
REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN SINGAPORE

The Company operates its business in Singapore and is subject to various Singapore laws and regulations as set out below.

Licensing regime for contractors in Singapore

The construction industry in Singapore is regulated by BCA and the Building Control Act and its subsidiary legislation, particularly, the Building Control (Licensing of Builders) Regulations 2008, sets out the requirements for licensing of builders. All builders carrying out building works where plans are required to be approved by the Commissioner of Building Control (“CBC”) and builders who work in specialist areas which have a high impact on public safety will require a builder’s licence. The requirement applies to both public and private construction projects.

There are two types of builder’s licences, namely, (i) the general builder’s licence for builders (“GB Licence”) undertaking general building works which exclude works that have been designated as specialist works to be carried out by a specialist builder, and (ii) specialist builder’s licence for builders undertaking any of the six types of specialist building works, namely: (a) piling works; (b) ground support and stabilisation works; (c) instrumentation and monitoring works; (d) structural steelwork; (e) pre-cast concrete work; and (f) in-situ post-tensioning work. GB Licences are further sub-divided into two classes, namely the GB1 Licence and the GB2 Licence. A GB1 Licence authorises the holder thereof to carry on the business of a general builder generally without any restriction as to the estimated final price, while a GB2 Licence authorises the holder thereof to carry on the business of a general builder restricted to contracts or engagements for an estimated final price each of not more than S\$6 million.

In addition, a company with a general builder licence may also conduct all types of construction works, including all forms of specialist works if the project does not require checks from an accredited checker, but cannot undertake works designated as specialist works to be carried out only by companies holding a specialist builder licence. If a company does not hold a general builder licence or specialist builder licence, the company is unauthorised to carry out general or specialist building works, respectively. An unlicensed builder will be committing a criminal offence and liable on conviction to an imposition of a fine or imprisonment or to both.

Under Section 29E(6) of the Building Control Act, every builder’s licence shall, unless earlier revoked, be valid for such period as may be specified therein (being not longer than three years), and upon its expiry, the licence may be renewed. An application for the renewal of licence shall be submitted online to the CBC not later than one month before the date of expiry of the licence and accompanied by the relevant renewal fee.

Under Section 29B of the Building Control Act, no person shall, *inter alia*, advertise or hold himself out or conduct himself in any way or by any means as a person who is authorised to carry on the business of a general builder or a specialist builder in Singapore unless he is in possession of a GB Licence or a specialist builder’s licence respectively. Further, no person shall carry on the business of a general builder in Singapore or carry on a business carrying out, or undertaking to carry out, (whether exclusively or in conjunction with any other business) general building works and minor specialist building works or minor specialist building works only, unless he is in possession of a GB Licence, and no person shall carry on the business of a specialist builder in Singapore unless he is in possession of a specialist builder’s licence.

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To maintain a GB1 Licence, the following conditions must be met:

Financial Minimum Paid-up Capital	Approved Person⁽¹⁾		Technical Controller⁽²⁾	
	Course	Practical Experience	Course	Practical Experience
S\$300,000	<p>A course leading to diploma in a construction related field, or a Bachelor’s degree or post-graduate degree in any field</p> <p>OR</p> <p>A course conducted by BCA known as “Essential Knowledge in Construction Regulations & Management for Licensed Builders”</p>	<p>At least five (5) or three (3) years (in aggregate) of practical experience in the execution of construction projects (whether in Singapore or elsewhere) after attaining the corresponding qualification</p> <p>At least ten (10) years (in aggregate) of practical experience in the execution of construction projects in Singapore</p>	A course leading to a Bachelor’s degree or postgraduate degree in a construction-related field	<p>At least five (5) years (in aggregate) of practical experience in the execution of construction projects (whether in Singapore or elsewhere) after attaining the corresponding qualification</p>

Notes:

- (1) The approved person appointed will take charge and direct the management of the business in building works. The approved personnel shall be the sole-proprietor, a partner, director or member of the board of management of the licensee. If an employee of the licensee is appointed as the approved person, he shall be employed in such a manner and with such similar duties and responsibilities of a director or member of its board of management. The approved person shall not have acted as an approved person or the technical controller of a licensee whose licence has been revoked in the 12 months preceding the date of application. The approved person is not acting, and for so long as he is the approved person for the builder that he does not intend to act, as a technical controller for any other holder of a licence (this criterion is applicable for all business entities except sole-proprietorship). The approved person must give his consent that he is to carry out the duties of an approved person for the licensee.
- (2) The technical controller appointed will oversee the execution and performance of any building works undertaken by the builder. The technical controller(s) can be the sole proprietor, partner, director or member of board of management of the licensee or an employee (being a person employed in such a manner and with such similar duties and responsibilities of a partner/director or member of its board of management). The technical controller shall not have acted as an approved person or the technical controller of a licensee whose licence has been revoked in the 12 months preceding the date of application. The appointed technical controller is not acting, and for so long as he is the technical controller for the licensee that he does not intend to act, as a technical controller for any other holder of licence. The technical controller must give his consent that he is to carry out the duties of a technical controller for the licensee.

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Contractors Registration System (“CRS”)

The CRS is administered by BCA and registration with the CRS is a pre-requisite to tendering for projects in the public sector in Singapore. A company involved only in private sector projects need not register with the CRS and will only require a builder’s licence under the BLS. At present, there are five major categories of registration: Construction (CW), Construction-Related (CR), Mechanical & Electrical (ME), Trade Heads (TR), Regulatory Workhead (RW). These five categories are further divided into a total of 50 workheads. Each major category of registration is also subject to up to seven financial grades. From 1 June 2025, the CRS was expanded to serve as a nationwide registry of all construction firms that are hiring construction S Pass and/or Work Permit holders.

Pursuant to the CRS’s expansion, all construction companies in Singapore will be required to register with the BCA, irrespective of whether they engage in public or private sector projects. In addition, the requirements for workhead CW02/C3 has been updated. In particular, Jia Hong must complete, over a three (3) year period, projects with an aggregate contract value of at least S\$300,000 (previously S\$100,000). As at the Latest Practicable Date, Jia Hong confirmed that it has completed projects with an aggregate contract value of at least S\$300,000 during the Track Record Period.

However, as Jia Hong’s registration with the BCA for workhead CW02/C3 is valid until 1 May 2026, Jia Hong will only be subject to the updated requirements when it renews its registration for workhead CW02/C3. In this regard, the CRS’s expansion would not materially affect our Group’s operational and financial performance.

Registration is dependent on the fulfilment of specific requirements, including the value of previously completed projects, personnel resources, and consistent and continuous good performance. In order to qualify for a particular grade, companies must satisfy the respective grade requirements in terms of (i) financial capability (valid audited accounts, paid-up capital, net worth, etc.); (ii) relevant technical personnel (full-time employed, recognised professional, technical qualifications, valid licences, etc.); (iii) management certifications (Singapore Accreditation Council accredited ISO 9000, ISO 14000, ISO 45000, etc.); and (iv) track record (valid projects with documentary proof, endorsed and assessed by clients).

Each grade corresponds to a tendering limit which is valid for one year from 1 July to 30 June. The tendering limit may be adjusted every year by BCA depending on the economy driving the construction industry in Singapore. The tendering limits applicable to the CW and CR workheads are as follows:

Validity Period for Tendering Limits	CW01 and CW02						
	A1	A2	Tendering Limit (S\$ million)			C1	C2
			B1	B2			
1 Jul 23 to 30 Jun 24	unlimited	105	50	16	5	1.6	0.8
1 Jul 24 to 30 Jun 25	unlimited	105	50	16	5	1.6	0.8

Validity Period for Tendering Limits	CR and ME						
	Single Grade	L6	Tendering Limit (S\$ million)			L3	L2
			L5	L4			
1 Jul 23 to 30 Jun 24	unlimited	unlimited	16	8	5	1.6	0.8
1 Jul 24 to 30 Jun 25	unlimited	unlimited	16	8	5	1.6	0.8

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Jia Hong is registered with BCA under the following workheads:

Workhead Reference	Workhead Description	Scope of Work	Grade	Expiry Date
CR09	Repairs & Redecoration	Exterior repainting and minor non-structural repair of buildings and existing structures. These works should not include addition and alteration works involving structural changes.	L3	1 May 2026
CW01	General Building	<p>(i) All types of building works in connection with any structure, being built or to be built, for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, requiring in its construction the use of more than two unrelated building trades and crafts. Such structure includes the construction of multi-storey car-parks, buildings for parks and playgrounds and other recreational works, industrial plants, and utility plants.</p> <p>(ii) Addition and alteration works on buildings involving structural changes.</p> <p>(iii) Installation of roof structures. Firms which undertake waterproofing work should register under CR13.</p>	A2	1 May 2026

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Workhead Reference	Workhead Description	Scope of Work	Grade	Expiry Date
CW02	Civil Engineering	<p>(i) Works involving the construction of bridges, sewers, culverts, reservoirs, retaining walls, canals, drainage systems and underground structures; cutting and filling of embankment and river banks excavation of deep trenches; scraping of sub-soil; surface drainage works; flexible pavement, rigid pavement or laterite roads, bus bays, open car-parks and related works such as kerbs and footways. Firms which undertake piling works, ground support and stabilisation works or site investigation works should register under CR08, CR12 and CR15 respectively.</p> <p>(ii) Works involving dredging in canal, river and offshore for the purpose of deepening and extraction of mineral or construction material. It also includes reclamation works.</p> <p>(iii) Works involving marine piling and the construction of marine structures such as jetties, wharves, sea and river walls. This workhead does not cover the construction and fabrication of marine crafts, pontoons and oilrigs or any floating platform.</p>	C3	1 May 2026

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Accordingly, we are eligible to participate in public sector construction tenders with project values corresponding to the following tendering limits:

- (i) in relation to the CR09 workhead (with an L3 grade), public sector construction tenders not exceeding S\$5,000,000 in contract value;
- (ii) in relation to the CW01 workhead (with a A2 grade), public sector construction tenders not exceeding S\$105,000,000 in contract value; and
- (iii) in relation to the CW02 workhead (with a C3 grade), public sector construction tenders not exceeding S\$800,000 in contract value.

In order for Jia Hong to maintain its existing workhead and grading, we are required to comply with, *inter alia*, the following requirements:

Workhead/ Grade	Financial	Track Record	Personnel
CR09/L3	Minimum paid-up capital and minimum net worth of at least S\$150,000	Complete, over a three (3) year period, projects with an aggregate contract value of at least S\$3 million	Employ at least two (2) personnel with a technical qualification.

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Workhead/ Grade	Financial	Track Record	Personnel
CW01/A2	Minimum paid-up capital and minimum net worth of at least S\$6,500,000	<p>Complete, over a three (3) year period, projects with an aggregate contract value of at least S\$65 million, comprising at least:</p> <ul style="list-style-type: none"> (i) S\$32,500,000 in aggregate contract value of project(s) executed in Singapore; (ii) S\$48,750,000 in aggregate contract value of main contract(s); and (iii) S\$16,250,000 in contract value of a single main contract or nominated sub-contract (calculated at 50% of the sub-contract value). 	<p>Employ at least twelve (12) personnel with the following qualifications:</p> <ul style="list-style-type: none"> (i) a degree in Civil/Structural, Mechanical, Electrical Engineering recognised by PEB or BCA, Architecture recognised by BOA (“RP”); (ii) a recognised degree in Civil/Structural, Mechanical, Electrical Engineering, Architecture, Building or equivalent (“P”); and/or (iii) a diploma in Civil/Structural Mechanical, Electrical Engineering, Architecture, Building or equivalent (“T”). <p>At least four (4) out of the twelve (12) personnel are to have an RP qualification and one (1) to be certified in the Specialist Diploma in Construction Productivity or a Certified Construction Productivity Professional.</p>
CW02/C3	Minimum paid-up capital and minimum net worth of at least S\$50,000	Complete, over a three (3) year period, projects with an aggregate contract value of at least S\$300,000	Employ at least one (1) personnel with an RP, a P or a T qualification.

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Jia Hong has four (4) personnel with an RP qualification, ten (10) personnel with a P qualification and one (1) personnel with a T qualification. The identities of these personnel are as follows:

Name of Personnel	Qualification
Gan Chee Keong	RP
Nguyen Trieu Thai Son	RP
Chia June Fei	RP
Neelamegam Anbumani	RP
Phu Mon Phyo Wai Win	P
Aung Ko Ko	P
Vincent Yee	P
Ms. Ng	P
Huang Ruixing	P with specialist diploma in construction productivity
Zhang Lei	P
Chin Fu Xuan	P
Wai Wai Aung	P
Kelvin Chong Gud Wen	P
Kyaw Zin Htoo	P
Mr. Wang	T

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Building plans

Under the Building Control Act, the plans of any building works must be submitted to the CBC for approval and in the case of structural works, a permit must be granted by the CBC prior to carrying out of such structural works. Before an application to the CBC for approval of the plans of the building works is made, every person for whom any relevant building works are or are to be carried out, or the builder of such building works, shall appoint either a registered architect or professional engineer (“**Qualified Person**”) to prepare the said plans, and to supervise the building works. The carrying out of concreting, piling, pre-stressing, tightening of high-friction grip bolts or other critical structural works of a prescribed class of building works also require the supervision of a Qualified Person or a site supervisor appointed by him.

Under the Building Control Act, a builder undertaking any building works shall, *inter alia*: (i) ensure that the building works are carried out in accordance with the provisions of the Building Control Act, the plans approved by the CBC and supplied to it by a Qualified Person and with any terms or conditions imposed by the CBC; (ii) notify the CBC of any contravention of the Building Control Act or the building regulations relating to those building works; (iii) keep at the premises on which the building works are carried out all plans of those building works approved by the CBC and supplied to him by a Qualified Person; and (iv) within seven days from the completion of the building works, certify that the new building has been erected or the building works have been carried out in accordance with the Building Control Act and the building regulations and deliver such certificate to the CBC.

Minimum buildability and productivity standards are also prescribed under the Building Control (Buildability and Productivity) Regulations 2011 and the Code of Practice on Buildability. The Building Control Regulations 2003 sets out certain requirements of BCA relating to, *inter alia*, submission and approval of plans of building works, design and construction of buildings and installation of external features.

If the CBC is of the opinion that any building works are carried out in such a manner as (i) will cause, or will be likely to cause, a risk of injury to any person or damage to any property; (ii) will cause, or will be likely to cause, or may have caused a total or partial collapse of the building in respect of which building works are or have been carried out or any building, street or natural formation opposite, parallel, adjacent or in otherwise close proximity to those building works, or any part of such building, street or land; or (iii) will render, or will be likely to render, or may have rendered the building in respect of which the building works are or have been carried out or any building, street, slope or natural formation opposite, parallel, adjacent or in otherwise close proximity to those building works so unstable or so dangerous that it will collapse or be likely to collapse (whether totally or partially), he may, by order, direct the developer of those building works to immediately stop the building works or to take such remedial or other measures as he may specify.

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Building and Construction Industry Security of Payment Act

The Building and Construction Industry Security of Payment Act is administered by BCA and facilitates payments for construction work done or for related goods or services supplied in the building and construction industry.

Under the Building and Construction Industry Security of Payment Act, any person who has carried out any construction work or supplied any goods or services under a contract is entitled to a progress payment. The provisions of the Building and Construction Industry Security of Payment Act shall have effect notwithstanding any provision to the contrary in any contract, and any contractual provision which attempts to exclude, restrict, modify or in any way prejudice the operation of the Building and Construction Industry Security of Payment Act shall be void. A "pay when paid" provision of a contract is unenforceable and has no effect in relation to any payment for construction work carried out or undertaken to be carried out, or for goods or services supplied or undertaken to be supplied, under the contract.

The Building and Construction Industry Security of Payment Act also contains provisions relating to, *inter alia*, the amount of the progress payment to which a person is entitled under a contract, the valuation of the construction work carried out under a contract and the date on which a progress payment becomes due and payable. In addition, the Building and Construction Industry Security of Payment Act endorses the following rights:

- (i) the right of a claimant (being the person who is or claims to be entitled to a progress payment) who, in relation to a construction contract, fails to receive payment by the due date of an amount that is proposed to be paid by the respondent (being the person who is or may be liable to make a progress payment under a contract to a claimant) and accepted by the claimant, to make an adjudication application in relation to the payment claim. The Building and Construction Industry Security of Payment Act has established an adjudication process by which a person may claim payments due under a contract and enforce payment of the adjudicated amount;
- (ii) the right of a claimant to suspend the carrying out of construction work or supply of goods or services, and to exercise a lien over goods supplied by the claimant to the respondent that are unfixed and which have not been paid for, or to enforce the adjudication determination as if it were a judgment debt, if, amongst others, such claimant is not paid after the adjudicator has determined that the respondent shall pay an adjudicated amount to the claimant; and
- (iii) where the respondent fails to pay the whole or any part of the adjudicated amount to a claimant, the right of a principal of the respondent (being the person who is liable to make payment to the respondent for or in relation to the whole or part of the construction work that is the subject of the contract between the respondent and the claimant) to make direct payment of the outstanding amount of the adjudicated amount to the claimant, together with the right for such principal to recover such payment from the respondent.

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Singapore Institute of Architects Building Contracts

The Singapore Institute of Architects (“SIA”) Lump Sum Contract (“SIA Building Contracts”) was developed by the SIA to establish a standard contract form to be used in all private sector construction projects. The SIA Building Contracts contain terms relating to, among others, the contractors’ obligations, the architect’s powers and duties, the programme for commencement, suspension and completion of the works, possession of site, quality of work and materials, liquidated damages, defects, variations to the works, valuation of variations, procedures for claims, indemnity provisions, insurance, termination, progress payments and final account and settlement of disputes.

Environmental laws and regulations

The Environmental Public Health Act is administered by the National Environment Agency (“NEA”) and provides that a person who, during the erection, alteration, construction or demolition of any building or at any time, fails to take reasonable precautions to prevent danger to the life, health or well-being of persons using any public places from flying dust or falling fragments or from any other material, thing or substance shall be guilty of an offence.

The Environmental Public Health Act also regulates, *inter alia*, public nuisances. Under the Environmental Public Health Act authorised officers may, on receipt of any information respecting the existence of a nuisance liable to be dealt with summarily under the Environmental Public Health Act and if satisfied of the existence of a nuisance, serve a nuisance order on the person by whose act, default or sufferance the nuisance arises or continues, or if the person cannot be found, on the owner or occupier of the premises on which the nuisance arises. Some of the nuisances which are liable to be dealt with summarily under the Environmental Public Health Act include any workplace which is not kept in a clean state, any place where there exists or is likely to exist any condition giving rise, or capable of giving rise to the breeding of flies or mosquitoes, any place where there occurs, or from which there emanates noise or vibration as to amount to a nuisance and any machinery, plant or any method or process used in any premises which causes a nuisance or is dangerous to public health and safety. The Environmental Public Health Act also requires the occupier of any construction site to employ a competent person to act as an environmental control officer in the construction site for the purpose of exercising general supervision within the construction site of the observance of the provisions of, *inter alia*, the Environmental Public Health Act and any regulations made thereunder.

Pursuant to the Environmental Protection and Management (Control of Noise at Construction Sites) Regulations 2008 (“EPM Regulations 2008”), the owner or occupier of any construction site shall ensure that the level of noise emitted from his construction site does not exceed the maximum permissible noise levels as set out in the Second Schedule to the EPM Regulations 2008. Pursuant to the Environmental Protection and Management (Control of Noise at Construction Sites) (Amendment) Regulations 2011 (“EPM Regulations 2011”), the owner or occupier of any construction site located less than 150 metres from any hospital, home for the aged sick or residential building shall ensure that no construction work is carried out at his construction site on the days and during the times specified within the EPM Regulations 2011, unless permitted by NEA.

In addition, pursuant to the Control of Vectors and Pesticides Act 1998 of Singapore (“Control of Vectors and Pesticides Act”), which is administered by NEA, no person shall create or cause or permit to be created any condition favourable to the propagation or harbouring of vectors.

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Workplace safety

The Workplace Safety and Health Act is administered by MOM and provides that every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include, but are not limited to: (i) providing and maintaining for employees a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work; (ii) ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees; (iii) ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer; (iv) developing and implementing procedures for dealing with emergencies that may arise while employees are at work; and (v) ensuring that the employees at work have adequate instruction, information, training and supervision as is necessary for them to perform their work.

Any person who breaches his duty under the Workplace Safety and Health Act shall be guilty of an offence and shall be liable on conviction, in the case of a body corporate, to a fine not exceeding S\$500,000 and if the contravention continues after the conviction, the body corporate shall be guilty of a further offence and shall be liable to a fine not exceeding S\$5,000 for every day or part thereof during which the offence continues after conviction. For repeat offenders, where a person has on at least one previous occasion been convicted of an offence under the Workplace Safety and Health Act that causes the death of any person and is subsequently convicted of the same offence that causes the death of another person, the court may, in addition to any imprisonment if prescribed, punish the person, in the case of a body corporate, with a fine not exceeding S\$1 million and, in the case of a continuing offence, with a further fine not exceeding S\$5,000 for every day or part thereof during which the offence continues after conviction. Any subsequent offence that causes the death of another person will have a maximum fine that is doubled.

Under section 48(1) of the Workplace Safety and Health Act, an officer of a company (which includes a director, member of the committee of management, chief executive, manager, secretary or other similar officer, and any person purporting to act in any such capacity) can be liable for an offence under the Workplace Safety and Health Act committed by the company unless such officer can prove that (i) the offence was committed without his consent or connivance; and (ii) he had exercised all such diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity and to all the circumstances.

Under the Workplace Safety and Health Act, the Commissioner for Workplace Safety and Health ("CWSH") may serve a remedial order or a stop-work order in respect of a workplace if he is satisfied that (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any work or process carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work; (ii) any person has contravened any duty imposed by the Workplace Safety and Health Act; or (iii) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The remedial order shall direct the person served with the order to take such measures, to the satisfaction of the CWSH, to, *inter alia*, remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work, whilst the stop-work order shall direct the person served with the order to immediately cease to carry on any work or process indefinitely or until such measures as are required by the CWSH have been taken, to the satisfaction of the CWSH, to remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

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The Workplace Safety and Health (Construction) Regulations 2007 (“**WSH(C)R**”) applies to all worksites and sets out additional specific duties on employers which include, *inter alia*, appointing a workplace safety and health coordinator in respect of every worksite to assist and identify any unsafe condition in the worksite or unsafe work practice which is carried out in the worksite and recommend and assist in the implementation of reasonably practicable measures to remedy the unsafe condition or unsafe work practice. The WSH(C)R further sets out the duties of the occupier of a worksite, *inter alia*, in relation to structures and supports, stability of structures, storage and placement of materials and equipment, protection against falling objects, hazards arising from protruding objects, runways and ramps, entry into building under construction and lighting.

More specific duties imposed on employers and occupiers are laid out in the Workplace Safety and Health (General Provisions) Regulations (“**WSHR**”). Some of these duties include taking effective measures to protect persons at work from the harmful effects of any exposure to any bio-hazardous material which may constitute a risk to their health. Under the WSHR, it is the duty of the occupier of a workplace in which the equipment is used to comply with the provisions of the WSHR, and to keep a register containing the requisite particulars with respect to the lifting gears, lifting appliances and lifting machines.

Health and Safety Management Systems

Pursuant to the Workplace Safety and Health (Safety and Health Management System and Auditing) Regulations 2009, the occupier of every worksite shall implement a safety and health management system for the purpose of ensuring the safety and health of persons at work in the work place. Where a workplace is, *inter alia*, a worksite with a contract sum of S\$30 million or more, the occupier must appoint a workplace safety and health auditor to audit the safety and health management system of the workplace at least once every six months. Where a workplace is, *inter alia*, a worksite with a contract sum of less than S\$30 million, the occupier shall conduct an internal review of the safety and health management system of the workplace at least once every six months.

The Workplace Safety and Health (Construction) Regulations 2007 sets out specific duties relating to, *inter alia*, the duty of the occupier of every worksite to appoint a workplace safety and health coordinator in respect of every worksite, where the contract sum of the building operation or works of engineering construction carried out therein is less than S\$10 million, to assist in identifying any unsafe condition in the worksite or unsafe work practice which is carried out in the worksite and recommend and assist in the implementation of reasonably practicable measures to remedy the unsafe condition or unsafe work practice.

More specific duties imposed on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations. Some of these duties include taking effective measures to protect persons at work from the harmful effects of any exposure to any bio-hazardous material which may constitute a risk to their health.

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Pursuant to the Workplace Safety and Health (Risk Management) Regulations, an employer is required to, *inter alia*, conduct a risk assessment (at least once every three years) in relation to the safety and health risks posed to any person carrying out or undertaking work at the workplace, take all reasonably practicable steps to eliminate or minimise foreseeable risks, implement measures/ safety procedures to address the risks and to inform employees of the same, maintain records of such risk assessments and measures/safety procedures for a period of not less than three years, and submit such records to the CWSH from time to time when required by the CWSH.

Demerit Points System

MOM implements a single-stage DPS for the construction industry where all contractors, including main contractors and sub-contractors, will be issued with demerit points for breaches under the Workplace Safety and Health Act and its subsidiary legislation. Under the DPS, accumulation of a minimum of 25 demerit points but not more than 49 demerit points within a period of 18 months would trigger debarment of the contractor for a period of three months which will result in the applications from the contractor for all types of work passes for foreign employees to be rejected by MOM. The accumulation of more demerit points will result in longer periods of debarment. A list of contractors with demerit points is published on the MOM’s website.

The number of demerit points issued to contractors is based on the severity of offences committed, and the total number of demerit points for a contractor is calculated by adding the points accumulated from all the work sites under the same contractor.

Under the DPS, the number of demerit points issued to contractors will be based on the severity of the offences committed:

Severity	Type of Incident	Demerit Points	Effective Date
Potential Harm	Composition fines	1	Date of fine
	Partial Stop Work Order (SWO)	5	Date of SWO issued
	Full Stop Work Order (SWO)	10	Date of SWO issued
Harm	Prosecution for Dangerous Occurrences or accidents that led to major injuries or death of one person	25	Date of MOM’s decision to prosecute
Severe Harm	Prosecution for accidents that led to death of more than one person	50	Date of MOM’s decision to prosecute

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The following table indicates the scope and duration of debarment for the accumulated demerit points:

Phase	Demerit Points accumulated within 18-month period	Allowed to hire new workers	Allowed to renew existing workers	Duration of debarment
1	25 to 49	No	Yes	3 months
2	50 to 74	No	Yes	6 months
3	75 to 99	No	Yes	1 year
4	100 to 124	No	Yes	2 years
5	125 and above	No	No	2 years

Work Injury Compensation Act

The Work Injury Compensation Act applies to employees who are engaged under a contract of service or apprenticeship, regardless of their level of earnings but does not cover self-employed persons or independent contractors. As the Work Injury Compensation Act provides that, where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the subcontractor employer), the principal shall be liable to compensate those employees of the subcontractor employer who were injured while employed in the execution of work for the principal.

The Work Injury Compensation Act provides that if an employee dies or sustains injuries in a work-related accident or contracted occupational diseases in the course of the employment, the employer shall be liable to pay compensation in accordance with the provisions of the Work Injury Compensation Act. An injured employee is entitled to claim medical leave wages, medical expenses and lump sum compensation for permanent incapacity or death, subject to certain limits stipulated in the Work Injury Compensation Act.

An employee who has suffered an injury arising out of and in the course of his employment can choose to either:

- (a) submit a claim for compensation through MOM without needing to prove fault or negligence on any party's part. There is a fixed formula in the Work Injury Compensation Act on amount of compensation to be awarded; or
- (b) commence legal proceedings to claim damages under common law against the employer for breach of duty or negligence.

REGULATORY OVERVIEW

Under the Work Injury Compensation Act, every employer is required to insure and maintain insurance under approved policies with an insurer against all liabilities which he may incur under the provisions of the Work Injury Compensation Act in respect of all employees employed by him, unless specifically exempted. Work injury compensation insurance is required for all employees doing manual work, regardless of salary level, and all employees doing non-manual work, earning S\$2,600 or less a month. Failure to provide adequate insurance is an offence carrying a fine of up to S\$10,000 or imprisonment for a term of up to 12 months, or both for a first time offender.

Employment Act

The Employment Act is administered by MOM and sets out the basic terms and conditions of employment and covers every employee who is under a contract of service with an employer and includes a workman which is defined under the Employment Act to include (i) any person, skilled or unskilled, who has entered into a contract of service with an employer in pursuance of which he is engaged in manual labour, including any artisan or apprentice; and (ii) any person employed partly for manual labour and partly for the purpose of supervising in person any workman in and throughout the performance of his work, but excludes seafarers, domestic workers and public servants.

Core employment provisions of the Employment Act, such as public holiday and sick leave entitlements, minimum days of annual leave, payment of salary and allowable deductions and release for wrongful dismissal, cover all employees, including persons employed in a managerial or executive position.

In addition, Part IV of the Employment Act (“**Part IV**”) contains provisions relating to, *inter alia*, working hours, overtime, rest days, payment of retrenchment benefit, priority of retirement benefit, annual wage supplements and other conditions of work or service which only applies to: (i) workmen earning basic monthly salaries of not more than S\$4,500; and (ii) employees (excluding workmen) earning basic monthly salaries of not more than S\$2,600.

An employer who breaches any provision of Part IV shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000, and for a second or subsequent offence to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both.

Employment of foreign manpower

The Employment of Foreign Manpower Act and relevant government gazettes set out the policies and regulations relating to the employment of foreign manpower to regulate the availability and cost of foreign employees, both skilled and unskilled, in the domestic labour market. The Employment of Foreign Manpower (Work Passes) Regulations 2012 (“**EFMR**”) prescribes that the categories of work passes include, among other things, a work permit, an S pass and an employment pass.

REGULATORY OVERVIEW

The Employment of Foreign Manpower Act provides that no person shall employ a foreign employee unless the foreign employee has obtained a valid work pass from MOM in accordance with the EFMR, which allows the foreign employee to work for him. A work pass includes the following: (i) employment pass, for foreign professionals, managers and executives earning at least S\$5,600 per month and who have passed the Complementary Assessment Framework as prescribed by MOM; (ii) S pass for mid-level skilled staff who earn at least S\$3,300 per month and who meet the assessment criteria; and (iii) work permit for semi-skilled foreign workers. In addition, legally married spouses and/or unmarried children under 21 years of eligible employment pass or S pass holders are also permitted to work in Singapore under a dependent’s pass, subject to certain requirements.

Any person who fails to comply with or contravenes this provision of the Employment of Foreign Manpower Act shall be guilty of an offence and shall: (i) be liable on conviction to a fine not less than S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and (ii) on a second or subsequent conviction, in the case of an individual be punished with imprisonment for a term of not less than one month and not more than 12 months and also be liable to a fine not less than S\$10,000 and not more than S\$30,000 and in any other case, be punished with a fine not less than S\$20,000 and not more than S\$60,000.

The availability of the foreign workers for the construction sector is regulated by MOM through the following policy instruments:

- (a) approved source countries;
- (b) the imposition of security bonds and levies;
- (c) dependency ceilings based on the ratio of local to foreign workers; and

The approved source countries for construction workers are Malaysia, the PRC, Non-traditional sources (“NTS”) countries and North Asian sources (“NAS”) countries. The NTS countries comprises of India, Sri Lanka, Thailand, Bangladesh, Myanmar, the Philippines, Bhutan, Cambodia and Laos. The NAS countries comprises of Hong Kong, Macau, South Korea and Taiwan.

Contractors must have prior approval (“PA”) from MOM in order to employ foreign workers from NTS countries and the PRC. The PA indicates the number of foreign workers a company is allowed to employ from NTS countries and the PRC. It also determines the number of foreign workers whose work permits can be renewed, or whose employment can be transferred from another company in Singapore. PAs are given based on: (i) the duration of the work permits applied for; (ii) the number of full-time local workers employed by the company over the past three months as reflected in the company’s CPF contribution statements; (iii) the number of man-years allocated to the company (for main contractors) or the man-years directly allocated from the company’s main contractor (for subcontractors); and (iv) the remaining quota (dependency ratio ceiling) available.

REGULATORY OVERVIEW

Requisite certification and safety courses

Work permit holders in the construction industry would be required to obtain the following before they are allowed to work in Singapore.

Certificates	Source countries
Skills Evaluation Certificate (“SEC”), Skills Evaluation Certificate (Knowledge) (“SEC(K)”) ⁽¹⁾ , or SEC(K) at higher skill level	NTS and PRC
SEC, SEC(K), SEC(K) at higher skill level, or end-of-course validation of an accelerated learning program (“ALP”) ⁽¹⁾	NAS
Sijil Pelajaran Malaysia or its equivalent, SEC, SEC(K), SEC(K) at higher skill level, or End-of-course validation of ALP	Malaysia

Notes:

- (1) Both the SEC and SEC(K) are initiatives by BCA to raise skills, productivity and safety in the construction sector.
- (2) BCA and MOM has introduced the ALP for Malaysian and NAS Construction Work Permit Holders to facilitate the entry and retention of higher-skilled construction foreign workers. The ALP consists of a 1-day training course and an end-of-course validation.

In addition, work permit holders in the construction industry must attend the “Apply Workplace Safety and Health in Construction Sites” course within two weeks of arriving in Singapore and their work permits cannot be issued until they take the course. Work permit holders must pass the course within three months of arrival or their work permits could be revoked. If a work permit holder has worked in the construction sector for less than six years, he needs to pass the course once every two years. If a work permit holder has worked in the construction sector for six years or more, he needs to pass the course once every four years. When renewing a work permit, the work permit holder’s safety course certificate must be valid for more than one month on the day of renewal.

Security bonds and levies

The employment of foreign workers in Singapore is also subject to the payment of levies. The levy rates payable for work permit holders in the construction sector are set out in the table below:

Tier	Monthly (S\$)	Daily ⁽¹⁾ (S\$)
Malaysians, PRC and NAS – Higher-Skilled ⁽²⁾	300	9.87
Malaysians, PRC and NAS – Basic-Skilled ⁽³⁾	700	23.02
NTS – Higher-Skilled	500	16.44
NTS – Basic-Skilled	900	29.59
Off-site Construction – Higher-Skilled	250	8.22
Off-site Construction – Basic-Skilled	370	12.17

REGULATORY OVERVIEW

Notes:

- (1) The daily levy rate only applies to work permit holders who did not work for a full calendar month. The daily levy rate is calculated as follows: $(\text{Monthly levy rate} \times 12)/365 = \text{rounding up to the nearest cent}$. If there are changes to the skill status of the worker, the change in levy rate will start on the 1st of the month following the expiry date of the permit.
- (2) Employers can upgrade their construction workers from “Basic-Skilled” to “Higher-Skilled” by fulfilling criteria in relation to, among others, the worker’s minimum years of experience, the obtaining of relevant skills or certifications and a minimum fixed monthly salary.
- (3) All foreign workers in the construction sector are required to attain “Basic-Skilled” status to work in Singapore.

In addition, an employer is required to place a security bond of S\$5,000 with the Singapore Government prior to the employment of each non-Malaysian work permit holder, which is discharged when the employer has (i) cancelled the work permit for the foreign worker; (ii) such foreign worker has returned home; and (iii) the employer has not breached any of the conditions of the security bond.

Dependency ceilings

The levy rates payable for S Pass holders in the construction sector is S\$650 per calendar month. The daily levy rate is S\$21.37 for S Pass holders who did not work for a full calendar month is calculated as follows: $(\text{Monthly levy rate} \times 12)/365 = \text{rounding up to the nearest cent}$.

The dependency ratio ceiling for the construction sector is five work permit holders for every full-time local employee.

For the purposes of determining the foreign employee entitlement of a company only, MOM regards (i) Singaporeans and Permanent Residents (“PRs”) who earn at least S\$1,600 per month as full-time employees; (ii) Singaporeans and PRs who earn S\$800 to below S\$1,600 per month as part-time employees; and (iii) two part-time employees count as one full-time employee. MOM uses the Jia Hong’s CPF account to determine the company’s full-time employees.

At least 10.0% of an employer’s construction work permit holders must be Higher-Skilled (“**R1 Minimum Criteria**”) before such employer can hire any new Basic-Skilled construction workers or renew the work permits of existing Basic-Skilled construction workers. Firms that do not meet the R1 Minimum Criteria will not be able to hire or renew any Basic-Skilled construction workers and will also have the work permits of any excess Basic-Skilled construction workers revoked.

Housing of foreign workers

Employers are required to comply with the conditions of the work permits, such as the requirement to provide acceptable accommodation for their foreign workers. Employers must also ensure that their foreign employees live in proper housing which complies with the various statutory requirements, and provide the foreign employees’ residential addresses to MOM.

REGULATORY OVERVIEW

Additional conditions

Employers of foreign workers are also required to comply with other conditions of the work permits which include the following: (i) ensuring that the foreign worker performs only those activities specified in the conditions; (ii) ensuring that the foreign worker is not sent to work for any other person, except as provided for in the conditions; (iii) providing safe working conditions for their foreign workers; (iv) insuring and maintaining workmen’s compensation insurance in respect of the foreign worker; and (v) purchasing and maintaining medical insurance with coverage of at least S\$15,000 (for policies that started before 1 July 2023), and S\$60,000 for policies that start on 1 July 2023 or after, per 12-month period of the foreign worker’s employment (or for such shorter period where the worker’s period of employment is less than twelve months) for the foreign worker’s in-patient care and day surgery except as the Controller of Work Passes may otherwise notify.

Central Provident Fund Act

The CPF system is a mandatory social security savings scheme funded by contributions from employers and employees. Pursuant to the Central Provident Fund Act, an employer is obliged to make CPF contributions for all employees who are Singapore citizens or permanent residents who are employed in Singapore by an employer (save for employees who are employed as a master, a seaman or an apprentice in any vessel, subject to an exception for non-exempted owners). CPF contributions are not applicable for foreigners who hold employment passes, S-passes or work permits. CPF contributions are required for both ordinary wages and additional wages (subject to an ordinary wage ceiling and a yearly additional wage ceiling) of employees at the applicable prescribed rates which is dependent on, *inter alia*, the amount of monthly wages and the age of the employee. An employer must pay both the employer’s and employee’s share of the monthly CPF contribution. However, an employer can recover the employee’s share of CPF contributions by deducting it from their wages when the contributions are paid for that month.

SINGAPORE TAXATION

Corporate tax

The prevailing corporate tax rate in Singapore for both resident and non-resident companies is 17.0%. Under Partial Tax Exemption scheme, 75.0% of up to the first S\$10,000, and 50.0% of up to the next S\$190,000 of a company’s chargeable income to be taxed are exempt from corporate tax. Any chargeable income in excess of S\$200,000 will be fully taxable at the prevailing corporate tax rate.

Dividend distributions

One tier corporate taxation system

Singapore adopts the one-tier corporate taxation system whereby the tax collected from corporate profits is a final tax and the after-tax profits of the company resident in Singapore can be distributed to the shareholders as tax-exempt dividends. Such dividends are tax-exempt in the hands of the shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

REGULATORY OVERVIEW

Withholding taxes

Singapore does not impose withholding tax on dividends paid to resident or non-resident shareholders.

Goods and Services Tax (“GST”)

GST in Singapore is a consumption tax that is levied on import of goods into Singapore, as well as nearly all supplies of goods and services in Singapore at a prevailing rate of 9.0%.