

Corporate Governance Report

The Group is committed to maintaining a high standard of corporate governance, in line with the Code of Corporate Governance 2018 (the “**Code**”), to ensure continued growth and success, and to justify investor confidence. This report describes the corporate governance practices and procedures adopted by the Group for the financial year ended 31 May 2024 (“**FY2024**”), with specific references made to each of the principles and provisions of the Code, as well as the accompanying practice guidance. The Board confirms that, for FY2024, the Company has generally adhered to the framework outlined in the Code. Where there were any deviations from any provisions of the Code, appropriate disclosures and explanations are provided.

BOARD MATTERS

BOARD’S CONDUCT OF ITS AFFAIRS

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

Provision 1.1: *Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.*

The Board of Directors (the “**Board**”) oversees the management of the business and affairs of the Company and its subsidiaries (collectively, the “**Group**”). The Board’s role is to:

1. Provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
2. Establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Group’s assets;
3. Review the management of the Company’s (the “**Management**”) performance;
4. Identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
5. Set the Group’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
6. Consider sustainability issues such as environmental and social factors, as part of its strategic formulation.

The Board works with the Management and the Management remains accountable to the Board.

All Directors exercise due diligence and independent judgement, and are obliged to act in good faith and consider at all times, the interests of the Company. The Company has an established Code of Conduct which are updated accordingly that sets out the principles of business ethics and conduct for the Group and covers significant areas including appropriate business conduct and ethics, safeguarding of confidentiality information and prohibition on insider trading, anti-bribery, corruption and fraud measures, conflicts of interest and non-competition. All employees of the Group are to uphold these principles and conduct themselves with high standards of integrity that are in compliance with laws and regulations of the jurisdictions in which it operates. Each Director is required to promptly disclose any actual conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. When an actual, potential and/or perceived conflict of interest arises, the concerned Director must disclose such interest, recuse himself / herself from discussions and decisions involving the matter, abstain from voting on resolutions regarding the matter and refrain from exercising any influence over other members of the Board.

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Provision 1.2: Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

The duties and obligations of the Director are set out in writing upon his/her appointment. Apart from keeping the Board informed of all relevant new laws and regulations, the Company has an orientation programme for new Directors to ensure that the incoming Director is familiar with the Company's business and governance practices. He/she will be briefed on the structure, business activities and growth strategies of the Group and an overview of the more significant business risks, issues and challenges it faces. Corporate materials and documents such as the latest Annual Report, and upon request by the Director, minutes of recent Board and Board Committee meetings and the Constitution of the Company, will also be given to him/her to facilitate his/her understanding of the structure and operations of the Group. The Directors are also encouraged to keep themselves abreast of the latest developments in the market which are relevant to the Group and courses and seminars of relevance to the responsibilities of the Directors will be arranged and funded by the Company.

In accordance with Catalist Rule 406(3)(a), with effect from 1 January 2019, the NC will ensure that any new director appointed to the Board, who has no prior experience as a director of an issuer listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), will undergo mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST. No new directors were appointed to the Board during FY2024. In addition, pursuant to Catalist Rule 720(6), all Directors have undergone training on sustainability matters as prescribed by the SGX-ST.

Provision 1.3: The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Company has adopted internal guidelines setting forth matters that require board approval. The types of material transactions that require board approval under such guidelines include:

- a. Approval of financial statements' announcements;
- b. Approval of interested person transactions;
- c. Declaration of interim dividends and proposal of final dividends;
- d. Convening of shareholders' meetings;
- e. Approval of corporate strategy;
- f. Authorisation of merger and acquisition transactions;
- g. Approval of issue of new shares in the capital of the Company; and
- h. Authorisation of major transactions.

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Provision 1.4: Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

All Directors make decisions objectively and discharge their responsibilities in the interests of the Company. To facilitate effective management, certain functions have been delegated to various specialised committees of the Board (the "Board Committees"), whose actions are reported to and monitored by the Board.

These committees include the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"), all of which operate within clearly defined and written terms of reference and functional procedures, which are reviewed on a regular basis and can be found in the subsequent sections of this report. They assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively.

Provision 1.5: Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The Board meets regularly on a half-yearly basis and as warranted. Ad-hoc meetings will be arranged to deliberate on urgent substantive matters. Board meeting by telephone conference is allowed under the Company's Constitution.

The details of Board meetings, NC, RC and AC meetings held during FY2024, as well as the attendance of each Board member at those meetings are disclosed below:

Name of Director	Board Meetings		Nominating Committee Meetings		Remuneration Committee Meetings		Audit Committee Meetings	
	No. Held	No.	No. Held	No.	No. Held	No.	No. Held	No.
		Attended		Attended		Attended		Attended
Ms Ong Lay Koon	2	2	1	1	2	2	2	2
Mr Ong Eng Keong	2	2	1	1*	2	1*	2	2*
Mr Owi Kek Hean	2	2	1	1	2	2	2	2
Mr Foo Der Rong	2	2	1	1	2	2	2	2

* By invitation

While the Board considers Directors' attendance at Board meetings as important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms, including periodic reviews and the provision of guidance and advice on various matters relating to the Group.

Notwithstanding that some of the Directors have multiple listed company board representations, the Board is satisfied that each Director is able to and has been adequately carrying out his/her duties as a Director of the Company. The Board is of the view that the assessment of whether each Director is able to devote sufficient time to discharge his/her duties should not be restricted to the number of board representations. Holistically, the contributions by the Directors during the meetings and attendance at such meeting should also be taken into consideration. As such, the Board does not propose to set the maximum number of listed company board representations which Directors may hold until such need arises. As a matter of practice, each Director notifies the Board prior to accepting new listed company board representations to keep fellow Directors apprised.

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The NC will continue to review from time to time the listed company board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Provision 1.6: Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

The Directors are provided with complete, adequate and timely information prior to Board and Board Committees meetings to ensure that the Directors have adequate time to review the same and request further explanations, where necessary. Each member of the Board has complete access to such information regarding the Group as may be required for the discharge of his duties and responsibilities. Prior to each Board meeting, the Directors are provided with the relevant documents and information in advance, including background and explanatory statements, financial statements, budgets, forecasts and progress reports of the Group's business operations, in order for the Directors to be adequately prepared for the meetings and to comprehensively understand the issues to be deliberated upon and make informed decisions thereon. In respect of the annual budget of the Group, material variance between budgeted results and actual results would be disclosed and explained by the Management at Board meetings.

The Management will also inform the Board of all significant events as and when they occur and circulate Board papers and supporting information on significant transactions or corporate actions to facilitate a robust discussion before the transactions are entered into or the corporate actions are taken place. Management personnel, if required, will attend Board and/or Board Committee meetings to address queries from the Directors. The Directors also have unrestricted access to the Management. Requests for the Company's information by the Board are dealt with promptly.

The Board as a whole is updated regularly during the Board and AC meetings on risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members.

Provision 1.7: Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

The Directors have separate and independent access to the Management, the Company Secretaries and the external auditors at all times. Queries by individual Directors on the Company's developments, management proposals or papers are directed and answered by the Management and the Management, together with the Company Secretaries, are responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

At least one of the Company Secretaries or their representatives attend Board and Board Committee meetings. The Company Secretary assists the Chairman in ensuring that board procedures are followed and regularly reviewed to ensure effective functioning of the Board, and that the Company's Constitution and relevant rules and regulations, including requirements of the Companies Act are complied with. Under the direction of the Chairman, the Company Secretary is responsible for ensuring good information flow within the Board and its committees, facilitating the Directors' orientation programme, and assisting with professional developments as required. The appointment and removal of the Company Secretaries are subject to the Board's approval.

The Board engages independent professional advice, as and when necessary, to enable it to discharge its responsibilities effectively. Subject to the approval of the Chairman, Directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of the Company.

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BOARD COMPOSITION AND BALANCE

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

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

As at the date of this report, the Board comprises one Executive Director, one Non-Executive Non-Independent Director and two Independent Directors, namely:

Ms Ong Lay Koon	Non-Executive Non-Independent Chairman
Mr Ong Eng Keong	Chief Executive Officer (“ CEO ”) and Executive Director
Mr Owi Kek Hean	Lead Independent Director
Mr Foo Der Rong	Independent Director

Information regarding the Directors are set out on pages 8 and 9 of this Annual Report.

As set out under the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the company. The NC assesses and reviews annually the independence of a Director bearing in mind the salient factors as set out under the Code, the Catalist Rules as well as all other relevant circumstances and facts.

Each Independent Director is required to complete a Director’s Independence Checklist annually to confirm his independence based on the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. Based on the confirmation of independence submitted by the Independent Directors, the NC was of the view that Mr Owi Kek Hean and Mr Foo Der Rong are independent on the following basis:

- (a) The Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past three financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC;
- (b) None of the Independent Directors have served on the Board beyond nine years from the date of first appointment;
- (c) None of the Independent Directors and their immediate family members had in the current or immediate past financial year (i) provided or received significant payments or material services aggregated over any financial year in excess of S\$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organization which provided or received significant payments or material services aggregated over any financial year in excess of S\$200,000 for services rendered; and
- (d) None of the Independent Directors are directly associated with a substantial shareholder of the Company.

Provision 2.2: Independent directors make up a majority of the Board where the Chairman is not independent.

The Board is of the view that the current Board size and composition are appropriate for the time being for the facilitation of effective decision making on the part of the Board, taking into account the nature and scope of the Company's operations and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Board is of the opinion that, given the scope and nature of the Group's operations, it is neither necessary nor cost-effective to have Independent Directors making up majority of the Board. To address the issue of independence, the Board has put in place a Lead Independent Director, who is available to shareholders where they have concerns.

The Board is of the view that the Independent Directors demonstrate a strong level of independence and judgement over the years in discharging their duties and responsibilities as independent directors of the Company with the utmost commitment in upholding the interest of the non-controlling shareholders. They have expressed individual and independent viewpoints, debated issues, and objectively scrutinized and challenged the Management. No individual or small group of individuals dominates the Board's decision-making process.

As the Chairman is not an Independent Director, the current Board composition of which only half of the Board comprise of Independent Directors, does not satisfy Provision 2.2 of the Code. However, taking into consideration of the following factors, the Board and NC are of the view that the current composition of the Board is consistent with the intent of Principle 2 of the Code:

- (i) The Non-Executive Directors, i.e. three (3) out of four (4) Directors, make up a majority of the Board. This satisfies the requirement of Provision 2.3 of the Code. The current Board composition is also in compliance with Rule 403(3)(c) of the Catalist Rules, which requires, the independent directors to make up at least one-third of the Board.
- (ii) As Independent Directors make up half of the Board, there is a strong independent element on the Board and no individual or groups of individuals dominate the Board's decision-making process.
- (iii) The Board has appointed a Lead Independent Director who plays an additional facilitative role within the Board, and where necessary, he also facilitates communication between the Board and shareholders or other stakeholders of the Company.
- (iv) All Board Committees are chaired by Independent Directors.

As such, the Company is of the opinion that the Board has an appropriate level of independence, notwithstanding that Independent Directors make up only half of the Board.

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

The Board comprises four (4) Directors, three (3) of whom are Non-Executive Directors representing a majority of the Board.

Provision 2.4: The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The Board through the NC, has examined its structure, size and composition and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process and the Independent Directors have direct access to Management so they can seek clarifications before the Board meetings.

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The Board and the Board Committees comprise Directors who as a group provide core competencies such as accounting or finance, business or management experience, industry knowledge and strategic planning experience. Hence, the NC is of the view that the current Board and Board Committees comprise persons who as a group provide capabilities required for the Board and Board Committees, which in their collective wisdom, enables them to be effective and provide balanced views. Each Director has been appointed based on his/her calibre and experience. The Board comprises one (1) female and three (3) male Directors with diverse backgrounds such as property development, construction and civil engineering, tax and business management.

The Company has adopted a board diversity policy ("**Board Diversity Policy**") that addresses the balance of gender, age, ethnicity and cultural background to enhance the quality of the Board's composition and contribution to the Group. With a view to achieve a sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, board diversity has been considered from a number of aspects including: gender, age, ethnicity and cultural background.

Currently, the Board has not set any specific target for diversity, but the NC shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed as new Directors, with the aim of having at least one (1) female Director in the Board. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate balance of skill and experience to enable the Management to benefit from a diverse perspective in reviewing the issues that are brought before the Board. This also enables the NC to identify and nominate suitable candidates for appointment to the Board. The selection of candidates for Board appointment will be based on merit, in the context of the skills, knowledge, experience and independence which the Board as a whole requires to be effective, having due regard for the benefits of diversity on the Board.

The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its relevance and effectiveness, and will recommend appropriate revisions to the Board for consideration and approval.

Provision 2.5: *Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.*

The Non-Executive Directors constructively challenge and help to develop proposals on strategy and also review the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. Where necessary or appropriate, the Non-Executive Directors will meet without the presence of the Management and provide feedback to the Board and/or Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Provision 3.1: *The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.*

Ms Ong Lay Koon is currently the Non-Executive Non-Independent Chairman of the Board while Mr Ong Eng Keong, the CEO, is the son of Mr Ong Pang Aik and nephew of Ms Ong Lay Huan, the Company's indirect controlling shareholders, and the nephew of Ms Ong Lay Koon, the Company's Non-Executive Non-Independent Chairman. The role of the Chairman is separate from that of the CEO and there is a clear division of responsibilities between the Chairman and CEO. This is to ensure an appropriate balance of power, increased accountability and greater capacity for the Board in terms of independent decision making.

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The Board is of the view that there is adequate accountability and transparency as Independent Directors make up half of the Board. The Board is able to exercise its power objectively and independently from Management.

Provision 3.2: The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

The Chairman plays a key role in promoting high standards of corporate governance, scheduling meetings that enable the Board to perform its duties, establishing the agenda for the Board meetings in consultation with the CEO and ensuring that the Board reviews and approves the Group's key strategies and policies. The Chairman also participates in communicating with key stakeholders, including shareholders and senior management employees.

The CEO's responsibilities encompass managing the day-to-day business activities of the Group, developing and executing the Group's strategies, reporting back to the Board on the performance of the Group, and providing guidance to the Group's employees. The CEO also encourages constructive relations between Management and the Board.

Provision 3.3: The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Mr Owi Kek Hean is the Lead Independent Director of the Company as the Chairman, Ms Ong Lay Koon, is not an Independent Director. The Lead Independent Director avails himself to address shareholders' concerns and acts as a counterbalance in the decision-making process. Where necessary, the Lead Independent Director will chair meetings without involvement of the Executive Director and provide feedback to the Chairman of the Board, to aid and facilitate well-balanced viewpoints on the Board.

BOARD MEMBERSHIP

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

Provision 4.1: The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;**
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;**
- (c) the review of training and professional development programmes for the Board and its directors;
and**
- (d) the appointment and re-appointment of directors (including alternate directors, if any).**

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The NC, which has written terms of reference, was established to make recommendations to the Board on all Board and Executive Officer appointments. The NC's responsibilities include the following:

- a. developing and maintaining a formal and transparent process in making recommendations to the Board on the selection, nomination and appointment of Directors (including the appointment of alternate Directors, if any) and Executive Officers, and recommending to the Board re-nominations of existing Directors for re-election in accordance with the Constitution, taking into account the Director's competencies, commitment, contribution and performance;
- b. reviewing Board succession plans for our Directors, in particular, for the Executive Director and CEO;
- c. determining the composition of the Board, taking into account the future requirements of the Company, as well as the need for Directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Group, and other considerations such as those set out in Principle 2 of the Code;
- d. developing a process for evaluation of the effectiveness of the Board, its committees and the Directors;
- e. deciding how the Board's performance is to be evaluated and proposing objective performance criteria, subject to the approval of our Board, which address how the Board can achieve long-term shareholders' value;
- f. determining on an annual basis, and as and when circumstances require, whether or not a Director is independent having regard to the Code and any other salient factors;
- g. in respect of a Director who has multiple board representations on various companies, if any, to review and decide, on an annual basis (or more frequently as the NC deems fit), whether such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;
- h. deciding whether or not a Director is able to and has been adequately carrying out his duties as a director;
- i. reviewing training and professional development programs for the Board; and
- j. reviewing and approving any new employment of persons related to the Directors and/or substantial shareholders and the proposed terms of their employment.

Provision 4.2: The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

The NC currently comprises three Directors, namely:

1. Mr Foo Der Rong, Chairman
2. Mr Owi Kek Hean
3. Ms Ong Lay Koon

All members of the NC are either Independent or Non-Executive Directors, with a majority being Independent Directors. Save for Ms Ong Lay Koon, who is the nominee director of the Company's controlling shareholder, Lian Beng Group Pte Ltd, none of the members of the NC are directly associated with any substantial shareholder. The Lead Independent Director, Mr Owi Kek Hean, is a member of the NC.

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Provision 4.3: The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

All Directors submit themselves for re-nomination and re-election at least once every three years in accordance with Catalyst Rules 720(4). Newly appointed Directors will submit themselves for re-election at the next Annual General Meeting ("**AGM**") of the Company following their appointment.

In the nomination and selection process, the NC identifies the candidates and reviews the nominations for the appointments based on the following criteria:

- (i) the number of Independent Directors required to comply with prevailing rules and regulations;
- (ii) the candidate shall be a fit and proper person to hold such office, and the most qualified candidate nominated for the office, taking into account the candidate's track record, experience, capabilities and other relevant factors.

Each member of the NC shall abstain from voting on any recommendation and/or participating in respect of matters in which he has an interest.

When an existing Director chooses to retire (a "**Retiring Director**") or the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment as new Director. Candidates may be suggested by Directors or Management or sourced from external sources. The NC will interview the shortlisted candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, diversity, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his/her responsibilities, effective decision making track record, relevant experience and financial expertise. The NC then nominates the most suitable candidate to the Board for approval.

The NC meets at least once a year. Directors appointed by the Board are subject to election by shareholders at the following AGM following their appointment and thereafter, Directors are subject to re-election according to the provisions in the Company's Constitution. Regulation 117 of the Company's Constitution states that one-third of the Directors shall retire from office by rotation.

In making the recommendations, the NC had considered the Directors' overall contributions and performance.

Each member of the NC has abstained from making any recommendation and/or participating in any deliberations of the NC in respect of the assessment of his/her own performance or re-election as a Director of the Company.

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Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the Retiring Directors at the date of this report, as set out in Appendix 7F to the Catalist Rules of the SGX-ST is set out below:

	Mr Ong Eng Keong	Mr Owi Kek Hean
Date of appointment	17 October 2017	23 March 2018
Date of last re-appointment (if applicable)	28 September 2022	28 September 2022
Age	42	67
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Ong Eng Keong for re-appointment as Executive Director and Chief Executive Officer of the Company. The Board has reviewed and concluded that Mr Ong Eng Keong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Owi Kek Hean for re-appointment as Lead Independent Director of the Company. The Board has reviewed and concluded that Mr Owi Kek Hean possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer (" CEO ")	Lead Independent Director, Chairman of the AC and member of the RC and NC
Professional qualifications	Bachelor of Science in Business and Management Studies from the University of Bradford, United Kingdom obtained in 2007.	Bachelor of Business Administration from the National University of Singapore obtained in 1981 and an accredited member of the Singapore Institute of Accredited Tax Professionals.
Working experience and occupation(s) during the past 10 years	From 2006 to 2008, Mr Ong Eng Keong was working in the construction division of the Lian Beng Group Pte Ltd as a project coordinator and was an assistant development manager in the property development division of the Lian Beng Group Pte Ltd from 2008 to 2012. Since 2013 and until the spin-off of the property development division of Lian Beng Group Pte Ltd, he was a director of the property development division.	Mr Owi Kek Hean is executive director of IMO & Partners Pte. Ltd., which provides business and management consultancy services. He was with KPMG Singapore for 33 years where he last held the positions of Head of Tax, Head of Enterprise Services and Deputy Managing Director until his retirement in October 2015.
Shareholding interest in the listed issuer and its subsidiaries	No	No

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	Mr Ong Eng Keong	Mr Owi Kek Hean
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Ong Eng Keong is the son of Mr Ong Pang Aik, and the nephew of Ms Ong Lay Huan, the Company's indirect controlling shareholders and the nephew of Ms Ong Lay Koon, the Non-Executive Non-Independent Chairman of the Company.	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships	<p><u>Past</u> (for the last 5 years)</p> <p>Directorships:</p> <ul style="list-style-type: none"> Weave SG JV Pte. Ltd. Wellprime Pte. Ltd. 32 Real Estate Pte. Ltd. 32RE Investments Pte. Ltd. <p>Other Principal Commitments: Nil</p> <p><u>Present</u></p> <p>Directorships:</p> <ul style="list-style-type: none"> Action Property Pte. Ltd. Blissful Development Pte. Ltd. Development 24 Pte. Ltd. Futuro No. 3 Pty Ltd Goldprime Land Pte. Ltd. Goldprime Investment Pte. Ltd. Gaobeidian City KAP Real Estate Development Co., Ltd. Hebei Xuxing Investment Co., Ltd. Hebei Yuezhi Real Estate Development Co., Ltd. KAP Holdings (China) Pte. Ltd. KAP Hotel Investments Pte. Ltd. KSH Ultra Unity Pte. Ltd LBD (China) Pte. Ltd. LBD (GL) Pte. Ltd. LBD (Midtown) Pte. Ltd. LBD (Serangoon) Pte. Ltd. Luxe Development Pte. Ltd. Oxley-LBD Pte. Ltd. Oxley Sanctuary Pte. Ltd. Oxley Serangoon Pte. Ltd. 	<p><u>Past</u> (for the last 5 years)</p> <p>Directorships: Nil</p> <p>Other Principal Commitments: Nil</p> <p><u>Present</u></p> <p>Directorships:</p> <ul style="list-style-type: none"> Centurion Corporation Limited Centurion US Student Accommodation Holdings Pte. Ltd. Centurion US Accommodation Inc IMO & Partners Pte. Ltd. <p>Other Principal Commitments: Nil</p>

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Mr Ong Eng Keong

Mr Owi Kek Hean

Other principal commitments including directorships

- Oxley Viva Pte. Ltd.
- Oxley YCK Pte. Ltd.
- OTTO Projects Pte. Ltd.
- Pinance Investment Management Limited
- Rio Casa Venture Pte. Ltd.
- RL Bagnall Pte. Ltd.
- Sino-Singapore KAP Construction Co., Ltd
- SLB (King Street) Pty Ltd
- SLB (MB) Pte. Ltd.
- SLB NCR (1) Pte. Ltd.
- SLB (NIR) Pte. Ltd.
- SLB (RS) Pte. Ltd.
- SLB (TB) Pte. Ltd.
- SLB-Oxley (NIR) Pte. Ltd.
- SLB Starcap Pte. Ltd.
- SLBI (1) Pte. Ltd.
- SLBI (2) Pte. Ltd.
- Smooth Capital Pte. Ltd.
- Smooth Venture Pte. Ltd.
- Smooth Venture (1) Pte. Ltd.
- Spottiswoode Development Pte. Ltd.
- Starbliss Development Pte. Ltd.
- Starview Investment Pte. Ltd.
- THC (LM) Pte. Ltd.
- Ultra Infinity Pte. Ltd.
- Ultra Trinity Investment Pte. Ltd.
- Well Capital Pte. Ltd.
- Wealthbliss Pte. Ltd.
- Wealthbliss Development Pte. Ltd.
- Wealth Space Pte. Ltd.
- Wealth Development Pte. Ltd.
- Wealth Property Pte. Ltd.
- Weave Living Real Estate SG JV Limited

Other Principal Commitments:
President of the Association of Listed
Companies

The Retiring Directors confirm that, there are no circumstances or matters requiring to be disclosed in relation to the disclosures (a) to (k) provided in Appendix 7F of the Catalist Rules.

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Provision 4.4: *The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.*

As mentioned under Principle 2 above, the NC determines, on an annual basis, the independence of Directors. Each Independent Director is required annually to complete a checklist to confirm his independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company.

For FY2024, the NC has assessed and affirmed that the Independent Directors are independent (within the meaning of the Code and the Catalist Rules).

Provision 4.5: *The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.*

In assessing the performance of each individual Director, the NC considers whether he has multiple board representations and other principal commitments, and is able to and adequately carry out his duties as a Director notwithstanding such commitments. As mentioned under Principle 1, Provision 1.5 above, the NC has assessed and is satisfied that sufficient time and attention to the affairs of the Company have been given by those Directors who have multiple board representations.

The key information for each Director is disclosed in their profile as set out in the section entitled "Board of Directors" of the Annual Report 2024.

BOARD PERFORMANCE

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

Provision 5.1: *The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.*

The NC decides on how the Board's and its Board Committees' performance and individual Directors' contributions are to be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and the Board Committees, and for assessing the contribution from each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his/her performance or re-nomination as a Director.

In evaluating the Board's and the Board Committees' performance, the NC considers a set of quantitative and qualitative performance criteria in the form of an assessment checklist that has been approved by the Board. The performance criteria for the Board and Board Committee's evaluation are in respect of:

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- a. Board size and composition;
- b. Board processes;
- c. Board information and accountability; and
- d. Board Committee performance in relation to discharging their responsibilities set out in their respective terms of reference.

The individual Director's performance criterion is in relation to the Director's:

- a. Industry knowledge and/or functional expertise;
- b. Contribution and workload requirements;
- c. Sense of independence; and
- d. Attendance at board and committee meetings.

The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

Provision 5.2: *The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.*

During FY2024, all Directors completed a board evaluation questionnaire designed to seek their view on various aspects of the Board, Board Committees and individual Director's performance as described above. These inputs are collated and reviewed by the Chairman of the NC, who presents a summary of the overall assessment to the NC for review. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvements are then submitted to the Board for discussion and, where appropriate, approval for implementation.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance and/or re-nomination as a Director. The NC has assessed the current Board's performance to-date and individual Director's contributions, and is satisfied that the Board as a whole and Board Committees had met their performance objectives for FY2024.

Remuneration Matters

Procedures for Developing Remuneration Policies

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

Provision 6.1: The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:

- a. a framework of remuneration for the Board and key management personnel; and
- b. the specific remuneration packages for each director as well as for the key management personnel.

Members of the RC carry out their duties in accordance with the terms of reference, which include the following:

- a. reviewing and recommending to the Board on the framework of remuneration policies for Directors, the CEO (if the CEO is not a director) and key management personnel;
- b. reviewing and approving specific remuneration packages for each Director and the Chairman, including Director's fees, salaries, allowances, bonuses, options and benefits-in-kind;
- c. reviewing the remuneration of key management personnel and employees related to executive directors, the CEO (if the CEO is not a director) and substantial or controlling shareholders of the Group;
- d. administering any share option scheme or performance share plan which may be adopted by the Company from time to time; and
- e. reviewing the Company's obligations arising from termination clauses and termination processes in relation to the Executive Directors' and key management personnel's contracts of service to ensure that such clauses and processes are fair and reasonable.

Provision 6.2: The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

The RC currently comprises three Directors, all of whom are Independent or Non-Executive Directors, with a majority being Independent Directors. All three members of the RC are Non-Executive Directors:

1. Mr Foo Der Rong, Chairman
2. Mr Owi Kek Hean
3. Ms Ong Lay Koon

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Provision 6.3: The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC considers all aspects of remuneration, including but not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives, awards and benefits-in-kind in the review of remuneration packages for the Directors and the key management personnel with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board.

The RC also reviews the fairness and reasonableness of the termination clauses of the service agreements of Executive Directors and key management personnel.

The RC's recommendations are submitted for endorsement by the entire Board. No Director is involved in deciding his/her own remuneration. Each member of the RC shall abstain from voting on any recommendation and/or participating in respect of matters in which he/she has an interest.

Provision 6.4: The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

The RC has full authority to obtain any external professional advice on matters relating to remuneration, as and when the need arises, at the expense of the Company. The Company did not engage any remuneration consultant in respect of the remuneration matters of the Group during FY2024.

LEVEL AND MIX OF REMUNERATION

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

Provision 7.1: A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

The Company adopts a remuneration policy, which comprises fixed and variable components. The fixed and variable components comprise a base salary, variable bonus and/or profit sharing. In setting remuneration packages, the Company takes into account the Group's relative performance and the performance of individual Directors. The pay and employment conditions within the same industry and in comparable companies are also given due consideration.

Provision 7.2: The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The fees of the Independent Directors are determined by the Board according to the level of contribution, and taking into account factors such as the effort and time spent, and their respective responsibilities. The Independent Directors shall not be over-compensated to the extent that their independence may be compromised. Payments of Directors' fees are subject to shareholders' approval at the AGM. The fees are subject to approval by the shareholders at each AGM. Except as disclosed, the Independent Directors do not receive any other remuneration from the Company. They do not have any service agreements with the Company.

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Provision 7.3: Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

The review of the remuneration of the Executive Officers takes into consideration the performance and the contributions of the officer to the Company and gives due regard to the financial and business performance of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully.

The Company has entered into a service agreement with Mr Ong Eng Keong ("**Service Agreement**"), the Executive Director and CEO, effective from 1 June 2021, which does not contain any onerous removal clauses and is valid for an initial period of three years. The Company has subsequently renewed the Service Agreement on 1 June 2024 for a period of three years and thereafter shall be automatically renewed for a further period of three years. The notice period in the Service Agreement is six months and the Board uses contractual provisions or other measures to reclaim the incentives or any related payments from the parties involved should there be any misstatements of financial results, or of misconduct resulting in financial loss to the Group. There are currently no long-term incentive schemes for the Executive Director and key management personnel.

DISCLOSURE ON REMUNERATION

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

Provision 8.1: The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) **each individual director and the CEO; and**
- (b) **at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.**

The Board is of the opinion that due to confidentiality and sensitive nature attached to remuneration matters, it would not be in the best interests of the Company to disclose the remuneration of each individual Director. The RC has also reviewed the practice of the industry and considered the pros and cons of such disclosure.

A breakdown, showing the level and mix of each individual Director's remuneration for FY2024 is as follows:

Name of Director	Salary and CPF (%)	Bonus (%)	Other Benefits and Allowances (%)	Directors' Fees (%)	Total (%)
Between S\$500,000 to S\$750,000					
Ong Eng Keong (Executive Director and CEO) ⁽¹⁾	89.9	7.2	2.9	-	100
Below S\$250,000					
Ong Lay Koon (Non-Executive Non-Independent Chairman) ⁽¹⁾	-	-	-	100	100
Owi Kek Hean (Lead Independent Director)	-	-	-	100	100
Foo Der Rong (Independent Director)	-	-	-	100	100

(1) Ong Eng Keong is the nephew of Ong Lay Koon.

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The Board is of the opinion that the disclosure of the exact amount of remuneration or in remuneration bands of S\$250,000 of the top five key management personnel (who are not directors or the CEO) may affect the retention or recruitment of competent personnel in the highly competitive business environment the Company operates in, given the low barriers to entry in the property development industry, as well as the competitive pressures in the talent market. As a company with a small and tightly-knit team, such disclosure would be disadvantageous to the Company in relation to its competitors and may affect adversely the cohesion and spirit of team work prevailing amongst the employees of the Company. Accordingly, due to confidentiality and sensitivity issues attached to remuneration matters, especially in the case where the key management team is small, it would not be in the best interests of the Company to disclose the remuneration of top key executives in remuneration bands of S\$250,000 as recommended by the Code.

Pursuant to the Service Agreement, Mr Ong Eng Keong is entitled to a monthly salary and an annual fixed bonus of one month's salary. He is also entitled to an annual performance bonus, which is calculated based on the Group's audited consolidated profits before tax for the financial year (excluding the fair value gain or loss to the Group's properties and securities, any profit or loss attributable to non-controlling interest or minority interest, and any non-recurring exceptional items).

For FY2024, the Company has only three key management personnel who are not Directors or the CEO and the total remuneration paid to these three key executives was S\$774,000.

There are no termination, retirement or post-employment benefits that are granted to the Directors, CEO and the key management personnel of the Group.

Provision 8.2: The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Save for Mr Ong Eng Keong (Executive Director and CEO) who is the nephew of Ms Ong Lay Koon (Non-Executive Non-Independent Chairman of the Board), there were no employees of the Company or its subsidiaries who were immediate family members of any Director or the CEO and whose remuneration exceeded S\$100,000 during FY2024.

Provision 8.3: The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

Please refer to the table disclosing the breakdown of all forms of remuneration and other payments and benefits of Directors, and details of the aggregate remuneration of key management personnel in Provision 8.1. The Company does not have any employee share schemes in effect for FY2024.

Accountability and Audit

RISK MANAGEMENT AND INTERNAL CONTROLS

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

Provision 9.1: ***The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.***

The Company manages risks under an overall strategy determined by the Board and supported by the AC. The Company sets acceptable risk management standards and periodically reviews the risks that the Group is subject to. The Board recognises that it is responsible for the overall internal control framework, but accepts that no cost effective internal control system will preclude all errors and irregularities, as the system is 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. The AC will annually:

- satisfy itself that adequate measures are being made to identify and mitigate any material business risks associated with the Group;
- ensure that a review of the effectiveness of the Group's material internal controls, including financial, operating, information technology and compliance controls and risk management, is conducted at least annually. Such review can be carried out by internal auditors;
- ensure that the internal control recommendations made by internal auditors and the management letter recommendations by external auditors (noted during the course of the statutory audit) have been implemented; and
- ensure the Board is in a position to comment on the adequacy and effectiveness of the internal controls of the Group.

The Board believes that the system of risk management and internal controls maintained by the management provides reasonable assurance against material financial misstatements or loss and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislations, regulations and best practices and the identification and management of business and strategic risks.

The Board with the assistance of the internal auditors, determines the Company's levels of risk tolerance and risk policies and oversees Management in the design, implementation and monitoring of the risk management and internal control systems. Following such review, the Company has put in place a risk governance and internal control framework manual to define the strategic objectives and determine the risk appetite, tolerance and risk mitigation measures to address potential impediments to achieving these business strategies.

The Board will continue to update the risk governance framework and re-assess the business risks on an ongoing basis. This ensures that the pertinent risks are properly addressed and the internal controls remain relevant and effective to address the Group's risk exposures.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by the management and various Board Committees and the Assurance received, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls addressing the financial, operational, compliance and information technology controls risks, and risk management systems of the Company were adequate and effective as at 31 May 2024. The Board's opinion is based collectively on the risk governance and internal control framework and assessment of internal control adequacy and effectiveness.

The Board and the AC noted that all internal controls contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities. The Group has implemented a risk management programme which allows the Board to be apprised of the key strategic, operational, financial and compliance risks.

Provision 9.2: The Board requires and discloses in the company's annual report that it has received assurance from:

- (a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and**
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.**

The Board has received assurance from the CEO and the Chief Financial Officer that the financial records have been properly maintained and the financial statements for FY2024 give a true and fair view of the Company's operations and finances. The Board has also received assurance from the CEO and other key management personnel who are responsible, that the Company's risk management and internal control systems were adequate and effective ("**Assurance**").

AUDIT COMMITTEE

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

Provision 10.1: The duties of the AC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;**
- (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;**
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;**
- (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;**
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and**

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- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.**

The key functions of the AC as provided in its written terms of reference include, amongst others:

- a. consider the appointment or re-appointment of the external auditors, the level of their remuneration and matters relating to the resignation or dismissal of the external auditors, and review with the external auditors the audit plans, their evaluation of the system of internal accounting controls, their audit reports, their independence and objectivity, their management letter and Management's response before submission of the results of such review to the Board for approval;
- b. review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and consider the adequacy of the Management's response;
- c. consider the appointment or re-appointment of the internal auditors, the level of their remuneration and matters relating to the resignation or dismissal of the internal auditors, and review with the internal auditors the internal audit plans and their evaluation of the adequacy of the system of internal accounting controls and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the annual report (where necessary);
- d. review the system of internal accounting controls and procedures established by Management to address financial, operational, information technology and compliance risks, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary);
- e. review and report to the Board, at least annually, the effectiveness and adequacy of the risk management systems and internal control procedures addressing financial, operational, IT and compliance risks and discuss issues and concerns, if any, arising from the internal audits, prior to the incorporation of the Board's comments in our annual report;
- f. review the assistance and co-operation given by our Company's officers to the internal and external auditors;
- g. review the periodic consolidated financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major areas of judgement, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange, statutory and/or regulatory requirements;
- h. review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- i. review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- j. review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;
- k. review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;

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- l. review arrangements by which the Group's staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- m. on a half-yearly basis, review the register of feasibility studies carried out by the Group on potential buildings considered by the Group for acquisition to determine whether the buildings purchased by the Group fall within the scope of its business;
- n. monitoring whether the terms of the undertakings provided by the Company's controlling shareholder, Lian Beng Group Pte Ltd, to our Company have been complied with; and
- o. generally to undertake such other functions and duties as may be required by the Board, by statute or the Catalist Rules, and by such amendments made thereto from time to time.

The AC has explicit authority to investigate all matters within its terms of reference, full access to and cooperation by Management, full discretion to invite any Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

In addition, the AC is given the task to commission investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and to review the findings thereof.

Provision 10.2: The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The AC currently comprises three Directors, all of whom are Independent or Non-Executive Directors, with a majority being Independent Directors:

1. Mr Owi Kek Hean, Chairman
2. Mr Foo Der Rong
3. Ms Ong Lay Koon

The Board is of the view that the AC has sufficient financial management and accounting expertise and experience to discharge the AC's functions. Mr Owi Kek Hean and Mr Foo Der Rong are trained in tax and business administration.

Provision 10.3: The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

None of the AC members were previous partners or directors of the Company's existing auditing firm within the last two years and none of the AC members hold any financial interest in the Company's existing external auditing firm.

Provision 10.4: The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

In order to provide adequate assurance over the internal controls, the Group has appointed an independent internal audit function that is performed by RSM SG Risk Advisory Pte Ltd ("**RSM**"). RSM is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with relevant qualifications and experience. The professional qualifications include Certified Internal Auditor, Certified Risk Management Assurance, Certified Information Systems Auditors, Chartered Accountant of Singapore and Certified Practising Accountant Australia. The internal auditors consist of members with the relevant experience in property development, fund management and investment. The internal audit work carried out is guided by the International Standards for the Professional Practice of Internal Auditing set by Institute of Internal Auditors. The internal auditors report their findings based on the scope of review performed for FY2024 directly to the AC and administratively to the CEO. While there were no high-risk findings noted in the report by RSM, all major findings have been ratified to date.

The AC had reviewed with the internal auditors their risk-based internal audit plan and their evaluation of the system of internal controls, their audit findings and the Management's responses to address the findings; the effectiveness of material internal controls, including financial, operational and compliance controls and overall risk management of the Company and the Group for FY2024. The AC is satisfied that the internal auditor is adequately qualified, resourced and has the appropriate standing within the Group to discharge its duties effectively.

Provision 10.5: The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The AC has met with the external auditors and internal auditors, without the presence of the Company's Management at least once in FY2024.

Shareholder Rights and Responsibilities

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Provision 11.1: The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

The Company recognizes and accepts the principle that all shareholders are treated fairly and equitably and that they have been accorded certain rights under the Companies Act 1967 of Singapore ("**Companies Act**") and the Company's Constitution. Information to all shareholders is disclosed in a timely and transparent manner and in compliance with SGX disclosure requirements.

Shareholders are given ample opportunity to attend, participate and vote at the Company's general meetings.

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The Board is mindful of the obligation to provide regular, effective and fair communication with shareholders. Information is communicated to the shareholders on a timely basis. Where inadvertent disclosure has been made to a select group, the Company will make the same disclosure publicly to all others as soon as practicable. The Board provides shareholders with an assessment of the Company's performance, position and prospects on a half-yearly basis via the half-yearly announcements of results and other ad hoc announcements as required by the SGX-ST.

For the forthcoming AGM, notice of the AGM will be sent to our shareholders, together with explanatory notes, appendices or a circular on items of special business at least 14 days before the meeting, whilst the Company's latest Annual Report is accessible via the Company's website and SGXNET. For a printed copy of the Annual Report 2024 and Circular, the Company has sent together with the notice of AGM a letter for Shareholders to request for a printed copy. The Chairmen of the AC, NC and RC are normally present and available to address questions relating to the work of their respective committees at general meetings. Furthermore, the external auditors are present to assist our Board in addressing any relevant queries by our shareholders. During the general meetings, the shareholders will be informed of the rules governing general meetings, including voting procedures.

While the AGM of the Company is a principal forum for dialogue and interaction with all shareholders, the Company will consider using of other forums such as analyst briefings as and when applicable.

Provision 11.2: The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.

Separate resolutions are proposed for substantially separate issues at shareholders' meetings. The Chairman of the Board and the Chairmen of the AC, RC and NC as well as the external auditors are usually available at the general meetings to answer those questions relating to the work of these committees. The external auditors are also present to address the shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report.

Provision 11.3: All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.

The Board welcomes the view of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis. Shareholders are informed of shareholders' meetings through notices published in the newspapers and reports or circulars sent to all shareholders. All Directors attended the annual general meeting held on 20 September 2023.

Provision 11.4: The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

The Company's Constitution allows for shareholders of the Company to appoint up to two proxies to attend and vote in place of the shareholder at a general meeting. In line with the amendments to the Companies Act, corporate shareholders of the Company who provide nominee or custodial services to third parties are allowed to appoint more than two proxies to attend and vote on their behalf at general meetings.

The Company does not intend to implement absentia-voting methods such as email, fax or mail until security, integrity and other pertinent issues are satisfactorily resolved.

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Provision 11.5: The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company prepares minutes of general meetings which incorporate substantial comments and queries from shareholders and responses from the Board and Management.

The minutes of the forthcoming AGM of the Company will be posted on the SGXNET and the Company's website within one month after the date of the AGM.

Provision 11.6: The company has a dividend policy and communicates it to shareholders.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Notwithstanding the above, any declaration of dividends is clearly communicated to the shareholders via SGXNET. Further, the Company will, in line with Rule 704(23) of the Catalist Rules, expressly disclose the reason(s) in the event that the Board decides not to declare or recommend a dividend, in its financial statement announcements.

No dividend has been declared in respect of FY2024 as the Group aims to retain funds for working capital requirements and to allow the Group to capitalize on potential investments and opportunities.

ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1: The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The Board is mindful of the obligation to provide regular, effective and fair communication with shareholders. Information is communicated to the shareholders on a timely basis. Where inadvertent disclosure has been made to a select group, the Company will make the same disclosure publicly to all others as soon as practicable. The Board provides shareholders with an assessment of the Company's performance, position and prospects on a half yearly basis via announcements of results; and other ad hoc announcements as required by the SGX-ST. The Company's Annual Report is uploaded to SGXNET and printed copies are available on request. The Company's latest Annual Report is also accessible via the Company's website.

While the AGM of the Company is a principal forum for dialogue and interaction with all shareholders, the Company will consider use of other forums such as analyst briefings as and when applicable.

Provision 12.2: The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Provision 12.3: The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

The Company does not have an Investor Relations Policy in place. The Company has entrusted an investor relations team comprising the CEO and the CFO with the responsibility of facilitating communications with shareholders and analysts and attending to their queries or concerns. Accordingly, the Board is of the view that the current communication channels are sufficient and cost-effective.

The Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNET on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act. The Company's half-yearly financial results and annual reports are announced on the SGXNET within the stipulated period.

Further, the Company provides its phone number and e-mail address on the Company's website through which the Shareholders may contact the Company with questions and by which the Company may respond to such questions.

Managing Stakeholders Relationships

ENGAGEMENT WITH STAKEHOLDERS

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

Provision 13.1: The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The Company recognises the importance of close collaboration with its key stakeholders such as employees, investors and media, suppliers and service providers, customers, and etc, in order to achieve sustainable business goals.

The Company has in place a process to identify its various stakeholders and understand their viewpoints as well as actively communicating with them to align the Company's expectation and goals. The Company engages with the key stakeholders through various platforms.

Provision 13.2: The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group and key feedback or issues that have been raised through stakeholder engagement and can be found in the Company's Sustainability Report 2024 which will be published as a standalone report within 4 months from its financial year end.

Stakeholder who wishes to know more about the Company including our business, industry, performance, or sustainability practices can also visit our website at <https://www.slbdevelopment.com.sg/>.

Provision 13.3: The company maintains a current corporate website to communicate and engage with stakeholders.

All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET and the Company's website. The Company does not practice selective disclosure of material information. All materials on the half-year and full year financial results are available on the Company's website at <https://www.slbdevelopment.com.sg/>. The website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders. Stakeholders can also contact the Company through phone or e-mail, the details of which can be found on the Company's website.

Corporate Governance Report

Additional Information

DEALINGS IN SECURITIES

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

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. Following the change by the Company to release half-yearly results pursuant to the changes in the Catalist Rules, the Company, its Directors and officers are not allowed to deal in the Company's shares during the periods one month before the Company's half year and full year financial statements, as the case may be, and ending on the date of the announcement of the relevant financial results.

INTERESTED PERSON TRANSACTIONS

The Company will be seeking a renewal of the general mandate from shareholders for recurrent interested person transactions, details of which are found in the Appendix to the Annual Report.

The Company has also adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such interested person transaction.

All interested person transactions will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company.

The aggregate value of interested person transactions during FY2024 was as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	Total value of the transaction S\$'000	Based on issuer's effective interest pursuant to Catalyst Rule 909(1)	Total value of the transaction S\$'000	Based on issuer's effective interest pursuant to Catalyst Rule 909(1)
		S\$'000		S\$'000
<i>Construction services by a related company</i>				
L.S. Construction Pte. Ltd. ⁽¹⁾	-	-	8,227	2,407
<i>Interest expenses to holding company</i>				
Lian Beng Group Pte. Ltd.	1,629	1,629	-	-
<i>Rental expenses to a related company</i>				
Lian Beng Investment Pte. Ltd. ⁽¹⁾	114	114	-	-
<i>Development management fees from a related company</i>				
Lian-Beng Centurion (Mandai) Pte. Ltd. ⁽²⁾	205	205	-	-

(1) L.S. Construction Pte. Ltd. and Lian Beng Investment Pte. Ltd. are wholly-owned subsidiaries of the Company's controlling shareholder, Lian Beng Group Pte. Ltd..

(2) Lian-Beng Centurion (Mandai) Pte. Ltd. is a 55%-owned subsidiary of the Company's controlling shareholder, Lian Beng Group Pte. Ltd..

Corporate Governance Report

MATERIAL CONTRACTS AND LOANS

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that except as disclosed in the Directors' Statement and Financial Statements, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of FY2024 or if not then subsisting, which were entered into since the end of the previous financial year.

SPONSORSHIP

With reference to Rule 1204(21) of the Catalist Rules, no non-sponsorship fees were paid to the Sponsor during FY2024.

EXTERNAL AUDITORS

The aggregate amount of fees paid or payable to the external auditors of the Company, broken down into audit and non-audit services (in relation to services as tax agent) during FY2024 are as follows:-

Audit fees	:	S\$210,500
Non-audit fees	:	S\$69,000
Total	:	S\$279,500

The AC reviews the independence of the external auditors annually. The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services do not affect the independence of the external auditors and has recommended to the Board for the re-appointment of Messrs Ernst & Young LLP as the auditors of the Company at the forthcoming AGM.

The Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to its external auditors. The Board and AC have satisfied themselves that the appointment of different auditors for certain of its joint ventures and associates would not compromise the standard and effectiveness of the audit of the Group.

WHISTLE-BLOWING POLICY

The Company has put in place a whistle-blowing policy, whereby employees of the Group and external parties, may in confidence, raise concerns about possible improper financial reporting or other matters to Mr Owi Kek Hean, the AC Chairman at whistleblowing@slbdevelopment.com.sg. The objective for such arrangement is to ensure independent investigations of such matters and for appropriate follow-up actions. The Company is committed to ensure that the identity of the whistleblower is kept confidential and to ensure protection of the whistleblower against detrimental or unfair treatment. The Company did not receive any whistle-blowing report during FY2024.

KEY AUDIT MATTERS

The AC discussed with Management and the external auditors on significant issues and assumptions that impact the financial statements. The most significant matters have also been included in the Independent Auditor's Report to the members of the Company under Key Audit Matters ("**KAM**"), namely the net realisable value of development properties in subsidiaries and investments in associates. Based on its review as well as discussion with Management and the external auditors, the AC is satisfied that those matters, including the KAM, have been properly dealt with.