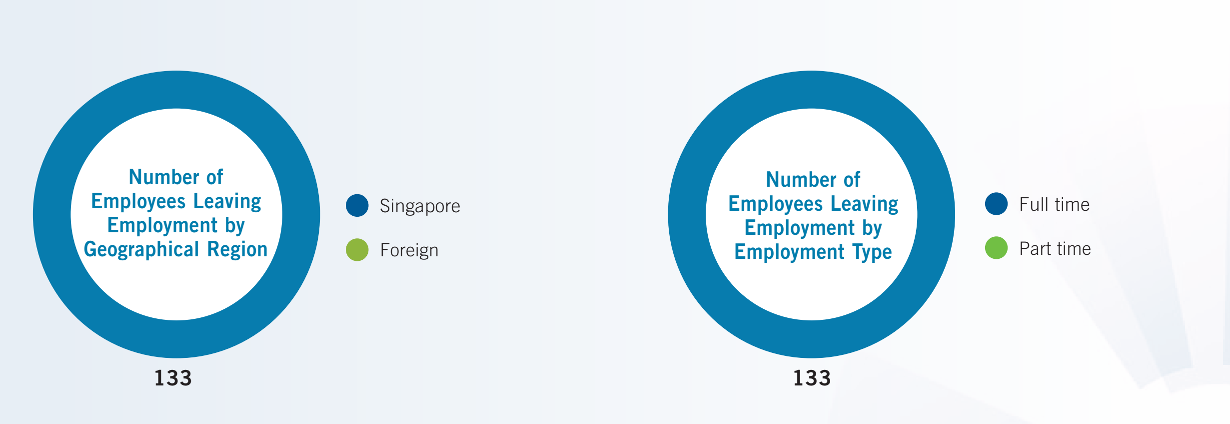

2
Number of Employees by Employment Type
608
Full time
Part time

The success of any company hinges on its ability to effectively recruit, onboard, manage and reward its employees. A key metric reflecting this capability is the employee turnover rate. During the Reporting Year, the Group is pleased to report a relatively stable overall turnover rate of approximately 22%*. A detailed breakdown of the Group's employee turnover rate by gender, age group, geographical region and employment type is provided below.

		2024	
	Categories	**Number**	**Percentage***
Gender	Male	123	21.77 %
	Female	10	22.22 %
Age Group	Below 30	27	23.08 %
	30-50	90	23.56 %
	Above 50	16	14.41 %
Geographical Region	Singapore	133	21.80 %
	Overseas	0	0
Employment Type	Full time	133	21.80%
	Part time	0	0

**Note:* Turnover rate by category is calculated by number of employees in the specified category leaving employment/number of employees in the specified category x 100.





Employee Welfare and Working Condition

The Group is dedicated to fostering a people-centric culture, prioritising the development of a highly skilled and innovative talent pool that flourishes in a diverse environment. Recognising the pivotal role of equity and inclusion in driving business success, the Group has introduced a range of flexible work arrangements, including adjustable working hours, to enhance employee experience. Alongside strict adherence to local employment regulations, the Group's human resources department has developed and instituted comprehensive management policies and systems to ensure employees are treated fairly and with the utmost dignity and respect.

The Group is committed to continuously refining its compensation and benefits practices to attract, motivate and retain top talent. The Group places a high value on every positive contribution made by its employees, ensuring their efforts are recognised and appreciated. Its human resource team regularly assesses workforce composition, compensation structures and benefits offerings to maintain alignment with market standards and emerging trends. To foster a culture of excellence, annual performance appraisals are conducted for all employees to evaluate their achievement against predefined objectives. This practice facilitates the identification of top performers, informs performance-based compensation decisions, highlights professional development opportunities, and provides constructive feedback and recognition. Furthermore, employees' contributions to ESG initiatives are integrated into their performance evaluations, underscoring the importance of their impact in these critical areas. The Group offers comprehensive and competitive compensation packages, complemented by a diverse range of benefits to promote employee motivation and engagement. These include a discretionary annual performance bonus, paid annual leave, wedding leave, examination leave and extensive insurance coverage such as personal accident protection.

High-calibre talent serves as the cornerstone of corporate growth and success. The Group is dedicated to building a diverse team of professionals, consistently enhancing its workforce composition to ensure a balanced distribution among team members in terms of gender, age, region and other dimensions. Upholding the principles of fairness and legality, the Group strictly prohibits any form of illegal employment and adheres to the principle of equal pay for equal work regardless of gender. Human rights risk factors are integrated into the Group's risk management policy and assessment checklist to monitor the human rights impacts arising from its business activities and relationships. The Board is ultimately responsible for the oversight of the Group's risk management activities and monitors risks that are material to the Group. The Group's commitment to creating a diverse, equitable and inclusive workplace is firmly rooted in its dedication to treating every employee with respect and fairness. As a responsible employer, the Group maintains a zero-tolerance policy against workplace discrimination and issues related to human trafficking. Its dedication to protecting human rights is reinforced by implementing robust protocols to promptly address any instances of discrimination and human trafficking.

The Group places great importance on the physical and mental health and well-being of its employees, striving to create a "home for employees" that filled with warmth and care. Through organising various employee care activities, the Group helps employees achieve a healthy work-life balance, thereby enhancing their happiness and sense of belonging, strengthening team cohesiveness, and providing solid talent support for the long-term development of the Group.

During the Reporting Year, the Group did not identify any instances of non-compliance with relevant laws and regulations that had a significant impact on the Group concerning compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination or other benefits and welfare.

The Group encouraged employees to participate in the "Great Green Run 2024", fostering team spirit and wellness while promoting work-life balance and employee engagement.

The Group conducted strategic team-building initiatives designed to enhance workplace cohesion, strengthen interpersonal relationships, and reinforce safety awareness. These activities enhanced organisational synergy while promoting effective communication and shared commitment to corporate goals.

The Group organised excel training to empower employees with advanced skills, thereby optimising efficiency and productivity in daily operations. This initiative also ensured standardised data management, reporting and collaborative practices across the Group.

The Group celebrated Chinese New Year with its employees to promote cultural appreciation, strengthen team cohesion, and acknowledge their valuable contributions. This celebration fostered positivity for the year ahead while enhancing organisational culture and boosting employee morale. Moreover, in commemoration of its corporate milestone, the Group also hosted an anniversary party that reflected its journey of growth and success. The overwhelming positive response from employees underscored the importance of such gatherings in building a cohesive corporate family and maintaining high levels of employee engagement and satisfaction.

The Group collaborated with United Overseas Bank ("**UOB**") to host an onsite banking talk, providing employees with valuable financial education and insights. This initiative aimed to empower employees with a better understanding of financial management, including topics such as savings, investments and personal financial planning. By facilitating this session, the Group demonstrated its commitment to supporting employees' financial well-being and fostering a more informed and financially resilient workforce.

The Group hosted an appreciation dinner to recognise and celebrate employees' efforts, contributions and achievements, fostering goodwill, motivation and stronger workplace relationships. Additionally, a Christmas party was organised to embrace the festive spirit, creating a joyful and relaxed atmosphere that strengthened connections among colleagues while promoting a sense of unity and celebration.

Retirement Scheme

Employees of the Group who are Singapore citizens or permanent residents are obligated to participate in the CPF Scheme. The scheme is a mandatory social security savings scheme that is financed through contributions from both employers and employees.

The Group ensures adherence to all applicable regulations by complying with the CPF Scheme, which involves contributing a predetermined percentage of employees' monthly salaries up to a designated cap. During the Reporting Year, the Group contributed up to 17% of eligible employees' salaries under the CPF Scheme, with the qualifying salary capped at S$6,800 per month. The commitment to regulatory compliance resulted in total expenses of approximately S$895,000, which were recorded in the profit or loss for the Reporting Year, representing the CPF contributions made by the Group. No other pension schemes were introduced by the Group during the Reporting Year.

Training and Development

The Group empowers growth and drives continuous development of its employees through an enriching learning journey. By implementing comprehensive talent development programmes and offering a wide range of training initiatives, the Group focuses on enhancing skills, building capabilities, and nurturing a workforce of highly skilled, adaptable and innovative professionals.

The Group has pioneered an innovative talent development ecosystem that seamlessly integrates workplace excellence with strategic capability enhancement. This dual approach cultivates an environment of professional growth while strengthening organisational commitment and allegiance. During the Reporting Year, the Group's human capital development initiatives delivered significant outcomes through targeted management development programmes, enhancing core competencies in strategic communication, decisive leadership and conflict resolution. The Group's comprehensive technical training initiatives, particularly the advanced Excel proficiency programmes, have armed its workforce with sophisticated analytical capabilities, catalysing operational efficiency and enhanced productivity. A pioneering addition to its training portfolio was the introduction of a Drone Operation Course, equipping employees with specialised skills for the surveillance and monitoring of extensive construction projects and solar panel installations. Under the astute guidance of senior leadership, the Group has witnessed remarkable advancement in strategic objective formulation and cross-functional synergies. Its teams have embraced a multi-dimensional approach to problem-solving, incorporating diverse perspectives to achieve unprecedented operational outcomes. The training programme engaged a total of 310 participants, representing a diverse cross-section of employees across various departments and functional areas. This holistic transformation has positioned the Group at the forefront of organisational excellence, establishing new benchmarks in talent development and operational efficiency within the industry sector.

The Group flourishes in tandem with employees amidst the rapidly evolving landscape of today. Therefore, it encourages the development of leadership competencies and the attainment of functional skills that are both practical and innovative. The Group offers a range of programmes, coaching, supporting structures and opportunities for agile career development. The active participation of executive leadership guarantees that employees engaged in training programmes have access to relevant resources, participate in collaborative dialogues, and adopt experiential learning methodologies. This high-level support has demonstrably enhanced employee behaviour and operational practices, culminating in the cultivation of a more skilled, safe-conscious and cohesive workforce.

During the Reporting Year, the Group delivered 6,217.5 hours of comprehensive professional development training across various disciplines, including but not limited to anti-corruption measures, industry practices, knowledge enhancement and safety standards. In recognition of the escalating global climate crisis, the Group instituted mandatory educational programmes for all employees, with a specific emphasis on ESG principles and innovative practices. This initiative aims to ensure that all employees remain abreast of the latest ESG-related developments, underscoring the Group's commitment to environmental sustainability.

The Group supports and encourages on-the-job continuing education of all qualified employees based on their professional backgrounds, enabling them to pursue higher academic qualifications, obtain professional certifications, advance skillset, and broaden the direction of career development. Moreover, in accordance with corporate policies, the Group provides reimbursement and monetary incentives commensurate with employees' educational progress and successful acquisition of relevant qualifications.

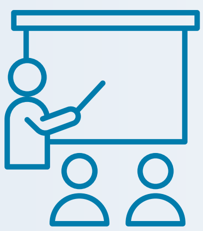
The Group has built a training system that spans the entire professional lifecycle of its workforce. This system offers tailored training initiatives and individualised career progression strategies for all employees, encompassing fresh graduates, junior employees, business unit professionals and executive management. The primary objectives of the strategic approach are to enhance the professional competencies of employees across all levels, expand and diversify career advancement opportunities, and strengthen the Group's capacity to attract and retain high-calibre talent, thereby building a talent pipeline to effectively support the Group's development.

Categories		Percentage of employees trained (%)[1]	Average training hours completed per employee (hours)[2]
Gender	Male	97.10%	10.86
	Female	2.90%	1.82
Employee Category	Executive Directors and Senior Management	0.97%	2.57
	Management	2.26%	4.14
	General staff	96.77%	10.59
Geographical Region	Singapore	100%	10.19
	Overseas	0%	0
Working Location	Office	10.97%	5.95
	Construction site	89.03%	11.24

Notes:

1. Percentage of employees trained in relevant categories is calculated by number of employees trained in the specified category/total number of employees who took part in training x 100.

2. Average training hours completed per employee in relevant categories is calculated by total number of training hours completed by employees in the specified category/number of employees in the specified category.



Total number of employees trained

310 employees

Average training hours completed per employee

10.19 hours

Total training hours completed by employees

6,217.5 hours

Employees' Health and Occupational Safety

The viability of the Group is intrinsically linked to the well-being, health and safety of its employees. In recognition that employee health and wellness are critical determinants in maximising the capabilities of its diverse and talented human capital, the Group demonstrates a comprehensive approach to workplace safety and employee well-being through multiple initiatives:

1. Infrastructure and Equipment: The Group ensures the provision of adequate safety equipment and facilities at all construction sites and office locations. This proactive measure is designed to safeguard employee safety and enhance operational efficiency.

2. Policy Management: Health and safety policies undergo regular reviews and updates to maintain their relevance and effectiveness. These policies are made readily accessible to all employees, contractors and tenants.

3. Regulatory Compliance: The aforementioned policies serve as a strategic framework, guiding the Group's actions and ensuring strict adherence to all pertinent laws and regulations.

This multifaceted strategy underscores the Group's commitment to maintaining a secure work environment while fostering a culture of safety awareness across all operational levels.

The Group is committed to strict compliance with all relevant health and safety laws and regulations in Singapore, including the Employment Act 1968 (the "**Employment Act**") and Workplace Safety and Health (Noise) Regulations 2011. To foster a healthy and safe working environment for its valued employees, the Group has implemented a comprehensive range of occupational health and safety measures. During the Reporting Year, the Group collaborated with professional testing organisations to assess occupational hazards related to temperature, noise, air quality, dust, wind and gas across various job roles. Additionally, the Group emphasises the importance of mandatory safety training courses to ensure employees are equipped with the knowledge necessary to identify and mitigate potential occupational hazards, as detailed in the relevant manuals.

In conjunction with the aforementioned measures, the Group implements a rigorous programme of regular testing and maintenance for all plant and equipment, ensuring optimal operational efficiency and safety. The Group maintains stringent adherence to requisite health and safety standards across all construction activities, complemented by the provision of appropriate personal protective equipment ("**PPE**"). The PPE includes, but is not limited to, safety helmets, safety goggles, safety footwear and high-visibility apparel. These comprehensive initiatives are strategically designed to mitigate occupational risks and minimise the potential adverse health impacts associated with job-specific hazards across various roles within the Group. The Management maintains a proactive stance, conducting regular monitoring and evaluation of all implemented health and safety protocols to ensure their continued efficacy and relevance.

During the Reporting Year, the Group maintained full compliance with all relevant laws and regulations pertaining to workplace safety and occupational hazard prevention. No incidents of non-compliance with significant impact on the Group's operations or its ability to provide a secure working environment were identified or reported.

No work-related fatalities happened during the past three consecutive years.

	Unit	**2024**	2023	2022
Fatalities due to work	Cases	**0**	0	0

	Unit	**2024**
Lost days due to work injury	Days	**119**
Work injury rate*	%	**0.07%**

*Note: Work injury rate is calculated by number of work-related injury lost days/(number of employees x 22 x 12 (working days)) x 100.

The Group has subscribed employees' compensation insurance for all employees, and it has covered the compensation required due to work-related injury.

Labour Standards

The Group exemplifies an uncompromising dedication to ethical business practices and the safeguarding of labour rights, surpassing the baseline requirements set forth by the Employment Act and Singapore's Employment (Children and Young Persons) Regulations 2000. The Group has implemented comprehensive and stringent measures to preclude any occurrence of child labour, forced labour or bonded labour across all operational facets. These meticulously crafted strategies underscore its resolute commitment to upholding the most rigorous standards of ethical conduct in workforce management and organisational practices.

The Group employs stringent verification protocols to ascertain candidate and employee eligibility for pertinent positions. These protocols mandate the submission of official documentation, including qualification certificates and professional references, to validate provided information. Upon employment initiation, all employees voluntarily execute labour agreements, thereby affirming their alignment with the Group's core values. In furtherance of its commitment to eradicate forced labour, any amendments to labour agreements are executed through transparent negotiations, adhering steadfastly to principles of equality and mutual consent. The Group unequivocally repudiates any practices that could potentially compromise the integrity of the employer-employee relationship.

In the event of identifying any instances of child labour, illegal labour or forced labour, the Group is resolutely committed to immediate contract termination and expeditious reporting to the relevant regulatory authorities. Moreover, the Group conducts periodic assessments of its risk management and internal control systems to ensure the continued efficacy of preventative measures against employment risks associated with child labour, illegal labour and forced labour. Through its prioritisation of ethical conduct and labour rights, the Group demonstrates an unwavering dedication to cultivating a fair and sustainable work environment. This commitment to ethical standards not only ensures regulatory compliance, but also safeguards the rights and well-being of its workforce, thereby solidifying the Group's position as a responsible and ethical employer.

During the Year, the Group maintained impeccable compliance with all relevant laws and regulations governing child labour, illegal labour and forced labour. No material breaches or instances of non-compliance were identified or reported. This sterling record not only exemplifies the Group's proactive approach to regulatory adherence, but also reaffirms its steadfast commitment to cultivating a workplace environment characterised by responsibility, ethical integrity and legal conformity.

Well-being of Employees

The Group places paramount importance on fostering a healthy work-life equilibrium, actively encouraging employees to pursue personal interests and cultivate well-rounded lifestyles. To promote camaraderie and enhance employee well-being, the Group implements a diverse portfolio of engagement initiatives, encompassing social gatherings and athletic activities. In terms of work-life benefits, the Group offers a comprehensive benefits package, which includes extensive medical and health coverage, encompassing hospitalisation and surgical expenses, comprehensive insurance for occupational accidents and associated medical expenditures, and financial subsidies for preventive health screenings and medical examinations. This holistic approach to employee welfare underscores the Group's commitment to creating a supportive and balanced work environment that prioritises both professional growth and personal well-being.

During the Reporting Year, the Group implemented a comprehensive mental health initiative comprising several key elements, such as mental health screening workshops. The Group introduced specialised workshops offering mental health screening services to employees. These sessions were strategically designed to enhance employees' understanding of mental health and equip participants with effective problem-solving skills. Recognising the critical importance of mental health, the Group instituted a range of additional support mechanisms, including a dedicated mental health hotline service, organised therapeutic activities and crisis intervention support. Through these multifaceted initiatives, the Group aimed to elevate mental health awareness among its workforce, fostering a culture of psychological well-being and resilience. This proactive approach underscores the Group's commitment to holistic employee welfare, acknowledging the integral role of mental health in overall well-being and organisational effectiveness.

Operation Practices

Supply Chain Management

The Group is committed to maximising value through its supply chain by implementing an extensive range of strategies to address and monitor environmental and social risks, in alignment with sustainable development principles. Through establishing a sophisticated and integrated tendering and procurement management mechanism that comprises supplier pooling, meticulous selection processes, systematic performance evaluation and sustainable procurement practices, the Group selects and retains qualified suppliers to assure superior quality standards and operational excellence. In maintaining the highest standards of quality assurance, the Group mandates that all suppliers adhere to standardised management systems and maintain complete certification requirements. The Group conducts rigorous monitoring, regulation and evaluation of supplier and subcontractor performance throughout the entire production cycle, ensuring strict compliance with industry standards, regulatory requirements and Group-specific specifications. The Group's commitment to excellence is reflected in its zero-tolerance approach to significant non-compliance, which results in immediate suspension or termination of business relationships. The Group's procurement philosophy for materials, services and equipment is founded on the fundamental principles of fairness, transparency and equitable treatment of all suppliers and subcontractors. While maintaining an unwavering focus on value optimisation, the Group simultaneously upholds stringent policies that explicitly prohibit bribery and commission-based sales practices, ensuring the highest standards of business ethics and integrity in all its procurement activities.

The Group has developed long-term business partnerships with the suppliers and subcontractors, fostering robust collaborative relationships that enhance sustainability through advanced procurement practices. As of 31 December 2024, the supplier network of the Group comprised a total number of 803 qualified suppliers and subcontractors in Singapore. The Group was not aware of any key suppliers or subcontractors that had violation or irregularity concerning business ethics, environment protection, human rights and labour practices during the Reporting Year.

Supplier Selection

The Group maintains rigorous standards in its suppliers and subcontractor selection process, demonstrating its commitment to minimising adverse societal and environmental impacts. Through the implementation of equitable operational practice in supplier and subcontractor management, the Group ensures business continuity while effectively mitigating potential operational risks.

The Group maintains exemplary standards in its vendor management through a meticulous supplier and subcontractor evaluation process. Prior to the inclusion in the Group's prestigious list of approved vendors, prospective partners undergo a comprehensive assessment encompassing quality assurance, reputational standing, financial stability and ethical business practices. The Group's rigorous selection criteria emphasise environmental protection, occupational health and safety compliance and demonstrated social responsibility – critical elements in minimising supply chain risks. Through strategic collaboration with suppliers and subcontractors to implement environmentally-friendly strategy and integrate green chain management principles in the business operations, the Group makes every effort for the goal of sustainable development.

In pursuit of supply chain excellence, the Group employs a sophisticated vendor evaluation framework that requires competitive bidding with a minimum of two quotations per project. This systematic approach not only fosters healthy competition among suppliers, but also reinforces transparency in procurement procedures while ensuring supply chain resilience. Through this comprehensive methodology, the Group effectively identifies and engages reliable supply partners, thereby strengthening its operational foundation.

Performance Evaluation

The Group implements a multifaceted supplier performance evaluation framework that integrates key assessment criteria, including quality assurance benchmarks, environmental conservation initiatives, occupational health and safety compliance and product sustainability metrics. Through these stringent evaluation protocols, the Group demonstrates its commitment to exceeding regulatory compliance while championing responsible business practices throughout its supply chain ecosystem. This proactive approach ensures the implementation of standards that consistently surpass minimum regulatory requirements, reinforcing the Group's dedication to sustainable development and operational excellence.

The Group executes a systematic annual evaluation programme to assess and validate the capabilities of its supplier network and subcontractor partnerships. By appraising the information of quality, material delivery and arrangement, as well as business management, the Group ensures sustained compliance with established performance standards across its supply chain. Furthermore, the Group maintains regular dialogue with suppliers regarding environmental and social responsibility benchmarks, fostering a collaborative ecosystem that promotes and advances sustainable business practices.

Sustainable Procurement

The Group prioritises the sustainable management of procurement and seeks to build collaborative relationships with suppliers who meet sustainability benchmarks, which include holding an ISO 9001 certification or equivalent sustainable authenticates, having well-defined sustainable development principles, and implementing sustainability or quality management systems addressing environment concerns. Ensuring that suppliers adhere to specific environmental protection standards is essential for the Group to achieve net-zero emissions goal.

In alignment with its environmental leadership objectives, the Group implements a comprehensive procurement strategy that favours suppliers exhibiting outstanding ecological responsibility and proven dedication to energy optimisation. Through strategic partnerships with vendors who demonstrate consistent integration of sustainable resources and environmentally conscious methodologies, the Group maximises supply chain sustainability while minimising ecological impact. Such approach not only reinforces the Group's commitment to environmental protection, but also catalyses innovation in sustainable operational practices.

Product Management and Safety

Product Management

The Group has developed a specialised product quality control system tailored to customers' needs, ensuring a solid foundation for standardised products and delivering quality assurance. This system customises standardised products and supports research and development in achieving optimisation. In addition, the Group is striving for successful innovation and enhancement in product quality, aiming to meet its IMS objectives, which include achieving an average customer satisfaction index of at least 65% and maintaining 100% on-time delivery rates for all projects, while preventing any liquidated damages.

During the Reporting Year, the Group enhanced its excavation capabilities through the strategic implementation of the Global Navigation Satellite System ("**GNSS**") technology. This advanced system leverages Global Positioning System signals to enable automated precision control of blade movements, incorporating both lift and tilt functionalities. The integration of GNSS technology has yielded significant operational advantages over conventional equipment, demonstrating a remarkable 50% increase in productivity while simultaneously optimising time efficiency and excavation precision. This technological advancement has notably elevated the Group's product quality standards, reinforcing its commitment to operational excellence through innovative solutions. In addition, a remarkable technological breakthrough worthy of distinction is the Group's innovative robotic noise barrier installation system, which was successfully developed and implemented during the Reporting Year at the Jurong Regional Line SMRT site. This sophisticated solution represents a significant advancement in construction automation, featuring a state-of-the-art robotic arm system integrated with automated carrier wagons designed for optimal load capacity and autonomous refilling capabilities. The system's cutting-edge AI-powered vision technology serves as its cornerstone, employing advanced optical sensors and spatial recognition algorithms that enable the robotic arm to precisely determine and adjust to the relative positions of noise barrier poles with unprecedented accuracy. This groundbreaking implementation has demonstrated remarkable improvements in operational efficiency and productivity while simultaneously prioritising workplace safety and ergonomic considerations, effectively revolutionising traditional installation methodologies in infrastructure construction. The integration of AI, robotics and automated logistics not only streamlines the installation process but also significantly reduces physical strain on workers, showcasing a perfect harmony between technological innovation and practical application in modern construction practices.

The Group aims to enhance its control over product quality, thereby improving quality management by bolstering quality assurance, refining monitoring processes, implementing standardised and dependable measures, and optimising quality management practices. Additionally, to offer well-informed recommendations for suitable remedial actions, the Group has developed a customer complaint handling mechanism designed to effectively receive, evaluate and handle complaints.

During the Reporting Year, the Group did not identify any instances of non-compliance with pertinent laws and regulations, including Personal Data Protection Act 2012, laws of Singapore, that had a material impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. Furthermore, the Group did not receive any substantial complaints regarding the quality of work performed by contractors on construction projects, nor were there any product recalls owing to health and safety issues.

Product Safety

Excellence in project delivery stands as the cornerstone of the Group's operational philosophy, exemplified through its resolute focus on safety protocols, engineering refinement and innovative methodologies across its comprehensive portfolio. The Group implements a sophisticated quality management system that integrates multiple tiers of stringent evaluation and systematic inspection protocols throughout each project's developmental phases, culminating in thorough final validation procedures upon completion. The Group's robust quality assurance framework mandates immediate corrective action protocols for any identified non-conformities, incorporating mandatory remediation measures and subsequent verification processes before advancing to successive project stages or client handover. This methodical approach to quality control ensures unwavering adherence to safety regulations and technical specifications across all earthwork and construction initiatives. In pursuit of unparalleled excellence, the Group extends its quality mandate beyond fundamental structural requirements to encompass superior aesthetic standards in all construction endeavours. This comprehensive approach includes rigorous quality control measures focusing on finish excellence and visual perfection. The inspection regime encompasses detailed examination of structural alignment precision, material consistency, surface integrity and moisture-related quality indicators, with swift implementation of remediation protocols when required. Central to this quality-centric approach is an advanced documentation management system that ensures meticulous recording and systematic archival of all inspection data, creating an unbroken chain of quality verification and compliance validation. This sophisticated approach to project documentation facilitates complete traceability while supporting continuous improvement initiatives. The synthesis of these methodical quality management protocols reflects the Group's unwavering dedication to delivering exceptional project outcomes.

Customer Information and Intellectual Property

Customer Information

In alignment with its core values, the Group prioritises customer privacy protection through the implementation of comprehensive data governance frameworks and strict regulatory compliance protocols. The Group demonstrates exceptional diligence in upholding customer confidentiality obligations as stipulated in contractual agreements while ensuring full adherence to all applicable legislative requirements and industry standards. The Group is committed to safeguarding the collection, utilisation, retention and exchange of customer information, thereby establishing ample security protocols that are regularly evaluated and updated to serve the best interests of customers.

In order to ensure that private and confidential information is not inappropriately accessed, used or disclosed, the Group's robust information security architecture incorporates detailed policies and procedural guidelines that govern employee conduct in the handling, dissemination and preservation of confidential data assets, with strict prohibitions against unauthorised disclosure or misappropriation of confidential information across all organisational levels. To reinforce this security-first culture, the Group executes comprehensive security awareness initiatives and conducts regular best-practice training programmes, strategically designed to enhance employee understanding of information confidentiality principles and their critical role in maintaining data integrity. In case of any information leakage arises, thorough investigations will be conducted and proactive measure will be taken to prevent reoccurrence.

During the Reporting Year, the Group maintained exemplary data privacy standards, with no substantiated customer complaints regarding privacy matters or data protection concerns registered through official channels.

Intellectual Property

The Group recognises the protection of intellectual property rights is essential for its sustainable business development and has developed a solid protection mechanism tailored to its operational requirements and industry dynamics. In strict compliance with applicable laws and regulatory standards, the Group enforces rigorous protocols prohibiting the use of unauthorised software applications across all workplace computing systems. Moreover, the Group extends its intellectual property governance framework to its supply chain partners, requiring contractual commitments from suppliers to uphold relevant laws and regulations pertaining to intellectual property rights.

The Group protects its intellectual property rights through registration and maintenance. The intellectual property assets are systematically safeguarded through robust legal frameworks, ensuring exclusive rights and comprehensive protection across jurisdictions. The Group's trademark, "Chuan Holdings Limited", is registered in Hong Kong, which is valid until 4 February 2026, while the logo of Chuan Lim in Singapore is also registered and will be expired on 31 August 2025. On the other hand, Chuan Lim, as the registrant of the domain name www.chuanholdings.com, successfully renamed the domain name as www.chuanholdingsltd.com on 1 January 2024, with protection extending to 8 December 2026. Through vigilant monitoring and proactive management of its intellectual property portfolio, the Group maintains unwavering commitment to preserving and protecting its proprietary assets within all applicable legal frameworks.

The Group was not involved in any disputes or legal actions concerning intellectual property infringement during the Reporting Year, aligning with the trend observed in preceding reporting years.

Anti-corruption

Integrity stands as the fundamental pillar of the Group's enduring business excellence, manifested through stringent anti-corruption measures and unwavering ethical standards. The Group maintains an absolute zero-tolerance policy regarding misconduct, implementing comprehensive safeguards against all forms of corruption, bribery and fraudulent activities. The Group's commitment to ethical business practices is codified through a sophisticated anti-corruption infrastructure, establishing clear behavioural parameters and ethical directives for all stakeholders – from Board members to operational staff. This meticulously designed framework serves as a definitive guide for navigating potential conflicts of interest while upholding the highest standards of professional conduct. Additionally, the Group's comprehensive staff handbook articulates a stringent code of conduct that expressly forbids personnel from engaging in any activities involving gifts or benefits that might influence, or create the appearance of influencing, the objectivity of business judgments.

In order to provide an ethical and behavioural framework to employees, sufficient and regular trainings are organised to heighten anti-corruption awareness and strengthen organisational integrity. Training curriculum of the Group integrates real cases studies from the construction sector, providing practical insights into risk identification and ethical decision-making protocols. In its ongoing commitment to maintaining exemplary business practices, the Group constantly arranges anti-corruption seminars under the auspices of the Corrupt Practices Investigation Bureau of Singapore, tailored to the construction industry's unique challenges. These strategic educational initiatives not only enhance corporate governance of the Group, but also contribute to the broader societal effort to combat corruption and promote sustainable business practices.

The Group upholds rigorous ethical standards throughout its business operations, mandating comprehensive compliance from both the Board and all employees. The stringent protocols prohibit any form of bribery, corruption or improper solicitation, while establishing clear guidelines for acceptable gifts and hospitality practices. All personnel must strictly adhere to applicable anti-money laundering and counter-terrorist financing laws and regulations, with new employees required to complete a focused 30-minute anti-corruption training programme upon joining. Through its robust Anti-corruption Policy, the Group explicitly prohibits all forms of corrupt practices, including bribery, extortion, fraud and money laundering. The Group maintains uncompromising commitment to full compliance with all local laws and regulations relating to anti-corruption and anti-bribery across all operational jurisdictions, ensuring consistent ethical standards regardless of geographical location or business context.

The Group maintains a comprehensive integrity assurance framework that empowers employees to identify and report potential misconduct, including instances of corruption, money laundering and other ethical violations. The Whistleblowing Policy is in place and maintained up to date for employees to report suspected malpractice anonymously, ensuring all integrity-related concerns receive appropriate attention under strict confidentiality protocols. Under the direct oversight of the CFO or an appointed qualified investigator, the Group conducts thorough and systematic investigations into suspected ethical breaches, demonstrating its commitment to prudent resolution of misconduct allegations. All reported violations undergo prompt and discreet investigations, with relevant cases being appropriately escalated to local law enforcement authorities for further examination, reflecting the Group's zero-tolerance approach to ethical violations.

The Audit Committee maintains vigilant oversight through periodic reviews of the Anti-corruption Policy and Whistleblowing Policy, implementing strategic amendments to optimise operational effectiveness and ensure continued governance excellence.

During the Reporting Year, the Group did not encounter any instances of non-compliance with relevant laws and regulations relating to anti-bribery, anti-extortion, anti-fraud or anti-money laundering. Furthermore, neither the Group nor its employees were subject to any concluded legal proceedings related to corrupt practices.

Commitment to Society

Donations and Sponsorship

The Group is committed to community empowerment through active collaboration with charitable organisations, participation in volunteer initiatives, and strategic sponsorship of programmes in health, education, environmental conservation, sports and cultural development. These efforts aim to foster sustainable community growth and create beneficial social outcomes.

During the Reporting Year, the Group provided support to various charitable and non-profit organisations through cash and product donations, along with financial sponsorships. Beneficiary organisations include NUHS Fund Limited for National University of Singapore, Aspiration Fine Arts, Thong Chai Medical Institution, The Straits Times Pocket Money Fund, Business Times Budding Artist fund, Faiths Arts, Joo Chiat CCC, UOB Golf Challenge, Ren Ai Charitable Centre, Nee Soon South CCBF, Chee Hoon Sun Kong Association, HPC Builders Pte Ltd, Media Group Pte Ltd, Tai Guan Ong See Association, Paya Lebar CCC, Toa Payoh Chee Tian Keng Temple, Hwa Seng Builder Pte Ltd and Nee Soon South CCC. The Group contributed S$102,244 towards these commendable causes.

Contribution to Communities and Sharings of Employees

In shaping its visionary initiative, "Think Green; Go Green", the Group focuses on engaging different stakeholders in a shared progression towards a sustainable future. Incorporating sustainability into every stage of its projects exemplifies the Group's commitment to responsible earthwork contractor. This speaks for itself through actions in the Group's five key pillars – Green and Gracious; Reduce, Reuse and Recycle; Employees First; Effective and Efficient Resource Utilisation; and Nurture a Sustainable Future.

A vibrant community is not merely built with bricks and mortar but thrives on the connections and experiences shared by its members. The Group actively understands the needs of the communities it operates and seamlessly integrates local vibrancy into its operations. During the Year, the Group curated a diverse array of events, ranging from beach cleaning to green run and bustling markets, all designed to infuse its neighbourhoods with vitality and to enrich the communities with uplifting atmospheres and varied experiences while instilling a culture of philanthropy among its employees.

Through open dialogue, shared objectives and collaborative efforts, the Group is committed to working closely with its esteemed customers and business partners to establish a community that prioritises sustainable actions. Together, the Group aims to create a meaningful and lasting impact on the environment, ultimately paving the way for a brighter future for generations to come.

Complementing its professional development framework, the Group has initiated strategic CSR programmes, including environmental conservation efforts at Sembawang Park. These meticulously orchestrated programmes serve as catalysts for multiple strategic imperatives: fortifying team synergies, championing environmental stewardship, and cultivating a robust organisational ethos. The carefully calibrated initiatives have yielded measurable improvements in team dynamics, environmental consciousness and employee well-being, contributing to a more engaged, purpose-driven workforce aligned with the Group's sustainability objectives. This comprehensive approach to organisational development, combining professional excellence with environmental responsibility, positions the Group at the forefront of sustainable business practices while fostering a high-performance culture driven by purpose and innovation.

STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmentally-friendly Operation Policy, Energy and Carbon Emission Management and Waste Management
KPI A1.1	The types of emissions and respective emissions data.	Energy and Carbon Emission Management
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and intensity.	Energy and Carbon Emission Management
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Energy and Carbon Emission Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operation
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Energy Saving Management Implementation
KPI A2.2	Water consumption in total and intensity.	Water Resources Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Saving Management Implementation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resources Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Packaging Materials

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmentally-friendly Operation Policy
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmentally-friendly Operation Policy and Green Operations
Aspect A4 ︰Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Tackling Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Tackling Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Recruitment and Promotion, Employee Welfare and Working Condition, Retirement Scheme and Well-being of Employees
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Recruitment and Promotion
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Recruitment and Promotion

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employees' Health and Occupational Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Year.	Employees' Health and Occupational Safety
KPI B2.2	Lost days due to work injury.	Employees' Health and Occupational Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employees' Health and Occupational Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category.	Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Training and Development
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Management and Safety
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Management and Safety
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Management and Safety
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Customer Information and Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Product Management and Safety
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Information and Intellectual Property

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Year and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Commitment to Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Commitment to Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Commitment to Society

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Chuan Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of the consolidated financial performance, the consolidated changes in equity and the consolidated cash flows of the Group for the financial year then ended in accordance with International Financial Reporting Standards (the "**IFRSs**") as issued by the International Accounting Standards Board (the "**IASB**") and have been prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (the "**ISAs**") as issued by the International Auditing and Assurance Standards Board (the "**IAASB**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants (the "**IESBA**") *Code of Ethics for Professional Accountants* (the "**IESBA Code**"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Revenue recognition from construction contracts

The Group is involved in construction projects for which it recognises contract revenue over time using the input method in accordance with IFRS 15 *Revenue from Contracts with Customers*. The measure of progress is calculated based on the actual contract costs incurred to-date to the total budgeted costs for each project. The input method involves the use of significant management estimates, including amongst others, the total estimated project costs and estimated contract revenue. Accordingly, we have identified this to be a key audit matter.

As part of our audit procedures, we obtained an understanding and reviewed management's internal costing and budgeting processes in estimating contract revenues and contract costs. On a sample basis, our procedures included:

- reviewed the contractual terms and conditions with customers, including the contractual sums and other terms that may impose penalties by the customers;
- verified the costs incurred against underlying supporting documents;
- assessed the reasonableness of the key assumptions used by management in estimating the total budgeted cost for the projects;
- reviewed the appropriateness of key inputs, amongst others, materials, subcontractors and labour costs, used by management in their estimation of the total costs to complete and obtained supporting documentation on the major inputs;
- checked the arithmetic accuracy of revenue recognised according to the progress of each project measured by reference to costs incurred for work performed to date to the total budgeted cost;
- reviewed the project files and discussed with the management on the progress of projects to determine if there are signs of potential disputes, variation order claims, known technical issues, delays, penalties or overruns; and
- reviewed management's assessment and estimation of the additional time and costs needed to complete the on-going projects due to business disruptions and operational changes related to the changes in operation environment on the budgeted costs to complete the projects.

We also evaluated the adequacy of the Group's disclosures for revenue recognition and contract balances in Notes 5 and 19 to the consolidated financial statements.

OTHER INFORMATION

Management is responsible for other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRSs approved by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal controls as management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated 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 of the Company are assisted by audit committee (the "**Audit Committee**") of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group's financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Low Bek Teng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

28 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	2024 S$'000	2023 S$'000
Revenue	*5*	**136,659**	120,832
Cost of sales		**(119,029)**	(112,240)
		17,630	8,592
Rental income	*5*	**7,091**	–
Direct operating expenses		**(5,762)**	–
		1,329	–
Gross profit		**18,959**	8,592
Other income and gains	*5*	**3,159**	3,977
Administrative and other operating expenses		**(7,732)**	(6,990)
Other expenses		**(633)**	(145)
Finance costs	*6*	**(1,960)**	(237)
Share of loss of joint venture		**(5)**	–
Share of losses of associates		**(568)**	(640)
Profit before income tax	*7*	**11,220**	4,557
Income tax expense	*9*	**(3,079)**	(1,312)
Net profit attributable to owners of the Company		**8,141**	3,245
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income ("**FVOCI**")			
– Fair value losses		**(22)**	–
Other comprehensive income, net of tax		**(22)**	–
Total comprehensive income for the year attributable to owners of the Company		**8,119**	3,245
Basic earnings per share (cents)	*11*	**0.64**	0.31
Diluted earnings per share (cents)	*11*	**0.61**	0.29

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 S$'000	2023 S$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*12*	**80,922**	16,820
Investment property	*13*	**1,262**	1,274
Investment in associates and joint venture	*14,15*	**19,460**	16,928
Other assets	*16*	**363**	366
Deposits, prepayments and other receivables	*21*	**620**	520
Financial assets at fair value through profit or loss ("**FVTPL**")	*17*	**3,278**	8,499
Financial assets at FVOCI	*17*	**535**	557
Financial assets at amortised cost	*17*	**–**	250
Total non-current assets		**106,440**	45,214
Current assets			
Financial assets at FVTPL	*17*	**2,240**	–
Inventories	*18*	**1,638**	–
Contract assets	*19*	**28,292**	27,304
Trade receivables	*20*	**17,877**	16,069
Deposits, prepayments and other receivables	*21*	**2,314**	1,708
Pledged deposits	*22*	**1,290**	1,285
Cash and cash equivalents	*22*	**31,408**	30,105
Total current assets		**85,059**	76,471
Total assets		**191,499**	121,685
Current liabilities			
Contract liabilities	*19*	**14,793**	4,101
Trade payables	*23*	**6,761**	8,042
Other payables, accruals and deposits received	*24*	**10,843**	7,618
Borrowings	*25*	**5,369**	1,277
Lease liabilities	*26(b)*	**9,894**	4,006
Income tax payable		**3,353**	1,031
Total current liabilities		**51,013**	26,075
Net current assets		**34,046**	50,396
Total assets less current liabilities		**140,486**	95,610

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 S$'000	2023 S$'000
Non-current liabilities			
Other payables, accruals and deposits received	*24*	–	11
Borrowings	*25*	**32,164**	540
Lease liabilities	*26(b)*	**4,674**	2,915
Deferred tax liabilities	*9*	**500**	56
Total non-current liabilities		**37,338**	3,522
Total liabilities		**88,351**	29,597
Net assets		**103,148**	92,088
EQUITY			
Equity attributable to owners of the Company			
Share capital	*27*	**2,154**	1,767
Share premium	*27*	**29,950**	27,250
Reserves	*27*	**71,044**	63,071
Total equity		**103,148**	92,088

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Share capital S$'000	Share premium S$'000	Merger reserve* S$'000	Share option reserve* S$'000	Fair value reserve* S$'000	Retained profits* S$'000	Total S$'000
At 1 January 2023	1,767	27,250	5,166	604	(148)	54,144	88,783
Profit for the year	–	–	–	–	–	3,245	3,245
Other comprehensive income:							
Changes in fair value of financial assets at FVOCI	–	–	–	–	–	–	–
Transfer of fair value reserve of equity instruments designated at FVOCI	–	–	–	–	106	(106)	–
Total comprehensive income for the year	–	–	–	–	106	3,139	3,245
Equity-settled share option arrangements *(Note 34)*	–	–	–	60	–	–	60
At 31 December 2023	1,767	27,250	5,166	664	(42)	57,283	92,088

* *These reserve accounts comprise the consolidated reserves of S$63,071,000 in the consolidated statement of financial position as at 31 December 2023.*

	Share capital S$'000	**Share premium S$'000**	**Merger reserve* S$'000**	**Share option reserve* S$'000**	**Fair value reserve* S$'000**	**Retained profits* S$'000**	**Total S$'000**
At 1 January 2024	**1,767**	**27,250**	**5,166**	**664**	**(42)**	**57,283**	**92,088**
Transactions with owners:							
Issuance of shares	**387**	**2,700**	**–**	**(146)**	**–**	**–**	**2,941**
	2,154	**29,950**	**5,166**	**518**	**(42)**	**57,283**	**95,029**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**8,141**	**8,141**
Other comprehensive income:							
Changes in fair value of financial assets at FVOCI	**–**	**–**	**–**	**–**	**(22)**	**–**	**(22)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(22)**	**8,141**	**8,119**
At 31 December 2024	**2,154**	**29,950**	**5,166**	**518**	**(64)**	**65,424**	**103,148**

* *These reserve accounts comprise the consolidated reserves of S$71,044,000 in the consolidated statement of financial position as at 31 December 2024.*

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	2024 S$'000	2023 S$'000
Cash flows from operating activities		
Profit before income tax	**11,220**	4,557
Adjustments for:		
Interest income	**(321)**	(193)
Interest expense	**1,960**	237
Dividend income from financial assets at FVOCI	**(9)**	(59)
Depreciation of property, plant and equipment	**8,344**	6,413
Depreciation of investment property	**12**	12
Gain on disposals of property, plant and equipment	**(779)**	(587)
Provision for/(reversal of) expected credit loss ("**ECL**") on contract assets	**12**	(34)
Provision for ECL on trade receivables, net	**76**	131
Impairment on/(reversal of) other assets	**3**	(1)
Fair value gain from financial assets at FVTPL	**(487)**	(876)
Gain on settlement of financial assets at FVTPL	**–**	(934)
Impairment loss from financial assets at amortised cost	**250**	–
Share of losses associates and joint venture	**573**	640
Equity-settled share option expense	**–**	60
Unrealised exchange difference	**(111)**	127
Operating cash flows before changes in working capital	**20,743**	9,493
(Increase)/decrease in contract assets	**(1,000)**	750
(Increase)/decrease in trade receivables	**(1,753)**	5,651
Increase in inventories	**(1,638)**	–
Decrease in deposits, prepayments and other receivables	**2,029**	1,402
Increase in contract liabilities	**10,692**	1,806
(Decrease)/increase in trade payables	**(1,424)**	1,149
Increase in other payables, accruals and deposits received	**2,620**	2,744
Cash flows from operations	**30,269**	22,995
Income tax paid, net	**(1,486)**	(525)
Net cash flows generated from operating activities	**28,783**	22,470

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	2024 S$'000	2023 S$'000
Cash flows from investing activities		
Proceeds from disposals of property, plant and equipment	**931**	724
Purchase of property, plant and equipment	**(3,133)**	(6,359)
Purchase of financial assets at FVTPL	**(378)**	(1,215)
Proceeds from settlement of financial assets at FVTPL	**3,846**	2,400
Proceeds from settlement of financial assets at FVOCI	**–**	886
Investment in associates and joint venture	**(3,105)**	(7,646)
Acquisition of assets through acquisition of subsidiary, net	**(41,570)**	–
Interest received	**362**	166
Dividend received	**9**	10
Net cash flows used in investing activities	**(43,038)**	(11,034)
Cash flows from financing activities		
Interest portion of the lease liabilities	**(527)**	(188)
Principal portion of the lease liabilities	**(3,445)**	(3,152)
Repayment of borrowings	**(9,831)**	(1,252)
Proceeds from borrowings	**31,720**	–
Repayment of sales loan	**(4,000)**	–
Repayment of promissory note	**(8,000)**	–
Issuance of promissory note	**8,000**	–
Proceed from new shares	**2,941**	–
Increase in pledged deposits secured against banking facilities	**(5)**	(4)
Interest paid	**(1,406)**	(49)
Net cash flows generated from/(used in) financing activities	**15,447**	(4,645)
Net increase in cash and cash equivalents	**1,192**	6,791
Cash and cash equivalents at beginning of financial year	**30,105**	23,441
Effect of exchange rate changes on cash and cash equivalents	**111**	(127)
Cash and cash equivalents at end of financial year *(Note 22)*	**31,408**	30,105

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. GENERAL INFORMATION

Chuan Holdings Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the principal place of business of the Company in Singapore is located at 20 Senoko Drive, Singapore 758207.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of general building and construction services as well as property leasing and management operations in Singapore.

As at the date of this report, in the opinion of the directors (the “**Directors**”) of the Company, the controlling shareholder of the Company is Mr. Lim Kui Teng (“**Mr. Alan Lim**”), who is the sole director and sole shareholder of Brewster Global Holdings Limited, which is incorporated in British Virgin Islands.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (the “**IFRSs**”) as issued by the International Accounting Standards Board (the “**IASB**”) and the disclosures requirement of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical basis except as disclosed in the accounting policies below.

The consolidated financial statements are presented in Singapore Dollars (“**SGD**” or “**S$**”), which is the Company’s functional currency and all values are rounded to the nearest thousand (“**SGD’000**” or “**S$’000**”), except where otherwise stated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When the Group has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same financial year as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Standards issued but not yet effective

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRSs, if applicable, when they become effective.

Description	**Effective for annual periods beginning on or after**
Amendments to IAS 21: *Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*	1 January 2025
Amendments to IFRS 9: *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to IFRSs Accounting Standards – Volume 11: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	1 January 2026
IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The Directors expect that the adoption of the standards above will have no material impact on the Group's financial statements in the period of initial application.

2.4 Investment in associates and joint ventures

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which they become associates or joint ventures.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Investment in associates and joint ventures (Continued)

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in an associate or a joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate or the joint venture. The profit or loss reflects the share of results of the operations of the associate or joint venture. Distributions received from the associate or the joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate or joint venture, the Group recognises its share of such changes in other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses in an associate and a joint venture is equal or exceed its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates or joint ventures. The Group determines at the end of each reporting date whether there is any objective evidence that the investment in associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Group. The accounting policies of the associates and joint ventures are aligned with the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of profit or loss of the investees after the date of acquisition.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Impairment of non-financial assets

Property, plant and equipment, investment property, investment in associates and joint ventures, and other assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-unit ("**CGU**") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.6 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

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

(ii) Component of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Property, plant and equipment (Continued)

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Leasehold land	Over the lease period of 30 years
Leasehold Property	Over the lease period of 26.58 years
Plant and machinery	5 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years
Tools and equipment	5 years

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

(c) Subsequent expenditure

Subsequent expenditure relating 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 entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Investment property

Investment property of the Group includes those portions of buildings that are held for long term rental yields and/or for capital appreciation.

Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life of 50 years. The residual value, useful life and depreciation method of investment property are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss when the changes arise.

When the cost model is applied, the fair value of investment property shall be disclosed at each reporting date.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in-first-out method, and includes expenditure incurred in acquiring the inventories.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.9 Borrowing costs

Borrowing costs are interest and other cost incurred in connection with the borrowing and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets

(a) Classification and measurement

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

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

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("**OCI**") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "other income and gains".

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets (Continued)

(a) Classification and measurement (Continued)

At subsequent measurement (Continued)

(i) Debt instruments (Continued)

- FVTPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

(ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/ losses" in OCI. Dividends from equity investments are recognised in profit or loss as "dividend income".

(b) Impairment

The Group recognises an allowance for ECLs for all debt instruments not held at FVTPL. 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 expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets (Continued)

(b) Impairment (Continued)

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises 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 for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(c) 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.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in OCI relating to that asset is reclassified to profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.12 Leases

(a) When the Group is the lessee

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

- *Right-of-use assets*

  The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term, unless the Group has the option to acquire the right-of-use assets at the end of the lease term. In this case, the right-of-use assets will be subsequently depreciated using the straight-line method from the commencement date to the end of useful life of the assets.

  Right-of-use assets are presented within “property, plant and equipment”.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Leases (Continued)

(a) When the Group is the lessee (Continued)

- *Lease liabilities*

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

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

For a contract that contains both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for leases and account these as one single lease component. Lease liabilities are remeasured with a corresponding adjustment to the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Leases (Continued)

(a) When the Group is the lessee (Continued)

- *Short-term leases and leases of low-value assets*

  The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) When the Group is the lessor

The Group leases investment property under operating lease to non-related parties.

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as revenue or income in profit or loss when earned.

2.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.13 Fair value measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Income tax (Continued)

Deferred tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Income tax (Continued)

Deferred tax (Continued)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.17 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Revenue recognition (Continued)

(a) Revenue from construction contracts

Revenue from earthworks and general construction works transferred over time is recognised progressively by reference to the proportion of contract costs incurred to date compared to expected total cost, which depict the transfer of control of the goods or services to the customer.

The Group recognises revenue over time only if it can reasonably measure its progress toward complete satisfaction of the performance obligation. However, if the Group cannot reasonably measure the outcome but expects to recover the costs incurred in satisfying the performance obligation, then it recognises revenue to the extent of the costs incurred.

Contract assets and liabilities

The Group presents a contract liability or a contract asset in its consolidated statement of financial position when either party to the contract has performed. The Group performs by transferring goods or services to the customer, and the customer performs by paying consideration to the Group.

A contract asset represents the Group's rights to consideration in exchange for goods and services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

Contract asset is recognised when the Group completes the construction works under such services contracts but yet certified by architects, surveyors or other representatives appointed by customers.

Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

A contract liability represents the Group's obligations to transfer goods and services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Revenue recognition (Continued)

(a) Revenue from construction contracts (Continued)

Contract costs

Incremental cost of obtaining a contract is capitalised if the Group expects to recover those costs, unless the amortisation period for such costs would be one year or less. Costs that will be incurred regardless of whether the contract is obtained are expensed as they are incurred.

The Group recognises an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the costs relate. The asset is subject to impairment review.

(b) Rental income

Revenue from rental income on investment property is recognised on a straight-line basis over the term of the lease. Lease incentives, if any, is recognised as part of the total lease income.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Revenue recognition (Continued)

(c) Interest income

Interest income is recognised using the effective interest method, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(d) Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

2.18 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.19 Share based payments

Where share options are awarded to employees and others providing similar services, the fair value of the options at the date of grant is recognised in profit or loss over the vesting period with a corresponding increase in the share option reserve within equity for equity-settled share based payments. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The financial statements are presented in SGD, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital amount.

2.23 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.23 Related parties (Continued)

(b) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third party and the other entity is an associate of the third party;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

(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).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the consolidated 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 each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Revenue recognition from construction contracts

Revenue recognition on a project is dependent on management's estimation of the progress of the satisfaction of performance obligations of a construction contract over time, measuring using input method, with reference to the proportion that contract costs incurred for work performed to date to the estimated total costs for the contracts.

The Group reviews and revises the estimates of contract revenue, contract costs and variations for each construction contract as the contract progresses. Budgeted construction costs are prepared by the management on the basis of quotations from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management. Such budgeted costs mainly comprise of materials and processing charges, project staff costs, costs of subcontracting, and an appropriation of variable and fixed construction overheads.

In estimating the total budgeted costs for construction contracts, management makes reference to information such as costs incurred up to date, current offers from sub-contractors and suppliers, recent offers agreed with sub-contractors and suppliers, and professional estimation on materials and processing charges, project staff costs and other costs estimated by the Directors. In order to keep the budget accurate and up to date, the management conducts periodic reviews of the management budgets by comparing the budgeted amounts to the actual amounts incurred in particular in the case of costs over-run, and revises the estimated costs when necessary.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(a) Revenue recognition from construction contracts (Continued)

Significant judgement is required in estimating the budgeted contract costs which may have an impact in terms of percentage of completion and hence contract revenue recognised. In many cases the results reflect the expected outcome of long-term contractual obligations which span more than one reporting period. Contract costs and revenues are affected by a variety of uncertainties that depend on the outcome of future events and often need to be revised as events unfold and uncertainties are resolved. Notwithstanding that the management regularly reviews and revises contract budgets when those construction contracts progressed, the actual contract costs and gross profit margin achieved may be higher or lower than the estimates and that will affect the revenue and gross profit recognised in the consolidated financial statements. The Group's revenue, contract assets and contract liabilities are disclosed in Notes 5 and 19 respectively.

(b) Provision for ECLs on trade and other receivables

The provision for ECLs on trade and other receivables is based on estimation about credit default risk. The Group uses judgement in making assumptions and selecting the inputs to the impairment calculation, based on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to profit or loss. The carrying amounts of contract assets as well as trade and other receivables are disclosed in Notes 19, 20 and 21, respectively.

4. OPERATING SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the Group determines its operating segments based on the reports reviewed by the chief operating decision maker ("**CODM**") that are used to make strategic decisions. These consolidated financial statements which were reported to the CODM based on the following segments:

a) Provision of earthworks and related services, mainly include excavation, earth disposal, demolition and various earthwork ancillary services (collectively referred as "**Earthworks and ancillary services**");

b) Provision of general construction works, mainly include construction of new buildings and alternation and addition works (collectively referred as "**General construction works**"); and

c) Property leasing and management operations (collectively referred as "**Property investment**").

Segment revenue and results

Segment revenue below represents revenue from external customers. There was no inter-segment revenue during the years ended 31 December 2024 and 31 December 2023. Operating revenue, direct costs, gain on disposals of property, plant and equipment (including plant and machinery and motor vehicles), interest expenses on leases liabilities and provision for ECL on trade receivables and contract assets are allocated to different segments to assess corresponding performance.

The segment revenue and results, and the totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidated financial statements are as follows:

	Earthworks and ancillary services S$'000	General construction works S$'000	Property investment S$'000	Total S$'000
2024				
Revenue from external customers	97,434	39,225	7,091	143,750
Reconciliation:				
Reportable segment results	14,461	3,405	(176)	17,690
Unallocated other income and gains				2,380
Corporate and other unallocated expenses				(8,277)
Share of losses of associates and joint venture				(573)
Profit before income tax				11,220

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

The segment revenue and results, and the totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidated financial statements are as follows: (Continued)

	Earthworks and ancillary services S$'000	General construction works S$'000	Total S$'000
2023			
Revenue from external customers	84,436	36,396	120,832
Reconciliation:			
Reportable segment results	4,192	4,702	8,894
Unallocated other income and gains			3,342
Corporate and other unallocated expenses			(6,990)
Interest on borrowings			(49)
Share of results of associates			(640)
Profit before income tax			4,557

Corporate and other unallocated expenses mainly included Directors' emoluments, employee benefits expenses, depreciation of office equipment, provision for ECL on other receivables and other centralised administrative cost for the Group's headquarter.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

Reportable segment assets

The following is an analysis of the Group's segment assets by reportable and operating segment:

	2024 **S$'000**	2023 S$'000
Earthworks and ancillary services	**57,067**	49,177
General construction works	**9,672**	10,789
Property investment	**59,773**	–
Total	**126,512**	59,966
Additions to non-current segment assets:		
Earthworks and ancillary services	**10,151**	12,328
General construction works	**2**	–
Property investment	**61,878**	–
	72,031	12,328

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

Reportable segment assets (Continued)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidated financial statements as follows:

	2024 S$'000	2023 S$'000
Reportable segment assets	**126,512**	59,966
Unallocated property, plant and equipment	**602**	166
Unallocated right-of-use assets	**67**	91
Financial assets at FVTPL	**5,518**	8,499
Financial assets at amortised cost	**–**	250
Financial assets at FVOCI	**535**	557
Investment property	**1,262**	1,274
Other assets	**363**	366
Pledged deposits	**1,290**	1,285
Cash and cash equivalents	**31,408**	30,105
Investment in associates and joint venture	**19,460**	16,928
Corporate and other unallocated assets	**4,482**	2,198
Group assets	**191,499**	121,685

Corporate and other unallocated assets mainly included deposits, prepayments, other receivables due from related parties and advance payment to suppliers.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

Reportable segment liabilities

The following is an analysis of the Group's segment liabilities by reportable and operating segment:

	2024 S$'000	2023 S$'000
Earthworks and ancillary services	**30,177**	16,046
General construction works	**3,298**	2,904
Property investment	**39,443**	–
Total	**72,918**	18,950

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidated financial statements as follows:

	2024 S$'000	2023 S$'000
Reportable segment liabilities	**72,918**	18,950
Borrowings	**657**	1,817
Deferred tax liabilities	**500**	–
Corporate and other unallocated liabilities	**14,276**	8,830
Group liabilities	**88,351**	29,597

Corporate and other unallocated liabilities mainly included accruals for employee benefit expenses and payables of office operating expenses and utilities.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Other segment information

	Earthworks and ancillary services S$'000	General construction works S$'000	Property investment S$'000	Unallocated S$'000	Total S$'000
2024					
Gain on disposals of property, plant and equipment	779	–	–	–	779
Fair value gain on financial assets at FVTPL	487	–	–	–	487
Depreciation of property, plant and equipment and investment property	5,961	–	2,262	133	8,356
Provision for/(reversal of) ECL on contract assets	36	(24)	–	–	12
Provision for/(reversal of) ECL on trade receivables	252	(176)	–	–	76
Finance costs	455	–	1,505	–	1,960
Interest income	–	–	–	321	321
Share of losses of associates and joint venture	–	–	–	(573)	(573)

	Earthworks and ancillary services S$'000	General construction works S$'000	Unallocated S$'000	Total S$'000
2023				
Gain on disposals of property, plant and equipment	587	–	–	587
Fair value gain on financial assets at FVTPL	–	–	876	876
Depreciation of property, plant and equipment	6,192	–	221	6,413
(Reversal of)/provision for ECL on contract assets	(83)	49	–	(34)
Provision for ECL on trade receivables	131	–	–	131
Finance costs	188	–	49	237
Interest income	–	–	193	193
Share of losses of associates	–	–	(640)	(640)

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's non-current assets are all based in Singapore. No geographical information is presented for the Group's business segment as the Group is principally engaged in projects within Singapore. Accordingly, the Group's revenue is all derived from customers located in Singapore.

Revenue from customers for the respective years over 10% of the Group's total revenue is as follows:

	2024	2023
	S$'000	S$'000
Customer A – attributable to Earthworks and ancillary services	**25,756**	N/A
Customer A – attributable to General construction works	**25,706**	N/A
Customer B – attributable to General construction works	**N/A**	30,438

5. REVENUE, OTHER INCOME AND GAINS

a) Revenue, which is also the Group's turnover, represents revenue from Earthworks and ancillary services, General construction works and Property investment. Revenue recognised from the principal activities during the respective years is as follows:

	Revenue from external customers	
	2024	2023
	S$'000	S$'000
Revenue from contracts with customer and recognised over time:		
Earthworks and ancillary services	**97,434**	84,436
General construction works	**39,225**	36,396
Subtotal	**136,659**	120,832
Property investment	**7,091**	-
	143,750	120,832

Earthworks and ancillary services included revenue of S$92,211,000 (2023: S$78,635,000) from earthworks and S$5,223,000 (2023: S$5,801,000) from earthwork ancillary services.

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

b) Transaction price allocated to remaining performance obligations

As at 31 December 2024, the transaction price allocated to performance obligations that were unsatisfied (or partially unsatisfied) in relation to project works was S$427,000,000 (2023: S$335,000,000). The Directors expect that the unsatisfied performance obligations will be recognised as revenue from 1 to 5 years according to the contract period.

c) An analysis of the Group's other income and gains during the respective years is as follows:

	2024 **S$'000**	2023 S$'000
Other income		
Management service income	**463**	501
Interest income from financial assets at amortised cost	**321**	193
Reversal of provision for ECL	**298**	47
Rental income from investment property	**75**	91
Dividend income from financial assets at FVOCI	**9**	59
Sales of scrap materials and consumables	**492**	535
Government grants	**22**	115
Others	**102**	39
	1,782	1,580
Gains		
Gain on disposals of property, plant and equipment	**779**	587
Gain on settlement of financial assets at FVTPL	**–**	934
Fair value gain from financial assets at FVTPL	**487**	876
Net exchange gain	**111**	–
	1,377	2,397
Total	**3,159**	3,977

6. FINANCE COSTS

	2024 S$'000	2023 S$'000
Interest expenses from financial liabilities at amortised cost:		
– Interest on lease liabilities	**527**	188
– Interest on borrowings	**1,095**	49
– Interest on promissory note	**338**	–
Total	**1,960**	237

7. PROFIT BEFORE INCOME TAX

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

	Note	2024 S$'000	2023 S$'000
Auditor's remuneration			
– audit fees		**310**	192
– other non-audit fees		**18**	22
Depreciation of property, plant and equipment *(Note 12)*	*(i)*	**8,344**	6,413
Depreciation of investment property *(Note 13)*	*(ii)*	**12**	12
Direct operating expenses arising from investment property that generated rental income		**22**	19
Net foreign exchange (gain)/loss		**(111)**	127
Employee benefit expenses (including Directors' remuneration *(Note 8)*):			
– Salaries, wages and bonuses		**24,643**	21,504
– Equity-settled share option expenses		**–**	60
– Defined contribution retirement plan		**895**	772
– Other short-term benefits		**3,675**	3,091
Provision for/(reversal of) ECL on contract assets *(Note 19)*		**12**	(34)
Provision for ECL on trade receivables, net *(Note 20)*		**76**	131
Impairment on/(reversal of) other assets *(Note 16)*		**3**	(1)
Fair value gain from financial assets at FVTPL		**(487)**	(876)

Notes:

(i) Depreciation of property, plant and equipment amounting to S$7,909,000 (2023: S$6,198,000) was included in direct costs and S$435,000 (2023: S$215,000) in administrative and other operating expenses during the year.

(ii) Depreciation of investment property was included in administrative and other operating expenses.

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Directors' remuneration for the respective years, disclosed pursuant to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), Section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulations, is as follows:

(a) Directors' remuneration

The remuneration paid or payable to the Directors is as follow:

	Fees S$'000	Salaries, allowances and benefits in kind S$'000	Discretionary bonuses S$'000	Equity-settled share option expenses S$'000	Defined contribution S$'000	Total S$'000
2024						
Executive Directors:						
Mr. Lim Kui Teng ("**Mr. Alan Lim**")	–	1,084	15	–	21	1,120
Mr. Phang Yew Kiat ("**Mr. Phang**") *(Note (i))*	–	120	–	–	–	120
Mr. Bijay Joseph	–	311	13	–	19	343
Ms. Ong Sok Hun ("**Ms. Vivian Ong**") *(Note (ii))*	–	44	–	–	5	49
	–	1,559	28	–	45	1,632
Independent non-executive Directors:						
Mr. Wee Hian Eng Cyrus	21	–	–	–	–	21
Mr. Xu Fenglei	24	–	–	–	–	24
Mr. Wong Ka Bo Jimmy	31	–	–	–	–	31
	76	–	–	–	–	76
Total	76	1,559	28	–	45	1,708

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(a) Directors' remuneration (Continued)

The remuneration paid or payable to the Directors is as follow: (Continued)

	Fees S$'000	Salaries, allowances and benefits in kind S$'000	Discretionary bonuses S$'000	Equity-settled share option expenses S$'000	Defined contribution S$'000	Total S$'000
2023						
Executive Directors:						
Mr. Lim Kui Teng ("**Mr. Alan Lim**")	–	1,042	–	–	12	1,054
Mr. Bijay Joseph	–	253	–	–	12	265
	–	1,295	–	–	24	1,319
Independent non-executive Directors:						
Mr. Wee Hian Eng Cyrus	21	–	–	–	–	21
Mr. Xu Fenglei	24	–	–	–	–	24
Mr. Wong Ka Bo Jimmy	31	–	–	–	–	31
	76	–	–	–	–	76
Non-executive Directors:						
Mr. Phang Yew Kiat ("**Mr. Phang**") *(Note (i))*	–	–	–	60	–	60
Total	76	1,295	–	60	24	1,455

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(a) Directors' remuneration (Continued)

Notes:

(i) Mr. Phang was re-designated from a non-executive Director to an executive Director on 1 January 2024.

(ii) Ms. Ong was appointed as an executive Director on 1 November 2024.

(b) Five highest paid individuals

The five highest paid individuals of the Group included 2 (2023: 2) Directors for the year, whose emoluments are reflected in Note (a).

The analysis of the emolument of the remaining 3 (2023: 3) highest paid individual for the respective years is set out below:

	2024 **S$'000**	2023 S$'000
Salaries, allowances and benefits in kind	**603**	541
Discretionary bonuses	**230**	332
	833	873

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(b) Five highest paid individuals (Continued)

The remuneration of the remaining 3 individuals (2023: 3) fell within the following bands:

	Number of individuals	
	2024	2023
Nil – HK$1,000,000	**–**	–
HK$1,000,001 – HK$1,500,000	**1**	2
HK$1,500,001 – HK$2,000,000	**2**	–
HK$2,000,001 – HK$2,500,000	**–**	1
	3	3

(c) During the year, no Director or any of the highest paid individuals waived or agreed to waive any emoluments (2023: Nil). No emoluments were paid by the Group to the Directors or any of the highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

9. INCOME TAX EXPENSE

(a) Income tax

	2024 **S$'000**	2023 S$'000
Current tax – Singapore income tax		
Charge for the year	**2,935**	1,015
(Over)/Under provision in respect to prior year	**(300)**	13
	2,635	1,028
Deferred tax		
Charge for the year due to origination and reversal of temporary differences *(Note (b))*	**444**	284
Income tax expense	**3,079**	1,312

Singapore income tax has been provided at the rate of 17% on the estimated assessable profits.

9. INCOME TAX EXPENSE (CONTINUED)

(a) Income tax (Continued)

The income tax expense for the respective years can be reconciled to the profit before income tax per the consolidated statement of comprehensive income as follows:

	2024 S$'000	2023 S$'000
Profit before income tax	11,220	4,557
Add: Share of losses of associates and joint venture	573	640
	11,793	5,197
Tax at statutory tax rate of 17%	2,005	884
Enhanced tax allowances, exemptions and rebates	(52)	(35)
Non-deductible expenses	909	228
Income not subject to tax	(29)	(3)
(Over)/Under provision in respect to prior year	(300)	13
Utilisation of previously unrecognised deferred income tax benefits	213	–
Tax loss disregarded	350	292
Effect of temporary differences	–	(15)
Others	(17)	(52)
Income tax expense	3,079	1,312

As at 31 December 2024 and 2023, the Group had no unutilised estimated tax losses available to offset against future profits.

9. INCOME TAX EXPENSE (CONTINUED)

(b) Deferred tax

The movements in deferred tax liabilities and assets during the respective years are as follow:

Deferred tax (liabilities)/assets

	Accelerated tax depreciation	Leases	Impairment loss	Unutilised leave	Unutilised losses	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1 January 2023	(36)	10	211	41	2	228
(Charge)/credit to profit or loss for the year *(Note (a))*	(280)	(10)	18	(10)	(2)	(284)
At 31 December 2023	(316)	–	229	31	–	(56)
(Charge)/credit to profit or loss for the year *(Note (a))*	(516)	47	17	8	–	(444)
At 31 December 2024	(832)	47	246	39	–	(500)

The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024	2023
	S$'000	S$'000
Deferred tax liabilities	**500**	56

10. DIVIDENDS

No dividend was declared or paid by the Company during the year ended 31 December 2024 (2023: Nil).

11. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2024 is based on the profit for the year of S$8,141,000 (2023: S$3,245,000) and on the weighted average number of 1,263,427,200 (2023: 1,036,456,000) ordinary shares (the "**Shares**") of HK$0.01 each in the share capital of the Company in issue during the year ended 31 December 2024.

The calculation of diluted earnings per share for the year ended 31 December 2024 is based on the profit for the year of S$8,141,000 (2023: S$3,245,000) and on the weighted average number of Shares adjusted for the effects of dilution from the Group's share options of 1,342,651,200 (2023: 1,136,408,000).

12. PROPERTY, PLANT AND EQUIPMENT

	Properties leased for own use S$'000	Construction in progress S$'000	Plant and machinery S$'000	Furniture, fixtures and office equipment S$'000	Motor vehicles S$'000	Total S$'000
Cost						
At 1 January 2023	1,413	–	24,563	2,843	39,264	68,083
Additions	–	–	6,132	1,502	4,716	12,350
Disposals	(1,413)	–	(2,305)	–	(1,319)	(5,037)
At 31 December 2023 and 1 January 2024	–	–	28,390	4,345	42,661	75,396
Acquisition of subsidiary	61,876	–	–	26	–	61,902
Additions	–	389	2,739	599	6,969	10,696
Disposals	–	–	(1,633)	–	(4,947)	(6,580)
At 31 December 2024	61,876	389	29,496	4,970	44,683	141,414
Accumulated depreciation						
At 1 January 2023	707	–	20,280	1,543	34,533	57,063
Depreciation charge *(Note 7)*	706	–	2,336	651	2,720	6,413
Disposals	(1,413)	–	(2,305)	–	(1,182)	(4,900)
At 31 December 2023 and 1 January 2024	–	–	20,311	2,194	36,071	58,576
Depreciation charge *(Note 7)*	2,250	–	2,675	781	2,638	8,344
Disposals	–	–	(1,626)	–	(4,802)	(6,428)
At 31 December 2024	2,250	–	21,360	2,975	33,907	60,492
Net book value						
At 31 December 2023	–	–	8,079	2,151	6,590	16,820
At 31 December 2024	**59,626**	**389**	**8,136**	**1,995**	**10,776**	**80,922**

13. INVESTMENT PROPERTY

	S$'000
Cost	
At 1 January 2023, 31 December 2023 and 31 December 2024	1,546
Accumulated depreciation	
At 1 January 2023	260
Depreciation charge *(Note 7)*	12
At 31 December 2023 and 1 January 2024	272
Depreciation charge *(Note 7)*	12
At 31 December 2024	284
Net book value	
At 31 December 2023	1,274
At 31 December 2024	1,262
Fair value	
At 31 December 2023	6,500
At 31 December 2024	6,800

The investment property of the Group consists of a four-storey industrial building used for rental income generation purpose. It is located at 1015 Upper Serangoon Road, Singapore 534753 on a freehold land. The estimated useful life of the investment property is 50 years. The remaining useful life of the investment property as at 31 December 2024 is 26 years (2023: 27 years).

The fair value of the investment property has been carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. Fair value is determined by a market comparison method by taking into account the movement of the industrial property market index in Singapore. The fair value disclosed is categorised as Level 3 valuation. The key unobservable input used in valuing the investment property under the direct comparison approach was the prices per square meter. Significant increase/(decrease) in the unobservable input would result in a significant higher/(lower) fair value measurement. The highest and best use of the investment property of the Group does not differ from its current use.

14. INVESTMENT IN ASSOCIATES

	2024	2023
	S$'000	S$'000
Advances to an associate	**19,968**	16,868
Share of net assets, including cost	**(508)**	60
	19,460	16,928

The advances to an associate are unsecured, interest-free and repayable on demand. In the opinion of the Directors, these advances are unlikely to be repaid in the foreseeable future and are considered as part of the Group's net investments in the associate. There was no recent history of default and past due amounts for advances to associate. As at 31 December 2024, the loss allowance was assessed to be minimal.

The material associate held by the Group is listed below:

Name of entity	**Principal place of business and incorporation**	**Principal activities**	**% of interest held by the Company**	
			2024	2023
			%	%
Chuan Investments Pte. Ltd. [(i)]	Singapore	Real estate developer	**33.3**	33.3

(i) *Audited by Ernst & Young LLP.*

The Group accounts for its interest in associates by applying the equity method of accounting in the consolidated financial statements.

14. INVESTMENT IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information in respect of Chuan Investments Pte. Ltd. adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

Summarised statement of financial position

	Chuan Investments Pte. Ltd.	
	2024	2023
	S$'000	S$'000
Current assets	**65**	35
Non-current assets	**58,715**	51,043
Total assets	**58,780**	51,078
Current liabilities	**416**	308
Non-current liabilities	**59,904**	50,604
Total liabilities	**60,320**	50,912
Net (liabilities)/assets	**(1,540)**	166
Proportion of the Group's ownership	**33.3%**	33.3%
Group's share of net (liabilities)/assets and carrying amount of the investment	**(513)**	55

14. INVESTMENT IN ASSOCIATES (CONTINUED)

Summarised statement of comprehensive income

	Chuan Investments Pte. Ltd.	
	2024	2023
	S$'000	S$'000
Other income	**2,541**	1,916
Loss for the year, net of taxation, representing total comprehensive loss for the year	**(1,705)**	(1,920)
Proportion of the Group's ownership	**33.3%**	33.3%
Group's share of losses	**(568)**	(640)

The following table illustrates the aggregate financial information of the Group's associate which is not individually material:

	2024	2023
	S$'000	S$'000
Share of the associates' profit for the year, representing total comprehensive income for the year	**–**	–
Aggregate carrying amount of the Group's investment in associate	**5**	5

There are no contingent liabilities relating to the Group's interest in the associates.

15. INVESTMENT IN JOINT VENTURE

The Group has a 50% interest in ownership and voting rights in a joint venture, Chuan Lim – BuildStar JV Pte. Ltd. The Group's cost of investment is S$5,000. The joint venture is formed between Chuan Lim Construction Pte. Ltd., an indirect wholly-owned operating subsidiary of the Company, and BuilldStar Contractor Pte. Ltd. on 25 October 2024. The Group jointly controls the venture with another partner under a contractual agreement and the joint venture requires unanimous consent for all major decisions over the relevant activities.

Breakdown of investment

	2024 **S$'000**	2023 S$'000
Investment, at cost	**5**	–
Group's share of loss	**(5)**	–
	–	–

The joint venture held by the Group is listed below:

Name of entity	**Principal place of business and incorporation**	**Principal activities**	**% of interest held by the Company 2024 %**
Chuan Lim – BuildStar JV Pte. Ltd.	Singapore	General contractor	50

15. INVESTMENT IN JOINT VENTURE (CONTINUED)

Breakdown of investment (Continued)

Summarised statement of financial position

	Chuan Lim – BuildStar JV Pte. Ltd 2024 S$'000
Current assets	11
Total assets	11
Current liabilities	25
Total liabilities	25
Net liabilities	(14)
Proportion of the Group's ownership	50%
Group's share of net liabilities	(7)

15. INVESTMENT IN JOINT VENTURE (CONTINUED)

Breakdown of investment (Continued)

Summarised statement of comprehensive income

	Chuan Lim – BuildStar JV Pte. Ltd 2024 S$'000
Loss for the year, net of taxation, representing total comprehensive loss for the year	(25)
Proportion of the Group's ownership	50%
Group's share of loss	(13)

The Group discontinued recognising its share of further losses as its interest in joint venture is reduced to zero.

There are no contingent liabilities relating to the Group's interest in the joint venture.

16. OTHER ASSETS

The Group's other assets represented golf club memberships. The golf club memberships are tested for impairment annually.

As at the reporting date, the Directors have performed impairment review and impairment of S$3,000 (2023: review and reversal of S$1,000) was recognised.

17. FINANCIAL ASSETS – FAIR VALUE THROUGH PROFIT OR LOSS, FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND AMORTISED COST

	Note	2024 S$'000	2023 S$'000
Financial assets at FVTPL			
– Investment in life insurance policy at fair value	*(a)*	**1,548**	1,475
– Investment in property development projects		**3,970**	7,024
		5,518	8,499
Classified as:			
Non-current assets		**3,278**	8,499
Current assets		**2,240**	–
		5,518	8,499
Financial assets at FVOCI			
– Quoted equity securities at fair value		**218**	240
– Unquoted equity security at fair value		**317**	317
	(b)	**535**	557
Financial assets at amortised cost			
– Investment in corporate bond		**–**	250

Notes:

(a) The Group entered into contract with an insurance company which contains life insurance policy to insure against incapacity of a key management personnel of the Group, with insured sum of US$5,000,000 (equivalent to S$6,593,000). Under these contracts, the beneficiary and policy holder is Chuan Lim Construction Pte. Ltd., a wholly-owned subsidiary of the Company.

(b) The equity investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

Below are the amounts denominated in currencies other than the functional currency:

	2024 S$'000	2023 S$'000
United States dollar ("**US$**")	**1,548**	1,475

18. INVENTORIES

	2024 S$'000	2023 S$'000
Inventories	**1,638**	–

During the year, the Group purchased S$1,638,000 worth of inventories mainly to be used in the maintenance of its own fleet of tipper trucks and machineries.

19. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2024 S$'000	2023 S$'000
Contract assets	**28,783**	27,783
Less: Provision for ECL on contract assets	**(491)**	(479)
	28,292	27,304
Contract liabilities	**(14,793)**	(4,101)
	13,499	23,203

The timing of revenue recognition, progress billings to customers and payments received from customers would affect the amount of trade receivables, contract assets and contract liabilities recognised as at the reporting date on the consolidated statement of the financial position.

The Group's contract assets represent the Group's rights to consideration for work completed but not yet billed to customers as at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional, that is, when the Group issued progress billing/invoices to customers based on certified amount agreed with customer.

The contract assets are expected to be recovered or settled within 3 years upon completion of services and acceptance by the customers.

During the year, S$12,000 (2023: S$34,000 was recognised as a reversal of ECL) was recognised as a provision for ECL on contract assets. Further details on the Group's credit policy and credit risk arising from contract assets are set out in Note 35.

19. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

Movement in the provision for ECL on contract assets:

	2024 S$'000	2023 S$'000
Balance at beginning of the year	479	513
Provision for/(reversal of) ECL	12	(34)
Balance at end of the year	491	479

The Group's contract liabilities represent advanced payment received from customers while revenue is recognised based on measure of progress.

(i) Significant changes in the contract assets during the respective years are as follows:

	2024 S$'000	2023 S$'000
Changes in measurement of progress	60,684	90,091
Transfers from the contract assets recognised at beginning of the year to trade receivables	19,885	21,003

(ii) Significant changes in the contract liabilities during the respective years are as follows:

	2024 S$'000	2023 S$'000
Changes in measurement of progress	74,204	55,818
Revenue recognised that was included in the contract liabilities balances at beginning of the year	4,090	2,087

Included in the Group's contract assets of S$3,087,000 (2023: S$3,087,000) is a balance with a related party who is the spouse of Mr. Alan Lim ("**Mrs. Lim**"), a shareholder and director of the Company.

20. TRADE RECEIVABLES

	Note	2024 S$'000	2023 S$'000
Trade receivables		**18,806**	16,865
Retention receivables		**365**	379
	(a)	**19,171**	17,244
Less: Provision for ECL on trade receivables and retention receivables		**(1,294)**	(1,175)
	(b)	**17,877**	16,069
Total trade receivables, net			
– Non-related parties		**17,875**	16,062
– Related parties	(c)	**2**	7
		17,877	16,069

Notes:

(a) During the year, credit period granted to the Group's customers was generally within 30 (2023: 30) days from invoice date of the relevant contract revenue. Some construction contracts stipulate that the customers withhold a portion of total contract sum (usually 5%) until a specified period (usually 1 year) after completion of the contract. The amount withheld is classified as retention receivables. Retention receivables are unsecured and interest-free.

(b) Based on invoice date, the ageing analysis of the Group's trade receivables is as follows:

	2024 S$'000	2023 S$'000
0 to 30 days	**9,306**	7,936
31 to 90 days	**5,919**	6,006
91 to 180 days	**1,381**	1,479
181 to 365 days	**1,229**	647
Over 365 days	**42**	1
	17,877	16,069
Retention receivables	**–**	–
	17,877	16,069

20. TRADE RECEIVABLES (CONTINUED)

Notes: (Continued)

(b) (Continued)

The ageing analysis of the Group's trade receivables that were not impaired is as follows:

	2024 S$'000	2023 S$'000
Neither past due nor impaired	**9,306**	7,931
1 to 30 days past due	**3,195**	4,792
31 to 90 days past due	**3,348**	1,911
91 to 180 days past due	**901**	908
181 to 365 days past due	**1,085**	526
Over 365 days past due	**42**	1
	17,877	16,069
Retention receivables	**–**	–
	17,877	16,069

The Group's trade receivables that were neither past due nor impaired as at the reporting date related to the customers who had no recent history of default. The Group's management considers that trade receivables that were past due but not impaired under review are of good credit quality. The Group does not hold any collateral in respect of trade receivables past due but not impaired.

The movement in the provision for ECL on trade receivables and retention receivables is as follows:

	2024 S$'000	2023 S$'000
Balance at beginning of the year	**1,175**	1,044
Acquisition of subsidiary	**43**	–
Provision for ECL, net	**76**	131
Balance at end of the year	**1,294**	1,175

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 35.

(c) The receivables from these related parties are unsecured, interest free and repayable on demand and are to be settled in cash. The trading transactions with these related parties and corresponding relationship with the Group are detailed in Note 29.

	2024 S$'000	2023 S$'000
Trade receivables	**2**	7
Less: Provision for ECL	**–**	–
	2	7

21. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2024 S$'000	2023 S$'000
Other receivables		168	428
Less: Provision for ECL on other receivables		–	–
		168	428
Deposits		699	590
Prepayments		2,067	1,210
	(a)	2,934	2,228
Classified as:			
Non-current assets		620	520
Current assets		2,314	1,708
		2,934	2,228

Note:

(a) Total deposits, prepayments and other receivables are analysed as follows:

	2024 S$'000	2023 S$'000
Non-related parties	2,728	1,920
Related parties	206	308
	2,934	2,228

The deposits, prepayments and other receivables from these related parties are unsecured, interest free and repayable on demand and are to be settled in cash. The transactions with these related parties and corresponding relationship with the Group are detailed in Note 29.

22. CASH AND CASH EQUIVALENTS

	2024 S$'000	2023 S$'000
Cash and bank balances	**28,875**	24,705
Time deposits with an original maturity of less than three months	**3,823**	6,685
	32,698	31,390
Less: Pledged deposits	**(1,290)**	(1,285)
Cash and cash equivalents	**31,408**	30,105

The bank balances bear interest at floating rates based on daily bank deposits rates. Short term time deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates.

As at 31 December 2024 and 31 December 2023, pledged deposits were restricted bank balances to secure:

(i) the guarantee arrangement and the issuance of performance bonds *(Note 30)*;

(ii) the banking facilities including letter of credit, overdraft and bank guarantee amounting to S$13,063,000 and S$13,063,000 respectively;

(iii) the term loan amounting to S$60,482,000 and S$13,500,000 respectively; and

(iv) the hire purchase of property, plant and equipment amounting to S$34,000,000 and S$29,729,000 respectively.

Included in cash and cash equivalents are the following amounts denominated in currencies other than the functional currency:

	2024 S$'000	2023 S$'000
HK$	**2,420**	5,468
US$	**352**	243

23. TRADE PAYABLES

	Note	2024 S$'000	2023 S$'000
Trade payables	*(a)*	**6,167**	7,045
Retention payables		**594**	997
		6,761	8,042
Total trade payables			
– Non-related parties		**6,753**	7,998
– Related parties	*(b)*	**8**	44
		6,761	8,042

Notes:

(a) The Group's trade payables are non-interest bearing and generally have payment terms of 30 days.

(b) The trading transactions with these related parties and corresponding relationship with the Group are detailed in Note 29.

The ageing analysis of trade payables, based on invoice date, is as follows:

	2024 S$'000	2023 S$'000
0 to 30 days	**4,240**	4,799
31 to 90 days	**1,349**	1,905
91 to 180 days	**273**	223
Over 180 days	**899**	1,115
	6,761	8,042

24. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	2024 S$'000	2023 S$'000
Current liabilities:		
Other payables	**2,429**	3,150
Accruals		
– Wages and bonuses	**1,467**	1,811
– Others	**5,299**	2,650
Deposits received	**1,648**	7
	10,843	7,618
Non-current liabilities:		
Deposits received	**–**	11

25. BORROWINGS

	Note	2024 S$'000	2023 S$'000
Current liabilities:			
Amounts payable within one year			
– Term loans	*(a)*	**5,369**	1,277
Non-current liabilities:			
Amounts payable in the second year onwards			
– Term loans	*(a)*	**32,164**	540
Total borrowings		**37,533**	1,817

25. BORROWINGS (CONTINUED)

Notes:

(a) The Group has obtained secured term loans to finance the Group's working capital and acquisition of subsidiary during the respective years.

	2024 %	2023 %
Fixed interest rate of the secured term loans per annum	**2%**	2%
Floating interest rate of the secured term loans per annum	**Singapore Overnight Rate Average in-arrears plus a margin of 1.35% to 1.45%**	–

(b) Based on the schedule repayment dates set out in the loan agreement as mention in (a), the borrowings and repayable are as follows:

	2024 S$'000	2023 S$'000
Within one year	**5,369**	1,277
In the second year	**4,797**	540
In the third to fifth year	**14,934**	–
In the sixth year onwards	**12,433**	–
	37,533	1,817

(c) The Group's aggregate banking facilities amounted to S$107,545,000 (2023: S$56,292,000) of which S$78,551,000 (2023: S$24,527,000) had been utilised as at 31 December 2024. The banking facilities of the Group were pledged by bank deposits as set out in Note 22. The summary of banking facilities is as follows:

	2024 S$'000	2023 S$'000
Banking facilities for:		
– Term loan	**60,482**	13,500
– Letter of credit, bank overdraft and bank guarantee	**13,063**	13,063
– Hire purchase	**34,000**	29,729
	107,545	56,292

As at 31 December 2024, the Group had unutilised banking facilities of S$28,994,000 (2023: S$31,765,000).

Note:

A secured term loans of S$37,533,000 (2023:1,817,000) are subject to financial covenants, which are tested semi-annually on 30 June and 31 December each year. The Group had complied with these covenants in both 2024 and 2023.

26. LEASES

(a) As lessor

Future minimum lease rental receivables under non-cancellable operating leases of the Group as at the reporting dates are as follows:

	2024 S$'000	2023 S$'000
Within one year	**6,930**	71
Within the second to fifth years	**203**	40
	7,133	111

The Group leases its investment property under operating lease. The leases run for an initial period of 1 to 2 years. None of these leases includes any contingent rentals.

26. LEASES (CONTINUED)

(b) As lessee

Right-of-use assets classified within property, plant and equipment

	Land leased for own use S$'000	Plant and machinery S$'000	Office equipment S$'000	Motor vehicles S$'000	Total S$'000
Cost					
At 1 January 2023	1,413	4,780	121	7,059	13,373
Additions	–	5,330	–	3,675	9,005
Disposals	(1,413)	–	–	–	(1,413)
Transfer to PPE	–	(2,398)	–	(3,278)	(5,676)
At 31 December 2023 and 1 January 2024	–	7,712	121	7,456	15,289
Acquisition of subsidiary	2,064	–	–	–	2,064
Additions	–	2,222	–	6,190	8,412
Disposals	–	–	–	–	–
Transfer to PPE	–	(710)	–	(1,711)	(2,421)
At 31 December 2024	2,064	9,224	121	11,935	23,344
Accumulated depreciation					
At 1 January 2023	707	2,326	6	4,500	7,539
Depreciation charge	706	1,443	24	1,569	3,742
Disposals	(1,413)	–	–	–	(1,413)
Transfer to PPE	–	(2,171)	–	(3,183)	(5,354)
At 31 December 2023 and 1 January 2024	–	1,598	30	2,886	4,514
Depreciation charge	65	1,778	24	1,917	3,784
Disposals	–	–	–	–	–
Transfer to PPE	–	(662)	–	(1,626)	(2,288)
At 31 December 2024	65	2,714	54	3,177	6,010
Net book value					
At 31 December 2023	–	6,114	91	4,570	10,775
At 31 December 2024	1,999	6,510	67	8,758	17,334

26. LEASES (CONTINUED)

(b) As lessee (Continued)

Lease liabilities

	2024 S$'000	2023 S$'000
Current	**9,894**	4,006
Non-current	**4,674**	2,915
	14,568	6,921

Movements of lease liabilities for the financial year are as follows:

	2024 S$'000	2023 S$'000
Beginning of the financial year	**6,921**	4,082
Additions	**8,780**	5,991
Acquisition of subsidiary	**2,312**	–
Accretion of interest	**527**	188
Principal payment of lease liabilities	**(3,445)**	(3,152)
Interest paid	**(527)**	(188)
End of the financial year	**14,568**	6,921

26. LEASES (CONTINUED)

(b) As lessee (Continued)

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	2024		2023	
	Minimum lease payments	Present values of minimum lease payments	Minimum lease payments	Present values of minimum lease payments
	S$'000	S$'000	S$'000	S$'000
Within one year	10,728	9,894	4,382	4,006
In the second to fifth year, inclusive	3,387	2,843	3,091	2,915
	14,115	12,737	7,473	6,921
Less: Future interest expenses	(2,119)		(552)	
Present value of lease liabilities	11,996		6,921	
Analysed into:				
Current portion		9,894		4,006
Non-current portion		4,674		2,915
		14,568		6,921

Note:

During the year, the Group leased plant and machinery, office equipment and motor vehicles under finance leases. The lease term is ranging from 4 to 7 years, with effective interest rate ranging from 2.2% to 5.45% (2023: 2.2% to 5.4%) per annum. All the leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. In addition, the Group has certain leases with variable lease payments which are determined based on the actual usage of the floor space by the Group.

The Group also has certain leases of office equipment with low value. The Group applies the "lease of low-value assets" recognition exemptions for these leases.

26. LEASES (CONTINUED)

(b) As lessee (Continued)

The following are the amounts that are related to right-of-use assets and recognised in profit or loss:

	2024 **S$'000**	2023 S$'000
Depreciation expense of right-of-use assets	**3,784**	3,742
Interest expense on lease liabilities	**527**	188
Low value lease expense	**23**	19
Variable lease payments not included in the measurement of lease liabilities (included in cost of sales)	**–**	1,644
	4,334	5,593

Total cash outflow for all the leases was S$3,972,000 (2023: S$3,340,000).

The weighted average lessee's incremental borrowing rate applied to lease liabilities in relation to properties leased for own use recognised in the consolidated statement of financial position as at 31 December 2024 is 1.18% (2023: 1.18%).

27. SHARE CAPITAL AND RESERVES

	Number of shares	**Amounts** S$'000
Authorised:		
Ordinary share HK$0.01 each		
At 1 January 2023, 31 December 2023 and 31 December 2024	10,000,000,000	17,430
Issued and fully paid:		
At 1 January 2023 and 31 December 2023	1,036,456,000	1,767
Issuance of Shares	228,019,200	389
Repurchased Shares	(1,048,000)	(2)
As at 31 December 2024	1,263,427,200	2,154

27. SHARE CAPITAL AND RESERVES (CONTINUED)

Share premium

Share premium account of the Group represents the excess of the proceeds received over the nominal value of the Shares issued.

Share option reserve

Cumulative expenses recognised on the granting of share options to the Directors and employees over the vesting period. The amount will either be transferred to share capital when the share options are exercised, or be transferred to retained profits should the share options expire or be forfeited.

Merger reserve

Merger reserve of the Group represents the difference between the nominal value of the Shares issued pursuant to the Group's re-organisation prior to the listing of the Shares and the nominal value of the aggregate share capital and the share premium of subsidiaries.

28. COMMITMENTS

The Group had the following commitments as at the reporting dates:

	2024 **S$'000**	2023 S$'000
Contracted but not provided for, in respect of		
– Acquisition of property, plant and equipment	**2,125**	1,830

29. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

(a) The Directors are of the view that the following individual and companies are related parties that had transactions or balances with the Group during the year:

Name of the related party	Relationship with the Group
Mrs. Lim	Mr. Alan Lim's spouse
Cheng Yap Construction Pte. Ltd. ("**Cheng Yap**")	A related company wholly owned by Mr. Alan Lim's brother
Golden Empire Civil Engineering Pte. Ltd. ("**Golden Empire**")	A related company partially owned by Mr. Alan Lim
Golden Empire-Huationg Pte. Ltd. ("**Golden Empire-Huationg**")	A related company partially owned by Mr. Alan Lim
Hulett Construction (S) Pte. Ltd. ("**Hulett Construction**")	A related company wholly owned by Mr. Alan Lim and his spouse

29. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material related party transactions during the respective years:

	2024 S$'000	2023 S$'000
Construction contract work and earthwork ancillary services income received from related parties		
– Cheng Yap	–	–
– Golden Empire#	–	–
– Golden Empire-Huationg#	–	8
– Chuan Lim – United E & P Joint Venture	229	267
	229	275
Construction costs and related supporting service fees charged by related parties		
– Cheng Yap#	65	55
– Golden Empire#	–	–
– Hulett Construction#	807	2,333
	872	2,388
Rental expenses charged by a related party		
– Hulett Construction#	40	96

The transactions with the related parties constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules and have complied with all applicable requirements thereunder.

All the transactions with the related parties were negotiated and carried out in the ordinary course of business and at terms agreed between the parties.

29. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel

The remuneration of Directors and other members of key management during the respective years are as follows:

	2024 S$'000	2023 S$'000
Short-term employee benefits	**2,820**	2,368

(d) Details of amounts due from/(to) related parties are as follows:

	31 December 2024 S$'000	Maximum amount outstanding during the year S$'000	31 December 2023 S$'000	Maximum amount outstanding during the prior year S$'000	1 January 2023 S$'000
Mrs. Lim	**3,087**	3,087	3,087	3,087	3,087
Cheng Yap	**(6)**	(92)	(11)	(28)	(53)
Golden Empire	**–**	–	–	(837)	(325)
Golden Empire-Huationg	**–**	–	–	14	29
Hulett Construction	**–**	–	(43)	(260)	(31)
Chuan Lim – United E & P Joint Venture	**18**	71	102	102	27

The amounts due from/(to) related parties are unsecured, interest-free and repayable on demand.

30. CONTINGENT LIABILITIES

Performance bonds provided for in the ordinary course of business.

As at 31 December 2024, the Group had contingent liabilities in respect of performance bonds of construction contracts in its ordinary course of business of S$7,093,000 (2023: S$7,194,000). The guarantees in respect of performance bonds issued by banks were secured by pledged deposits *(Note 22)*.

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities:

	Borrowings	Lease liabilities	Total
	S$'000	S$'000	S$'000
At 1 January 2023	3,069	4,082	7,151
New lease	–	5,991	5,991
Write-off of lease liabilities	–	–	–
Financing cash outflows	–	(3,152)	(3,152)
Interest element on lease liabilities	–	(188)	(188)
Repayment of borrowings	(1,252)	–	(1,252)
Interest on borrowings	(49)	–	(49)
Interest expense	49	188	237
At 31 December 2023 and 1 January 2024	1,817	6,921	8,738
New lease	–	8,780	8,780
Financing cash outflows	–	(3,445)	(3,445)
Interest element on lease liabilities	–	(527)	(527)
Acquisition of subsidiary	13,827	2,312	16,139
New borrowings	31,720	–	31,720
Repayment of borrowings	(9,831)	–	(9,831)
Interest on borrowings	(1,068)	–	(1,068)
Interest expense	1,068	527	1,595
At 31 December 2024	37,533	14,568	52,101

Major non-cash transactions

During the year ended 31 December 2024, the Group purchased certain property, plant and equipment with a total capital value of S$7,563,000 (2023: S$7,584,000) under lease arrangements. Of these amounts, S$835,000 (2023: S$1,593,000) was paid as deposits and down payments and the remaining balances of S$6,728,000 (2023: S$5,991,000) was financed by entering into lease arrangements during the year ended 31 December 2024.

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 S$'000	2023 S$'000
ASSETS AND LIABILITIES		
Non-current assets		
Investment in subsidiaries	**44,791**	44,791
Amount due from subsidiaries	**21,258**	18,153
	66,049	62,944
Current assets		
Deposits, prepayments and other receivables	**73**	99
Cash and cash equivalents	**1,501**	1,265
	1,574	1,364
Total assets	**67,623**	64,308
Current liabilities		
Other payables and accruals	**73**	138
Amount due to subsidiaries	**5,629**	3,134
	5,702	3,272
Net current liabilities	**(4,128)**	(1,908)
Net assets	**61,921**	61,036
EQUITY		
Equity attributable to owners of the Company		
Share capital	**2,154**	1,767
Reserves	**59,767**	59,269
Total equity	**61,921**	61,036

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Reserves

	Share premium S$'000	Contributed surplus* S$'000	Share option reserve S$'000	Accumulated losses S$'000	Total S$'000
At 1 January 2023	27,250	44,791	604	(11,713)	60,932
Loss for the year, representing total comprehensive loss for the year	–	–	–	(1,723)	(1,723)
Equity-settled share option arrangements	–	–	60	–	60
At 31 December 2023 and 1 January 2024	27,250	44,791	664	(13,436)	59,269
Loss for the year, representing total comprehensive loss for the year	–	–	–	(2,056)	(2,056)
Issuance of Shares	2,700	–	(146)	–	2,554
At 31 December 2024	29,950	44,791	518	(15.492)	59,767

* The contributed surplus of the Company represents the difference between the net asset value of the subsidiary acquired and the nominal value of the share capital of the Company issued in exchange thereof pursuant to the Group's re-organisation prior to the listing of the Shares.

33. PARTICULARS OF SUBSIDIARIES

The following list contains the particulars of subsidiaries, of which the Company has direct or indirect interests, in and all of which are private companies with limited liability:

Company name	Place of incorporation	Principal place of operations	Particulars of issued and fully paid-up share capital	Effective interest held by the Company	Principal activities
Interest held directly					
Longlands Holdings Limited [(a)]	British Virgin Islands	Singapore	US$100	100%	Investment holding
Advance Data Global Limited [(a)]	British Virgin Islands	British Virgin Islands	US$1	100%	Investment holding
Interest held indirectly					
Chuan Lim Construction Pte. Ltd. [(b)]	Singapore	Singapore	S$6,500,000	100%	General contractors and builders
CLC Machinery Pte. Ltd. [(b)]	Singapore	Singapore	S$1,000,000	100%	Renting of construction and civil engineering machinery and equipment
Hulett Construction [(b)]	Singapore	Singapore	S$1,000,000	100%	General contractors and builders

(a) No audited financial statements have been prepared as it is not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdiction of its incorporation. They are also not material for the purposes of the Group audit.

(b) The statutory financial statements for the year ended 31 December 2024 prepared under Singapore Financial Reporting Standards are audited by Ernst & Young LLP.

34. SHARE OPTION SCHEME

A share option scheme (the "**Share Option Scheme**") was adopted pursuant to written resolutions of the shareholders (the "**Shareholders**") of the Company passed on 10 May 2016 for the purpose of providing incentives or rewards to employees and other eligible participants and will expire on 9 May 2026. Under the Share Option Scheme, the board of Directors (the "**Board**") may grant options to employees and eligible participants, including suppliers and customers, to subscribe for the Shares. Nil (2023: Nil) share options under Share Option Scheme was granted during the year.

34. SHARE OPTION SCHEME (CONTINUED)

(i) Purpose

The purpose of the Share Option Scheme is to enable the Board to grant options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high-calibre eligible participants and attract human resources that are valuable to the Group.

(ii) Eligible participants

Eligible participants include any employees or proposed employees (whether full time or part time, including any directors) of any members or invested entities of the Group, any suppliers of goods or services, any customers, any persons or entities that provides research, development or other technological support, any Shareholders or any other participants who contribute to the development and growth of the Group or any invested entities.

(iii) Total number of Shares available for issue

The total number of Shares which may be issued in respect of all options to be granted under the Share Option Scheme must not exceed 10% of the total number of issued Shares as at the date of approval of the Share Option Scheme (i.e. 100,000,000 Shares).

The total number of Shares available for issue under the Share Option Scheme is 79,272,000 Shares, representing 6.3% of the total number of issued Shares.

(iv) Maximum entitlement of each eligible participant

No options shall be granted to any eligible participant if any further grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant exceeding 1% of the total number of Shares in issue from time to time (the "**Participant Limit**"), unless:

(i) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the eligible participant and his close associates (as defined in the Listing Rules), or associates (as defined in the Listing Rules) if such eligible participant is a connected person (as defined in the Listing Rules), shall abstain from voting;

(ii) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including the identity of the eligible participant, the number and terms of the options to be granted and the options previously granted to such eligible participant in the 12-month period, the purpose of granting options to such eligible participant and an explanation as to how the terms of options serve such purpose); and

(iii) the number and terms (including the exercise price) of such options have been fixed before the Shareholders' approval is sought.

34. SHARE OPTION SCHEME (CONTINUED)

(v) Option period and payment on acceptance of an option

An offer of grant of an option may be accepted by an eligible participant within 21 days from the date of grant upon payment of HK$1.00. Option may be exercised in whole or in part by the grantee at any time before the expiry of the period to be determined and notified by the Board to the grantee which, in any event, shall not be longer than 10 years commencing from the date of the offer letter and expiring on the last day of such 10-year period.

There are no general requirements on the performance targets that must be achieved before a share option may be exercised under the Share Option Scheme. However, the Board may, on the case-by-case basis, make an offer subject to the conditions in relation to performance targets to be achieved and the relevant clawback mechanism for the Company to recover the share options granted as the Board may determine in its absolute discretion.

(vi) Vesting period of options granted

No vesting period shall be provided for the options granted under the Share Option Scheme unless otherwise determined by the Board at the time of grant.

(vii) Exercise price of options granted

The exercise price of an option granted under the Share Option Scheme shall be such price as determined by the Board and shall be at least the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant (the "**Offer Date**"), which must be a trading day;

(ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the Offer Date; and

(iii) the nominal value of a Share on the Offer Date.

The Company has granted a total of 99,952,000 share options to subscribe for an aggregate of 99,952,000 Shares of HK$0.01 each in the capital of the Company, comprising:

(i) 47,592,000 share options to three Directors; and

(ii) 52,360,000 share options to certain qualified participants, being employees of the Group.

34. SHARE OPTION SCHEME (CONTINUED)

(vii) Exercise price of options granted (Continued)

(a) The terms and conditions of the grants are as follows:

Date of grant		Number of options granted	Vesting conditions	Exercise period
Options granted to Directors:				
28 October 2020	Tranche 1	8,000,000	195 days from the date of grant	10 May 2021 to 9 May 2026 (both days inclusive)
28 October 2020	Tranche 3[(i)]	8,500,000	195 days from the date of grant	10 May 2021 to 9 May 2026 (both days inclusive)
28 October 2020	Tranche 2	10,364,000	354 days from the date of grant	16 October 2021 to 9 May 2026 (both days inclusive)
29 October 2021	Tranche 4	10,364,000	354 days from the date of grant	16 October 2022 to 9 May 2026 (both days inclusive)
1 November 2022	Tranche 5	10,364,000	350 days from the date of grant	16 October 2023 to 9 May 2026 (both days inclusive)
Options granted to employees:				
28 October 2020	Tranche 1	16,000,000	195 days from the date of grant	10 May 2021 to 9 May 2026 (both days inclusive)
28 October 2020	Tranche 3[(i)]	36,360,000	195 days from the date of grant	10 May 2021 to 9 May 2026 (both days inclusive)
		99,952,000		

[(i)] *The share options granted to Ms. Vivian Ong were transferred from the category of "Employee of the Group" to the category of "Directors" as she was appointed as an executive Director on 1 November 2024.*

34. SHARE OPTION SCHEME (CONTINUED)

(vii) Exercise price of options granted (Continued)

(b) The number and weighted average exercise prices of share options are as follows:

	2024 Weighted average exercise price HK$	2024 Number	2023 Weighted average exercise price HK$	2023 Number
At beginning of the year	**0.11**	**99,952,000**	0.11	99,952,000
Exercised during the year	**0.10**	**20,728,000**	–	–
Outstanding at end of the year	**0.11**	**77,224,000**	0.11	99,952,000
Exercisable at end of the year	**0.11**	**77,224,000**	0.11	99,952,000

20,728,000 (2023:Nil) share options were exercised during the year.

The weighted average exercise price of options outstanding at the end of the year was HK$0.11 (2023: HK$0.11) and their weighted average remaining contractual life was 1.4 years (2023: 2.4 years).

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimation of the fair value of the share options granted is measured based on a binomial option pricing model. The values of share options calculated using the binomial model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself. The value of an option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial option pricing model.

34. SHARE OPTION SCHEME (CONTINUED)

(vii) Exercise price of options granted (Continued)

(c) Fair value of share options and assumptions (Continued)

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Share price (HK$)	0.086	0.086	0.086	0.086	0.086
Exercise price (HK$)	0.090	0.090	0.090	0.220	0.103
Expected volatility	60%	60%	60%	60%	60%
Expected option life	5.5 years	5.5 years	5.5 years	4.4 years	3.4 years
Expected dividend	0%	0%	0%	0%	0%
Risk-free rate	0.26%	0.26%	0.26%	0.26%	0.26%

The expected volatility is based on the historic volatility (calculated based on the expected remaining life of the share options), adjusted for any expected changes to future volatility base on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the grants of the share options.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board meets periodically to analyse and formulate measures to manage and monitor the Group exposure to market risk including principally changes in interest rate and currency exchange rates, credit and liquidity risk. There has been no change to the Group's exposures to these financial risks or the manner in which it manages and measures the risks.

Generally, the Group employs a conservative strategy regarding its risk management. As the Group's exposures to market risks is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The Directors review and agree policies for managing each of these risks and they are summarised below:

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Equity price risk

The Group is exposed to equity price risk through its investments in quoted equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk profiles and the Group has a team to monitor the price risk and will consider hedging the risk exposure should the need arise. The Group's equity price risk is concentrated on equity securities listed in Hong Kong and Singapore, and these investments are diversified into several different industries.

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of each reporting date. If the prices of the quoted equity securities classified as financial assets at FVOCI had been 10% higher/lower, the fair value reserve for the year would increase/decrease by S$22,000 (2023: S$24,000) as a result of the changes in fair value of the investments.

Foreign currency risk

The Group's transactions are mainly denominated in S$ which is the functional currency of the Group. As at 31 December 2024, the Group's assets and liabilities denominated in other currencies other than S$ are disclosed in Notes 17 and 22. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group is mainly exposed to the foreign currency risk of HK$ and US$. The following table details the sensitivity of the Group's results before tax for the respective years in regard to a 5% appreciation in S$ against the relevant foreign currencies. 5% is the sensitivity rate used which represents management's best assessment of the reasonably possible change in foreign exchange rates. A 5% depreciation in S$ against the relevant foreign currencies would have the same magnitude on the Group's results before tax for the year.

	2024 **S$'000**	2023 S$'000
HK$ to S$	**121**	273
US$ to S$	**18**	86

Exposures to foreign exchange rates varied during the year depending on the volume of transactions. Nevertheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables, contract assets and the contingent liabilities. For other financial assets, the Group minimise credit risk by dealing exclusively with high credit rating counterparties. The Group has a credit policy in place and exposures to these credit risks are monitored on an ongoing basis.

The Group applied simplified approach to providing for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs below also incorporate forward-looking information.

Trade receivables

The Group recognised lifetime ECL for its trade receivables based on individually significant customer, including individual and related companies, or the ageing of customers collectively that are not individually significant as follow:

2024	Weighted average lifetime	Gross carrying amount S$'000	Loss allowance S$'000
Neither past due nor impaired	0%	9,305	–
1 to 30 days past due	2.5%	3,244	50
31 to 90 days past due	2.5%	3,395	47
91 to 180 days past due	2.5%	917	16
181 to 365 days past due	11.0%	1,141	56
Over 365 days past due	98.6%	42	–
		18,044	169
Individual assessment			
– Non-related parties	100%	760	760
– Related parties	2.5%	2	–
– Retention receivables	5%	365	365
		1,127	1,125
Total		19,171	1,294

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Trade receivables (Continued)

2023	Weighted average lifetime	Gross carrying amount S$'000	Loss allowance S$'000
Neither past due nor impaired	0%	7,930	–
1 to 30 days past due	2.5%	4,806	16
31 to 90 days past due	2.5%	1,919	12
91 to 180 days past due	2.5%	914	6
181 to 365 days past due	11.0%	552	25
Over 365 days past due	98.6%	1	1
		16,122	60
Individual assessment			
– Non-related parties	100%	736	736
– Related parties	2.5%	7	–
– Retention receivables	5%	379	379
		1,122	1,115
Total		17,244	1,175

Expected loss rates are based on actual loss experience of the Group in the past. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Contract assets

An assessment is performed at each reporting date using a provision matrix to measure ECLs. The provision rates for the measurement of the ECLs of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighed outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Contract assets (Continued)

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

2024

	Non credit-impaired S$'000	Credit-impaired S$'000	Total S$'000
Gross carrying amount	**28,783**	**–**	**28,783**
ECLs	**(491)**	**–**	**(491)**
ECL rate	**2.5%**	**N/A**	

2023

	Non credit-impaired S$'000	Credit-impaired S$'000	Total S$'000
Gross carrying amount	27,783	–	27,783
ECLs	(479)	–	(479)
ECL rate	2.5%	N/A	

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Other receivables

Impairment on other receivables is measured as either 12-months ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition by considering available, reasonable and supportive forward-looking information.

During the respective years, the following ECLs were recognised in profit or loss in relation to other receivables:

	2024 **S$'000**	2023 S$'000
Provision for ECL recognised in profit or loss for the year	**–**	–

Cash is deposited with financial institutions with sound credit ratings and the Group has exposure limit to any single financial institution. Given their high credit ratings, management does not expect any of these financial institutions and counterparties will fail to meet their obligations.

The Group enters into trading transaction only with the recognised and reputable non-related parties. Before accepting any new contract, evaluations are considered on the customer's past history of making payments when due and current ability to pay, and information specific to the customer as well as pertaining to the economic environment in which the customer operates are taken into account. Normally, the Group does not obtain collateral from customers.

At the end of the reporting period, the Group has significant concentration of credit risk from various customers. In view of their good payment record and long established relationships with the Group, management does not consider the Group's credit risk to be significant. At 31 December 2024, 7.2% (2023: 0%) of the total trade debtors was due from the Group's largest customer and 42% (2023: 34%) of the total trade debtors was due from the Group's five largest customers.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value measurements recognised in the consolidated statement of financial position

The following table presents financial assets and liabilities measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial asset and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

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

Some of the Group's financial assets are measured at fair value at the reporting dates. The following table gives information about how the fair values of these financial assets are determined.

Financial assets

	2024 S$'000	2023 S$'000	**Fair value hierarchy**
Financial assets at FVTPL			
Investment in life insurance policy at fair value	**1,548**	1,475	Level 3
Investment in property development projects	**3,970**	7,024	Level 3
Financial assets at FVOCI			
Quoted equity securities at fair value	**218**	240	Level 1
Unquoted equity security at fair value	**317**	317	Level 3

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value measurements recognised in the consolidated statement of financial position (Continued)

Financial assets (Continued)

Notes:

(a) The fair value of investment in life insurance policy purchased for a key management personnel of the Group is determined based on the cash surrender value in accordance with the keyman insurance contract which is not an observable input. Management estimates the fair value based on the latest policy statement of the keyman insurance contract provided by the insurance company. An increase/(decrease) in the cash surrender value will increase/(decrease) the fair value.

(b) The fair value of the investment in property development projects is determined based on the projected return from the projects which is not an observable input. An increase/(decrease) in the projected return will increase/(decrease) the fair value.

(c) The fair value of the quoted equity securities has been determined directly with reference to published price quotation in active market.

(d) The fair value of the equity security relates to funds which invest primarily in unquoted assets has been determined based on the investor statements issued by the fund managers. An increase/(decrease) in the projected cash flows will increase/(decrease) the fair value.

There were no transfers between different levels during the year.

The following table presents the change in Level 3 instruments:

	2024	2023
	S$'000	S$'000
Financial assets at FVTPL		
At 1 January	**8,499**	7,874
Additions	**378**	1,215
Disposal	**(3,846)**	(2,400)
Fair value gains recognised in profit or loss	**487**	1,810
At 31 December	**5,518**	8,499
Financial assets at FVOCI		
At 1 January	**317**	316
Additions	**–**	1
Fair value gains recognised in other comprehensive income	**–**	–
At 31 December	**317**	317

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value measurements recognised in the consolidated statement of financial position (Continued)

Financial assets (Continued)

Valuation policies and procedures

The management oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as insurance statements and fund manager statements are used to measure fair values, then the management assesses and documents the evidence obtained from the third party to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents assessed as adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on internally generated funding and borrowings as significant sources of liquidity. The Group also monitors the utilisation of borrowings and ensures compliance with loan covenants.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the reporting dates, based on the contractual undiscounted payments, are as follows:

	Carrying amount S$'000	Total contractual undiscounted cash flow S$'000	On demand S$'000	Within 1 year S$'000	More than 1 year but less than 2 years S$'000	More than 2 years but less than 5 years S$'000	After 5 years S$'000
2024							
Trade payables	**6,761**	**6,761**	**6,761**	**–**	**–**	**–**	**–**
Other payables and accruals	**9,195**	**9,195**	**9,195**	**–**	**–**	**–**	**–**
Borrowings	**37,533**	**38,809**	**–**	**5,804**	**5,143**	**15,428**	**12,434**
Lease liabilities	**14,568**	**16,687**	**8,885**	**1,843**	**1,410**	**1,977**	**2,572**
	68,057	**71,452**	**24,841**	**7,647**	**6,553**	**17,405**	**15,006**
2023							
Trade payables	8,042	8,042	8,042	–	–	–	–
Other payables and accruals	7,611	7,611	7,611	–	–	–	–
Borrowings	1,817	1,844	–	1,302	542	–	–
Lease liabilities	6,921	7,473	2,712	1,670	1,316	1,775	–
	24,391	24,970	18,365	2,972	1,858	1,775	–

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each category of financial instruments as at the reporting dates are as follows:

Financial assets

	2024 S$'000	2023 S$'000
Financial assets at FVTPL:		
– Investment in life insurance policy at fair value	**1,548**	1,475
– Investment in property development projects	**3,970**	7,024
	5,518	8,499
Financial assets at amortised cost:		
– Investment in corporate bond	**–**	250
– Trade receivables	**17,877**	16,069
– Other receivables	**168**	428
– Pledged deposits	**1,290**	1,285
– Cash and cash equivalents	**31,408**	30,105
	50,743	48,137
Financial assets at FVOCI:		
– Quoted equity securities at fair value	**218**	240
– Unquoted equity security at fair value	**317**	317
	535	557
Total	**56,796**	57,193

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Financial liabilities

	2024 S$'000	2023 S$'000
At amortised cost:		
– Trade payables	**6,761**	8,042
– Other payables and accruals	**10,843**	7,618
– Borrowings	**37,533**	1,817
– Lease liabilities	**14,568**	6,921
Total	**69,705**	24,398

37. CAPITAL MANAGEMENT

The Group's capital management objectives include:

(i) to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for owners and benefits for other stakeholders;

(ii) to support the Group's stability and growth; and

(iii) to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and Shareholder's returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

Management regards total equity as capital. The amount of capital as at 31 December 2024 amounted to S$103,148,000 (2023: S$92,088,000), which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities. There is no externally imposed capital requirements on the Group.

38. EVENTS AFTER REPORTING PERIOD

In order to finance Chuan Investments Pte. Ltd. ("**Chuan Investments**")'s portion (being 30%) of the cash contribution or commitment towards the further capital needs for the redevelopment project of Maxwell House, the 13-storey residential and commercial mixed-use building comprising 145 strata units located at 20 Maxwell Road, Singapore 069113 with a land area of 3,883.3 square metres, on 7 January 2025, Longlands Holdings Limited ("**Longlands**"), a wholly-owned subsidiary of the Company, and Chuan Investments entered into the third further shareholder's loan agreement dated 7 January 2025, pursuant to which Longlands provided to Chuan Investments a third further shareholder's loan in the amount of S$750,000 on 7 January 2025. The third further shareholder's loan is unsecured, interest-free and repayable on demand.

39. AUTHORISATION OF FINANCIAL STATEMENTS

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