

REGULATORY OVERVIEW

Our Group’s operations in Singapore are governed by various Singapore laws and regulations and subject to various Singapore licences, permits and government approvals.

Contractors Registration System

The construction industry in Singapore is regulated by the Building and Construction Authority (“BCA”), whose primary role is to develop and regulate Singapore’s built environment, comprising buildings, structures and infrastructure in Singapore. Although business entities which are not registered with the BCA are not precluded from conducting business as contractors or suppliers outside the Singapore public sector, registration in the Contractors Registration System (CRS) maintained by the BCA is a pre-requisite to tendering for public sector construction projects, working as first-level subcontractors in public sector construction projects and/or hiring foreign construction workers (i.e. S Pass and/or work permit holders) in Singapore. At present, there are five main registration groups which are further sub-classified into workheads. The five main categories of registration are: (i) Construction Workhead (CW); (ii) Construction-Related Workheads (CR); (iii) Mechanical & Electrical Workheads (ME); (iv) Trade Heads (TR); and (v) Regulatory Workheads (RW). The different grades of CRS workheads determines a firm’s tendering limits for Singapore public sector construction projects.

BCA Workhead registrations under the Contractors Registration System are categorised by trade categories and graded within each category. The mechanical and electrical workhead is graded from L1 to L6. Registration of a contractor with the BCA and the grade assigned to a contractor for a certain category of registration are dependent on, amongst others, the contractor fulfilling certain requirements such as personnel qualification, track record of previously completed projects, its financial capability (such as net worth and paid-up capital) and where applicable, occupational health and safety records. This grading tiering directly defines a contractor’s tendering limits when bidding for public sector projects, creating a highly regulated market environment with specific registration requirements. The validity period of the contractor’s registration for a workhead and grade is determined by BCA and specified in the application result letter issued to the contractor.

Telecommunication Wiring Licence

One of the requirements for Sunbeam to qualify for its registration under the L5 grade in ME15 (Integrated Building Services) Workhead is that Sunbeam must hold a valid Telecommunication Wiring Contractor Class Licence issued by the IMDA.

There are two types of IMDA Telecommunication Wiring Licences, namely: (a) Telecommunication Wiring Contractor Class Licence which is applicable to an ACRA registered entity; and (b) Telecommunication Wiring Installer Class Licence which is applicable to an individual.

To register for a Telecommunication Wiring Contractor Class Licence, Sunbeam has to be an ACRA registered entity and must employ at least one licensed telecommunication wiring installer. The Telecommunication Wiring Contractor Class Licence includes the following conditions that the licensed contractor must comply with:

REGULATORY OVERVIEW

- (a) in carrying on the business of providing wiring work, ensure that (i) only a licensed installer (whose licence is not suspended) carries out the wiring works; and (ii) the licensed installer only carries out wiring work in relation to the type of wiring that the installer is authorised under regulation 4(1) of the Telecommunication (Wiring Works) Regulations to carry out; and
- (b) comply with provisions of the Telecommunications Act, the Telecommunications (Wiring Works) Regulations 2024 and the Code of Practice for Telecommunication Wiring Work 2024 issued by IMDA under the Telecommunications Act .

Building and Construction Industry Security of Payments Act 2004 (“SOP Act”)

Under the SOP Act, any person who has carried out construction work or supplied any goods or services under a contract is entitled to progress payments, whereas in the SOP Act, “construction works” means, amongst others, (i) the construction, alteration, repair, restoration, maintenance, extension, demolition or dismantling of buildings or structures (whether permanent or not) that form or are to form part of the land, (ii) the installation in any building, structure or works of fittings that form or are to form part of the land, including systems of heating, lighting, air-conditioning, ventilation, power supply, drainage, sanitation, water supply or fire protection and security or communications systems, (iii) the external or internal cleaning of buildings, structures or works, so far as it is carried out in the course of their construction, alteration, repair, restoration, maintenance or extension and (iv) the painting or decorating of the external or internal surfaces of any building, structure or works.

Such definition of “construction works” under the SOP Act generally applies to the works provided by our Group.

The SOP Act contains provisions relating to, amongst others, the amount of the progress payment to which a person is entitled under a contract, the valuation of construction work carried out or goods or services supplied under a contract and the date on which a progress payment becomes due and payable. The SOP Act provides a process for a claimant (being the person who has carried out construction work or supplied goods or services) to serve a payment claim on the respondent (being the person who is or may be liable to make a progress payment under the contract with the claimant). The respondent would then have to respond to the payment claim within the time period prescribed under the SOP Act. If the claimant fails to receive payment of the response amount or disputes the response amount, the claimant is entitled to apply for adjudication, which is a fast-tracked dispute resolution process under the SOP Act, of the payment claim dispute before an accredited adjudicator. The adjudicator is then to issue an adjudication determination setting out the amount payable (“**adjudicated amount**”), if any, from the respondent to the claim in respect of the payment claim dispute. The SOP Act also entitles a claimant to suspend the carrying out of construction work or supply of goods and services, and to exercise a lien over goods that are unfixed, if the respondent fails to pay an adjudicated amount. An adjudication determination may be enforced as a judgement debt.

The SOP Act provides that a “pay when paid” provision, which means, *inter alia*, a provision of the contract that makes the liability of one party (the first party) to pay money owing to another party contingent or conditional on payment to the first party by a further party of the whole or any part of that money, shall be unenforceable. Parties to a contract are not entitled to contract out of the provisions of the SOP Act.

REGULATORY OVERVIEW

Workplace Safety and Health (“WSH”) Safety Measures

Under the Workplace Safety and Health Act 2006 (the “**WSHA**”), 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 providing and maintaining for the employees a work environment which is safe, without risk to health, and as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, 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, developing and implementing procedures for dealing with emergencies that may arise while those persons are at work and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work. There are provisions of the WSHA setting out the duties of an occupier of a workplace, or a principal which may also be applicable to the Company.

The Workplace Safety and Health (Construction) Regulations 2007 (the “**WSH Construction Regulations**”) set out additional specific duties on occupiers of worksites which include, amongst others, appointing a WSH 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 and identify any unsafe condition in the worksite or unsafe work practice which is carried out in the worksite and to 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 and occupiers of workplaces are laid out in the Workplace Safety and Health (General Provisions) Regulations (the “**WSH 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 biohazardous material which may constitute a risk to their health.

Pursuant to the WSH General Provisions Regulations, the following equipment are required to, amongst others, be tested and examined by an authorised examiner before they can be used and thereafter, at specified intervals: (a) hoists or lifts; (b) lifting gears; and (c) lifting appliances and lifting machines. Upon examination, the authorised examiner will issue and sign a certificate of test and examination, specifying the safe working load of the equipment. Such certificate of test and examination shall be kept available for inspection. Under the WSH General Provisions Regulations, it is the duty of the occupier of a workspace in which the equipment is used to comply with the foregoing provisions of the WSH General Provisions Regulations, and to keep a register containing the requisite particulars with respect to the lifting gears, lifting appliances and lifting machines.

In addition to the above, under the WSHA, inspectors appointed by the Commissioner for Workplace Safety and Health (the “**CWSH**”) may, among others, enter, inspect and examine any workplace, to inspect and examine any machinery, equipment, plant, installation or article at any workplace, to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with, to take samples of any material or substance found in a workplace or being discharged from any workplace for the purpose of analysis or test, to assess the levels of noise, illumination, heat or harmful or hazardous substances in any workplace and the exposure

REGULATORY OVERVIEW

levels of persons at work therein and to require any person to produce any article which is relevant to any investigation or inquiry under the WSHA and, if necessary, to take into custody any article in the workplace which is relevant to an investigation or inquiry under the WSHA.

Under the WSHA, the CWSH may issue a stop-work order or remedial 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 is so used, that any process or work 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 WSHA; 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 posed a risk to the safety, health and welfare of persons at work. The stop-work order shall, amongst others, direct the person served with the order to immediately cease to carry on any work 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 in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work. The remedial order shall, amongst others, direct the person served with the order to take such measures, 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.

Under the Workplace Safety and Health (Registration of Factories) Regulations 2008 (the “**WSH Factories Regulations**”), (a) any person who desires to occupy or use any premises as a factory falling within any of the classes described in Part I or II, but not Part III of the First Schedule of the WSH Factories Regulations is required to register the premises as a factory with the CWSH, (b) any person who desires to occupy or use any premises as a factory falling within any of the classes described in Part III of the First Schedule of the WSH Factories Regulations is required to register the premises as a major hazard installation under the Workplace Safety and Health (Major Hazard Installations) Regulations 2017 with the CWSH, and (c) any person who desires to use or occupy any premises as a factory not falling within Part I, II or III of the First Schedule of the WSH Factories Regulations shall be required to submit a notification in the prescribed form to the CWSH before the commencement of operation of the factory. In the last instance, the occupier of the factory is required to inform the CWSH, amongst others, of any changes in any of the particulars of the factory, type of work carried out in the factory or any cessation of occupation or use of the factory.

Pursuant to the Workplace Safety and Health (Risk Management) Regulations (the “**WSH Risk Management Regulations**”), the employer or principal in a workplace shall, amongst others, conduct a risk assessment in relation to the safety and health risks posed to any person who may be affected by his undertaking in the workplace, take all reasonable practicable steps to eliminate any foreseeable risk to any person who may be affected by his undertaking in the workplace, and where it is not reasonably practicable to eliminate such risk or where not reasonably practicable to eliminate such risk, implement reasonably practicable measures to minimise the risk and safe work procedure to control the risks, and to inform workers of the same, maintain records of such risk assessments and measures/safe work 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.

Under the Workplace Safety and Health (Incident Reporting) Regulations (the “**WSH Incident Reporting Regulations**”), accidents at workplaces which lead to death or injury, or results in an employee being certified unfit for work, require hospitalisation or placed on light duties, any dangerous

REGULATORY OVERVIEW

occurrences (as specified under the First Schedule of the WSHA), any employee contracting an occupational diseases (as specified under the Second Schedule of the WSHA) must be notified and/or reported to CWSH within the timeframe stipulated therein. Regulation 11 of the WSH Incident Reporting Regulations states, *inter alia*, that any person who, without reasonable excuse, contravenes the relevant notification and/or reporting requirement(s) shall be guilty of an offence and shall be liable on conviction for the first offence, to a fine not exceeding S\$10,000, or if the person is a repeat offender, to a fine not exceeding S\$20,000 or to imprisonment for a term not exceeding six months or to both.

If the Company contravenes a provision of the WSHA and/or the relevant Regulations, depending on the provision in question, the Company be guilty of an offence and be subject to the applicable punishment that may be prescribed.

Demerit Points System

The MOM has implemented a demerit points system for all companies in the construction sector. A company in the construction sector will be issued with demerit points for breaches under the WSHA and relevant subsidiary legislation. The number of demerit points awarded depends on the severity of the offences committed. An accumulation of 25 or more demerit points within a period of 18 months would result in (i) debarment from employing new migrant workers for a period of three months. The accumulation of more demerit points will result in longer periods of debarment from employing new migrant workers and in the event 125 or more demerit points are accumulated, the company shall be debarred from employing new migrant workers and renewing existing workers for a period of two years.

Demerit points for a company are calculated by adding the points accumulated from all the workplaces under the same company.

Business Under Surveillance Programme

The MOM has also implemented the Business Under Surveillance (“BUS”) programme to help companies with poor WSH records develop or improve on their safety and health management system.

A company first undergoes an initial assessment phase, where the MOM’s Occupational Safety and Health Division (the “OSHD”) will conduct a thorough review of the company’s risk management and WSH management system, including whether the company has fatal workplace accidents, multiple workplace injuries or dangerous occurrences (as set out in the First Schedule to the WSHA), poor performance records, stop work orders or, for the construction sector, accumulated demerit points. The company will formally enter the BUS programme if the OSHD’s review reveals an inability to manage WSH properly or shows signs of systemic lapses.

In the surveillance phase, the company must develop and commit to a comprehensive and sustainable action plan. The company is accountable for implementing such action plan and report its progress regularly to the OSHD. The OSHD will also conduct frequent inspections to verify progress, and the company’s management is expected to liaise with the OSHD and demonstrate visible commitment to improve its WSH management. The names of companies under BUS programme are published by MOM on a list (updated weekly when there is change).

REGULATORY OVERVIEW

A company in the construction sector can be temporarily disqualified from participating in public sector construction and construction-related projects if it has entered the BUS programme within three months prior to the tender closing or letter of award date, or has entered the BUS programme after the tender closing date, but before the tender award date.

A company may exit the BUS programme when it demonstrates significant improvement in its WSH performance and the ability to manage WSH effectively, and its management shows plans to build a stronger WSH culture within the company.

Work Injury Compensation Act 2019 (“WICA”)

The WICA applies to all local or foreign employees (except for independent contractors, self-employed, domestic workers and uniformed personnel) in all industries engaged under a contract of service or apprenticeship, regardless of their level of earnings. The WICA provides that the employer will be liable to pay compensation to employees in accordance with the provisions therein, in the event of personal injury or disease arising out of and in the course of employment. The WICA sets out, among other things, the amount of compensation an employee may be entitled to and the method(s) of calculating such compensation. The relevant regulatory body is the MOM.

Employers are also subject to, amongst others, provisions set out in the Employment of Foreign Manpower Act 1990 (the “EFMA”), the EA and the regulations relating to the employment of foreign manpower.

The WICA does not cover self-employed persons or independent contractors. However, the WICA 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 contractor) for the execution by the contractor of the whole or any part of any work, or for the supply of labour to carry out any work, undertaken by the principal, the principal may be liable to fulfil the obligations of the employer under the WICA in relation to any employee of the contractor employed in the execution of the work. Where the principal pays compensation under the WICA, the principal is entitled to be indemnified by the employer who would have been liable to pay compensation under the WICA to the employee.

The WICA provides that if an employee sustains personal injuries caused by an accident arising out of and in the course of the employee’s employment with an employer, or where incapacity or death of an employee results from a diseases contracted in the prescribed circumstances under the WICA, the employer shall be liable to pay compensation in accordance with the provisions of the WICA. 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 WICA.

An employee who has suffered an injury arising out of and in the course of his employment can choose to seek compensation through either (but not both): (a) submitting a claim for compensation under the WICA by notifying the employer or the designated insurer. There is no need to prove negligence or breach of duty by any party. The amount of compensation is based on a formula specified in the WICA and subject to limits; or (b) commencing legal proceedings to claim damages under common law against the employer for breach of duty or negligence.

REGULATORY OVERVIEW

Damages under a common law claim may include compensation for pain and suffering, loss of wages, medical expenses and any future loss of earnings. While there is no specified limit on the compensation amount, the employee must prove that the employer or a third party was at fault.

Under the WICA, every employer is required to insure and maintain insurance under approved policies with a designated insurer against all liabilities which he may incur under the provisions of the WICA in respect of all employees, unless specifically exempted. The compensation limits under the WICA were recently revised such that where the accident takes place on or after 1 November 2025:

- (a) Where death results from a work injury, the amount of compensation payable must be paid in a lump sum and shall not be more than S\$269,000 or less than S\$91,000.
- (b) Where an employee has permanent total incapacity or current total incapacity resulting from a work injury, the amount of compensation payable must be paid in a lump sum and shall not be more than S\$346,000 or less than S\$116,000.
- (c) Any compensation payable by an employer for the medical treatment received by an employee in relation to the employee’s work injury is subject to the limit of S\$53,000 per accident per employee.

Employment Act 1968 (“EA”)

The EA is administered by MOM and sets out the terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the EA. In particular, Part 4 of the EA sets out requirements for rest days, hours of work and other conditions of service for workmen who receive salaries (excluding overtime payments, bonus payments, annual wage supplements, productivity incentive payments and any allowance however described) not exceeding S\$4,500 a month or such other amount as may be prescribed and employees (other than workmen or persons employed in managerial or executive positions) who receive salaries (excluding overtime payments, bonus payments, annual wage supplements, productivity incentive payments and any allowance however described) not exceeding S\$2,600 a month or such other amount as may be prescribed. Section 38(8) of the EA provides that a Part 4 Employee is not allowed to work for more than 12 hours in any one (1) day except in specified circumstances, such as where the work is essential to the life of the community, defence or security, urgent work to be done to machinery or plant and interruption of work which was impossible to foresee. In addition, Section 38(5) of the EA limits the extent of overtime work that a Part 4 Employee can perform to 72 hours a month. Employers must seek the prior approval of the Commissioner for Labour in writing for exemption if they require a Part 4 Employee or class of Part 4 Employees to work for more than 12 hours a day or more than 72 overtime hours a month. The Commissioner for Labour may, after considering the operational needs of the employer and the health and safety of the Part 4 Employee or class of Part 4 Employees, by order in writing, exempt such Part 4 Employees from the overtime limits subject to such conditions as the Commissioner for Labour thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such Part 4 Employees are employed. An employer who breaches the above provisions 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. All employers are required to make and keep employee records for the period prescribed under the EA, give written records of key employment terms and give pay slips to employees covered by the EA.

REGULATORY OVERVIEW

Employment of Foreign Workers in Singapore

The employment of foreign workers in Singapore is governed by the EFMA and regulated by the MOM. In Singapore, under Section 5(1) of the EFMA, no person shall employ a foreign employee unless he has obtained in respect of the foreign employee a valid work pass from the MOM. Any person who fails to comply with or contravenes Section 5(1) of the EFMA shall be guilty of an offence and shall: (a) be liable on conviction to a fine of 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 (b) on a second or subsequent conviction: (i) in the case of an individual, be punished with a fine of at least S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one (1) month and not more than 12 months; or (ii) in any other case, be punished with a fine of at least S\$20,000 and not more than S\$60,000.

The availability of the foreign workers to various sectors is also regulated by the MOM through, amongst others, the following policy instruments: (a) approved source countries; (b) the imposition of security bonds and levies; and (c) dependency ratio ceilings on the number of foreign workers that a company in a stipulated sector can employ at the company level. As our Group provides “construction works” as defined in the EFMA, comprising, amongst others, construction, extension, installation, repair, maintenance, renewal, removal, alteration, dismantling or demolition of any electrical, water, gas or telecommunication works as part of our works to our customers, we are considered a service provider in the construction sector for the purposes of compliance with EFMA and its related regulations.

Approved source countries

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

Our Group currently employs foreign workers mainly from Malaysia, Myanmar, India, Bangladesh and the PRC.

At least 10% of a company’s construction work permit holders must be Higher-Skilled (R1) before any new Basic-Skilled (R2) construction workers are hired or existing R2 work permits are renewed. Migrant workers can qualify as basic-skilled construction workers through the Skills Evaluation Certificate (“SEC”) and SEC(Knowledge) (“SEC(K)”) or Accelerated Learning Programme (“ALP”) schemes initiated by the BCA to raise the skill levels and productivity of the construction sector’s workforce, and enhance safety in the construction sector.

Depending on which country/region they are from, workers require the following certificates to attain Basic-Skilled status:

- (a) Workers from NTS and PRC must possess one of the SEC, SEC(K) or SEC(K) at higher-skill level certificate;
- (b) Workers from NAS must possess one of the SEC, SEC(K), SEC(K) at higher-skill level certificate or end-of-course validation of ALP;

REGULATORY OVERVIEW

- (c) Malaysian workers must possess one of the Sijil Pelajaran Malaysia (“SPM”) or its equivalent, SEC, SEC(K), SEC(K) at higher-skill level certificate or end-of-course validation of ALP.

The BCA recently announced, on 30 April 2026, that to expedite the process of bringing in new workers, mandatory pre-entry SEC(K) testing in source countries will cease for the PRC and Thailand in January 2027 and in all source countries in January 2028. Under the new process, firms may import new Construction Work Permit holders directly and obtain the SEC(K) locally. From January 2028 onwards, to be eligible for work permit renewals, new construction work permit holders must pass the SEC(K) in Singapore within one year from work permit issuance. Firms must reserve a test slot before workers enter Singapore. Firms will pay the prevailing R2 (Basic-skilled) levy rate for new construction work permit holders brought in without SEC(K) for the first six months, during which the work permit holders must pass the SEC(K) conducted in Singapore to maintain the levy rate. Otherwise, the firms will be liable for a higher levy rate after the six-month grace period.

Migrant workers whose work permits are approved or issued without the required certification will be charged a levy rate of \$900, regardless of their source country/region. This levy will be categorised under ‘Unskilled’.

Work permit holders can work any number of years, and up to a maximum age of 63 years old. From 1 July 2026, the age limit when applying for a Work permit will be raised from 61 to 62 years old, and the maximum employment age for existing Work permit holders will be raised from 63 to 64 years old.

In addition, for each individual’s work permit, in-principle approvals have to be sought. Within two weeks of the worker’s arrival in Singapore, the worker is required to undergo a medical examination by a doctor registered in Singapore or MOM-appointed anchor operators for workers eligible for the primary care plan and must pass such medical examination before a work permit can be issued to him.

All foreign workers in the construction sector must complete the Apply Workplace Safety and Health in Construction Sites or the Construction Safety Orientation Course conducted by various training centres accredited by MOM and/or designated overseas training centres, before their work permits are issued. The Apply Workplace Safety and Health in Construction Sites/Construction Safety Orientation Course are to (i) ensure that construction workers are familiar with common safety requirements and health hazards in the industry; (ii) educate them on the required measures to prevent accidents and diseases; and (iii) ensure that they are aware of their rights and responsibilities under employment law. Employers must ensure that the foreign workers attend the course within two weeks of their arrival in Singapore before their work permits can be issued. In addition, the foreign workers must pass the course within three months of their arrival, failing which their work permits may be revoked. Foreign workers in the construction sector need to retake and pass the Apply Workplace Safety and Health in Construction Sites/the Construction Safety Orientation Course once every two years if they have worked in the construction sector for six years or less and once every four years if they have worked in the construction sector for more than six years.

REGULATORY OVERVIEW

Security bonds and levies

For each non-Malaysian construction sector worker who is successfully granted with a work permit, a security bond of S\$5,000 in the form of a banker’s guarantee or an insurer’s guarantee is required to be furnished to the Controller of Work Passes under the EFMA. The security bond must be furnished prior to the foreign worker’s arrival in Singapore, failing which, entry into Singapore will not be allowed.

The employment of foreign workers is also subject to the payment of monthly levies. The levy is a pricing mechanism to regulate the number of foreign manpower in Singapore. For the construction sector, employers pay the requisite levy according to the qualification of the foreign workers employed and the countries they are from. From 1 January 2024, the levy rates for the construction sector are as follows:

Tier	Monthly	Daily
	(S\$)	(S\$)
Malaysians, NAS and PRC — Higher-Skilled	300	9.87
Malaysians, NAS and PRC — Basic-Skilled	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

Dependency ratio ceilings

The dependency ratio ceiling (DRC) for the construction sector is currently set at 83.3%, meaning that the total number of work permit and S Pass holders employed by a company in the construction sector cannot exceed 83.3% of its total workforce. Under the construction sector quota, employers can employ five work permit holders for every local employee who earns the Local Qualifying Salary (LQS). The LQS is currently S\$1,600 per month for full-time local employees (to be increased to S\$1,800 from 1 July 2026). A Singaporean or Permanent Resident employee including the company’s director, is counted as: (a) one (1) local employee if they earn at least S\$1,600 per month; and (b) 0.5 local employee if they earn at least S\$800 but below S\$1,600 per month.

Work passes

A work permit is generally issued to unskilled or semi-skilled migrant workers. The work permit duration is generally two years, subject to the validity of the worker’s passport, the security bond and the worker’s employment period, whichever is shorter. Work permit holders must, amongst others, (a) work only in the occupation specified in their work permit card; (b) not take part in any other business or start their own business; (c) reside only at the address set by their employer at the start of employment and must inform their employers if they plan to move to another place; and (d) show their digital work pass in the SGWorkPass app or their work permit card when requested by any public officer.

REGULATORY OVERVIEW

The S Pass is intended for skilled foreigners who: (a) earn a minimum qualifying fixed monthly salary of at least S\$3,300 for new applications 1 September 2025 (increasing to S\$3,600 for new applications from 1 January 2027), with higher salaries required for older applicants and those in the financial services sector; and (b) have a job offer in Singapore. Application for S Pass is open for foreign employees across all nationalities but is still subject to foreign worker levy and quota. The S Pass levy rate has been harmonised to S\$650 per month across all sectors since 1 September 2025.

The Employment Pass (“EP”) is intended for foreigners who: (a) earn a minimum qualifying fixed monthly salary of at least S\$5,600 (or S\$6,200 for the financial services sector), with salaries increasing progressively with age up to S\$10,700 (or S\$11,800 for the financial services sector) at age 45 and above. From 1 January 2027, the minimum qualifying salary for new EP applications will increase to S\$6,000 (or S\$6,600 for the financial services sector), with salaries increasing progressively with age up to S\$11,500 (or S\$12,700 for the financial services sector) at age 45 and above.

No foreign worker levy or quota is imposed for EP holders. EP applicants will also have to meet a minimum score of 40 points under the Complementarity Assessment Framework points system. Points under the new Complementarity Assessment Framework points system will be awarded based on four foundational criteria and two (2) bonus criteria. These foundational and bonus criteria are further split into two categories, individual and firm-related attributes, as set out in the table below.

	<u>Individual Attributes</u>	<u>Firm-Related Attributes</u>
Foundational Criteria	C1. Applicant’s salary	C3. Nationality diversity of the employer company
	C2. Applicant’s qualifications	C4. Employer company’s support for local employment
Bonus Criteria	C5. Skills Bonus for candidates in the Shortage Occupation List	C6. Strategic Economic Priorities Bonus for firms that engages in innovation and internationalisation activities

Apart from the EFMA, an employer of foreign workers is also subject to, amongst others, the provisions as set out in: (a) the EA; (b) the Immigration Act 1959; and (c) the regulations issued pursuant to the EFMA and the Immigration Act 1959.

Environmental laws and regulations

Environmental Public Health Act 1987 (“EPHA”)

The EPHA requires, among others, a person, during the erection, alteration, construction or demolition of any building or at any time, 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.

REGULATORY OVERVIEW

The EPHA also regulates, amongst others, the disposal and treatment of industrial waste and public nuisances. Under the EPHA, the Director-General of Public Health may, on receipt of any information respecting the existence of a nuisance liable to be dealt with summarily under the EPHA 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 EPHA include any premises or part of the premises of such a construction or in such a state as to be a nuisance or injurious or dangerous to health, any factory or workplace which is not kept in a clean state and free from effluvia arising from any sewer, drain, privy, latrine, earth closet, urinal or other nuisance, 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.

Environmental Protection and Management Act 1999 (“EPMA”)

The EPMA seeks to provide for the protection and management of the environment and resources conservation and regulates, amongst others, air pollution, water pollution, land pollution and noise control. Under the Environmental Protection and Management (Boundary Noise Limits for Factory Premises) Regulations, revised edition 2008, the owner or occupier of any construction site shall ensure that the level of noise emitted from his construction site shall not exceed the maximum permissible noise levels prescribed in such regulations.

In addition, BCA has mandated the adoption of Design for Manufacturing and Assembly (DfMA) technologies, including Advanced Precast Concrete System (APCS), Prefabricated Prefinished Volumetric Construction (PPVC), Prefabricated Bathroom Units, Prefabricated Mechanical Electrical and Plumbing (MEP) System, and Mass Engineered Timber, for applicable building projects. BCA has also introduced Integrated Digital Delivery (IDD) requirements under the Construction Industry Transformation Map launched in 2017, mandating the use of Building Information Modelling (BIM) and other digital technologies across the construction value chain. BCA’s Green Mark certification scheme has also been revised under the Green Mark 2021 framework, which sets enhanced sustainability and energy efficiency standards for buildings. As an M&E engineering subcontractor, our Group will have to assist our customers to meet these evolving requirements set out by BCA, which may require investment in new capabilities, technology and training.