

RISK FACTORS

An [REDACTED] in the Shares involves risks. Prospective [REDACTED] should consider carefully the risks described below, together with all other information contained in this document, before deciding to invest in our Shares. Potential [REDACTED] should pay particular attention to the fact that we conduct our business in Singapore, the legal and regulatory environment of which may be subject to the prevailing laws and regulations of Singapore. Any of these risks and uncertainties may materially and adversely affect the business, results of operations, financial condition and prospects of our Group. Additional risks not described below or not presently known to us or that we currently deem immaterial may turn out to be material. Should these risks occur or turn out to be material, our business, financial condition, results of operations, prospects and reputation could be materially and adversely affected. The information given is as at the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements” in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business is project-based in nature, with fixed terms and is awarded through competitive tendering processes. There is no guarantee that we will be able to secure new projects on commercially acceptable terms or at all.

During the Track Record Period, we undertook M&E engineering projects on a project-by-project basis and our engagements with our customers were based on fixed terms and non-recurrent in nature. Our revenue amounted to S\$47.5 million, S\$79.9 million, S\$121.6 million, S\$34.4 million and S\$103.2 million in 2023, 2024, 2025 and the six months ended 30 June 2025 and 2026, respectively. In addition, we obtain projects through competitive tender process. During the Track Record Period, our tender success rate ranged from 4.3% to 21.0%.

There is no assurance that we will be able to continuously and consistently secure new projects or renew the terms of our current projects or increase our tender success rate. Moreover, we mainly secured M&E engineering projects through invitations from main contractors and developers and highly competitive tender bidding processes. There is no assurance that these main contractors or property developers will continue to invite us to tender or quote for a project. Also, there has been keen competition in the bidding for projects among various contractors in the relevant markets.

In addition, depending on the requirements, we may not be able to secure new contracts due to various factors including our qualification, pricing and tender strategy, competitors’ tender and pricing strategies, the availability of resources and subcontractors, as well as customers’ requirements and standards. There is no assurance that we will be able to secure new contracts in the future. As such, the number and scale of projects and the amount of revenue we are able to derive may vary and be difficult to forecast. If we fail to secure new contracts from our existing or new customers on favourable terms or at all, we may not be able to maintain our profit or grow our business as expected.

RISK FACTORS

Our performance is affected by market and economic conditions in Singapore and could be affected by the general economic conditions in Singapore, as well as the Singapore government’s policies and level of spending on public works.

During the Track Record Period, all of our revenue was generated from providing M&E engineering services in Singapore. As such, any material changes in the M&E engineering industry and the prevailing economic conditions in Singapore may adversely affect our business prospects. Any downturn in the macroeconomic environment in Singapore, such as recessions and deflation, or shifts in government policies and spending could disrupt the timely completion of our existing projects and reduce the availability of new project tenders in the market.

Also, the conditions and trends in the M&E engineering industry are subject to cyclicalities, according to CIC. An economic slowdown in Singapore, or even property cooling measures, may cause a fall in volume of construction works in both the public and private sectors, thereby lowering the demand for M&E engineering services. In the event that we are unable to maintain our service quality or continue to successfully secure new contracts due to such cyclicalities, our business operations, financial condition, and results of operations may be materially and adversely affected.

Moreover, the M&E engineering industry in Singapore is highly affected by public spendings and is government policy driven, according to CIC. We generated revenue of S\$58.7 million from the public sector in 2025, which further increased to S\$63.6 million in the six months ended 30 June 2026. There is no guarantee that there will not be any significant reduction in the level of spending on M&E engineering services by the Singapore government. The Singapore government’s spending budget on M&E engineering services may change from year to year, which may also be affected by various factors such as the Singapore government’s policy in relation to the planning, construction and maintenance of its buildings and facilities, the general financial condition of the Singapore government and the general economic conditions in Singapore. If there is any significant reduction in demand for M&E engineering services in Singapore, our business, financial condition and results of operations will be materially and adversely affected. See “Business — Our Business Model — Clientele”.

RISK FACTORS

Labour and talent shortages could materially and adversely affect our business, financial condition and results of operations.

Experienced staff are important for the delivery of our services and the ability to attract, retain and motivate a group of talents including experienced engineers, M&E engineering workers and administrative staff is key to our success. We cannot assure you that we will not experience any shortage of labour for our M&E engineering services and as a result our cost of labour will not continue to increase. Any such shortage could hinder our ability to maintain or expand our business operations. In such circumstances, our business, financial condition and results of operations may be materially and adversely affected.

In addition, our business is highly dependent on foreign workers as the local construction labour force is of limited supply and more costly. During the Track Record Period, a substantial portion of our workforce is made up of foreign employees (including site workers and other employees). As such, any shortage in the supply of foreign workers, increase in foreign workers levy for foreign workers, change or restriction on the number of foreign workers that we can employ will adversely affect our operations and financial performance. For example, the employment of foreign workers in Singapore is subject to policies and regulations imposed by the MOM and the tightening of the DRC by the MOM would affect the number of foreign workers that the main contractors and their subcontractors can employ, which could in turn affect our operations and accordingly our business and financial performance. In addition, the MOM imposes foreign worker levies for foreign workers (subject to changes as and when announced by the MOM or the Singapore government). As at the Latest Practicable Date, the monthly levy for Work Permit holders in the construction sector ranges from S\$300 to S\$700 per worker (depending on the applicable tier). Any increase in foreign worker levy rates or changes to the levy tiers may increase our operating expenses and affect our financial performance.

Furthermore, the requirements in respect of the granting and/or renewal of work permits, quota and other legal requirements in relation to the employment of foreign workers may change from time to time, and there is no assurance that we will be able to respond to such changes in a timely manner. Such changes may also increase our costs and burden in complying with them, which may materially and adversely affect our business, financial condition and results of operations. In addition, there is no assurance that our foreign employees, who are subject to security bonds requirements, will not violate the conditions in their work permits. Occurrence of any of the aforesaid events may result in forfeiture of security bonds furnished by us in respect of the relevant workers, which in turn may adversely affect our business and financial performance. See “Regulatory Overview — Employment of foreign workers in Singapore”.

RISK FACTORS

We may face allegations, complaints or reports from our customers, third parties or the public, and any failure to deal with such complaints or negative publicity could materially and adversely affect our business, financial condition and results of operations.

As our M&E engineering works and services are broadly utilised by the public, we are subject to public scrutiny and reputational risks. We may, from time to time, be subject to complaints, allegations, or negative media coverage concerning our work quality, operational safety, or regulatory compliance. Regardless of their veracity, such claims can result in significant management distraction and the diversion of our resources, which may materially and adversely affect our business and corporate image.

Our involvement in public sector projects increases our exposure to public attention. Any perceived non-performance or safety incidents may trigger heightened scrutiny from the Singapore government. Furthermore, disputes with public bodies may involve more protracted legal or administrative processes compared to private sector counterparts, potentially leading to delayed certification of work or settlement of payments.

We are also subject to risks arising from industry-wide incidents. For instance, following a series of fatal industrial accidents in 2022 and 2023, the MOM imposed a “Heightened Safety Period” across the construction and engineering sectors. This led to immediate and stringent regulatory overhauls, including mandatory safety shutdowns and demerit points for contractors. Similar industry-wide issues or the discovery of non-compliant building materials could result in the imposition of more onerous regulatory requirements. Such developments may increase our compliance costs, or limit our ability to tender for future projects, thereby adversely affecting our financial condition and results of operations.

We are exposed to claims arising from latent defects that may be caused by us or our subcontractors, which may negatively affect our reputation, business, financial condition and results of operations.

We may be subject to claims arising from latent defects that remain undiscovered for years following project completion. Our contracts typically provide for a defects liability period of 12 to 18 months, during which we are obliged to rectify defects. In addition, we remain liable for defects under common law where the Limitation Act 1959 of Singapore (the “**Limitation Act**”) generally provides that claims may be made within six (6) years from the date on which the cause of action accrued. However, where a defect is not discoverable until some time after it accrues, the Limitation Act extends the limitation period for an action to be brought and entitles the claimant to bring an action for a claim within three (3) years from the earliest date on which the claimant first had both the knowledge required for bringing an action for damages and a right to bring such action (if that period expires later than six (6) years from the date on which the cause of action accrued), up to a long-stop limit of 15 years from the date on which the act or omission constituting the negligence, nuisance or breach occurred.

RISK FACTORS

In addition, if defects are attributed to our subcontractors or suppliers, there is no assurance that the relevant subcontractor or supplier continues to be in operation at the time when a claim is made and furthermore, whether such subcontractor or supplier will take remedial action either by rectifying the works or making a compensation payment. Also, the coverage of our work insurance, which relates to employees’ work-related injuries, foreign worker’ medical insurance policies and directors’ liabilities, may be insufficient and any significant claims may result in substantial rectification costs and the accrual of liabilities or contingent liabilities in our financial statements, which may materially affect our profitability and cash flow. We may also be required to proactively undertake remedial measures or extensive testing to mitigate negative publicity and protect our brand reputation. Furthermore, any incidents involving defective materials, or the resulting negative perception of our work quality, could jeopardise our ability to secure future tenders in both the public and private sectors thereby materially and adversely affect our business, financial condition and results of operation.

Any change or deterioration in our relationship with, and as a result, the performance of our business partners and third-party service providers may have an adverse impact on our business operations and reputation.

Relationships with our business partners are vital to our business operations and may be affected by factors beyond our control. We depend on main contractors and property developers in tendering for M&E engineering projects as the majority of our projects are obtained through invited tenders. We also work with other companies in the M&E engineering industry to tender for and carry out major construction projects. Moreover, we depend on the services of our suppliers and subcontractors in delivering our services, which are critical given the MOM’s tightening Dependency Ratio Ceilings (DRC) and the restructuring of foreign workforce policies. There is no guarantee that we will be able to maintain our relationship with our business partners or third-party service providers. Furthermore, unsatisfactory performance, financial insolvency, or the unavailability of third-party service providers, including subcontractors, due to work permit quota restrictions or safety-related demerit points, may adversely affect our business operations and financial performance. We may also incur potential liabilities arising from defaults of our third-party service providers, including vicarious liability and cash flow disruptions related to adjudication claims.

We may be a party to legal proceedings from time to time and we cannot assure you that such legal proceedings will not have a material adverse impact on our business.

We are subject to inherent risks of disputes and litigation with employees, customers, suppliers, and subcontractors regarding substandard works, delays, or workplace accidents. During the Track Record Period, there were no labour disputes that materially and adversely affected our business. However, we cannot assure you that we will not be involved in any labour disputes in the future. If our operations are disrupted for any period of time as a result of labour disputes, our production volume could be reduced, which could affect our business, financial condition and results of operations and future growth. In addition, during the Track Record Period, our Group was involved in an arbitration in Singapore initiated by one of the Group’s sub-contractors arising from a sub-contract in connection with a construction project, to which we opposed and made a counterclaim. As at the Latest Practicable Date, the arbitration proceedings are still ongoing. See “Business — Legal Proceedings and Compliance — Legal Proceedings.”

RISK FACTORS

Furthermore, there is no assurance that future legal or administrative proceedings, regardless of merit, will result in favourable outcomes. Claims exceeding our insurance coverage or unfavourable regulatory rulings could lead to significant financial liabilities, increased premiums, and project delays. Furthermore, handling such disputes may divert management resources and damage our reputation and industry relationships, which could materially and adversely affect our business, financial condition and results of operation.

Our ability to obtain financing may be impacted by increase in interest costs and onerous loan covenants.

We may be subject to risks normally associated with debt financing, including exposure to fluctuations in interest rates and the inability to meet payments of the principal amount and interest. During the Track Record Period, we had bank borrowings of S\$1.2 million, S\$4.0 million, S\$28.4 million and S\$24.4 million as at 31 December 2023, 2024, and 2025, and 30 June 2025 and 2026, respectively. Our interest expenses incurred from the bank borrowings amounted to S\$27 thousand, S\$119 thousand, S\$587 thousand, S\$93 thousand and S\$506 thousand in the respective years/periods. Any significant increase in interest rates would increase our Group’s borrowing and financing costs, which would in turn weaken our Group’s financial standing when seeking future financing.

In addition, we may not be able to obtain future financings on the same or more favourable terms and conditions as compared to our existing loan facilities. Any onerous covenants under the loan facilities may also restrict our ability to manage our business operations, utilise our assets and/or obtain additional or favourable financing, which may adversely affect the business, financial position, results of operation and prospects of our Group.

We may not be able to successfully complete any future acquisitions or enhance post-acquisition performance, and our investments or strategic alliances may fail, which could adversely affect our business, financial conditions and results of operations.

We collaborated with established market participants in growing our business. During the Track Record Period, we enhanced our market position through the acquisition of Guthrie Engineering and Fire-Guard. We may continue to pursue similar acquisitions, or strategic alliances. See “Business — Our Strategies — Pursue strategic M&A alongside overseas expansion to capture broader market share” and “Future Plans and [REDACTED]”.

However, there can be no assurance that we will be able to identify and acquire, on reasonable terms, if at all, suitable acquisition targets or investment opportunities. With continuing consolidation, a likely industry trend, we could be faced with increasing competition for attractive acquisition targets. Compliance with antitrust or any other regulations may delay proposed acquisitions or prevent us from closing such acquisitions or investments as expected, if at all. Such delay or failure to close proposed acquisitions could impair our ability to achieve our strategic objectives.

RISK FACTORS

In addition, we may incur significant acquisition, administrative and other costs in connection with such transactions, including costs related to the integration of acquired or restructured businesses. These costs may include unanticipated costs or expenses, including post-closing asset impairment charges, legal, regulatory and contractual costs and expenses. Moreover, there is no assurance that we will be able to successfully integrate any acquired businesses into existing operations or that such businesses will perform as expected reach the synergy we expect. Similarly, any disposals of non-core assets may also be not as profitable as anticipated and negatively affect our net sales and results of operations.

We operate in a competitive industry and may experience pressure on our profit margin.

The M&E engineering industry where we operate our business is highly competitive. During the Track Record Period, we generated revenue from the provision of ELECT, ACMV, FP and PSG services in Singapore.

The competition may intensify in the future due to a number of market entrants including foreign companies entering the Singapore market. According to CIC, there are over 5,000 companies registered under the BCA M&E engineering workheads, with more than 200 attaining the highest L6 grading as at May 2026. In the event that our competitors are able to provide comparable or better services at more competitive prices or respond to changes in market conditions more swiftly or effectively than we do, our operations and our financial performance may be adversely affected. There is no assurance that we will be able to compete effectively with our existing and future competitors or adapt quickly to changing market conditions and trends. Any failure by us to remain competitive will adversely affect the demand for our services and our financial performance. In the event that our Group fails to maintain our competitiveness in terms of quality and pricing, our business, financial position and prospects could be materially and adversely affected. Alternatively, we may have to take up projects that are not as profitable in order to maintain our competitiveness, in which case our financial performance and profit margin could be materially and adversely affected.

Loss of our key management and inability to attract and retain management staff may adversely affect our business, financial condition and results of operations.

Our success and growth depends on our ability to identify, hire, train and retain suitable, skilled and qualified key personnel. We rely on the expertise, experience and leadership of our executive Directors and senior management. Our executive Director and CEO, Mr. Xu, with over 25 years of experience in the M&E engineering industry, together with our key management and project managers, are responsible for key aspects of our business operations, including but not limited to, maintenance of customer relationships, developing new business opportunities, overall project management and on-site supervision. In addition, Mr. Xu is supported by our senior management team with an average of over 20 years of experience in the M&E engineering industry and technical personnel who possess practical skills and experience as required in handling our projects. If any of our directors, senior management or any of our skilled personnel cease to be involved in our Group in the future, we may not be able to find suitable replacements in a timely manner or at all, which may severely disrupt our business and adversely affect our business, operations and financial performance.

RISK FACTORS

Our historical financial performance and order book may not be an accurate indicator of our future performance.

We recorded revenue of S\$47.5 million, S\$79.9 million, S\$121.6 million, S\$34.4 million and S\$103.2 million in 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, and gross profit margin of 23.1%, 15.7%, 19.2%, 21.9% and 20.8% in 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. As at 30 June 2026, our total outstanding order book for our M&E engineering services amounted to S\$838.2 million and further exceeded S\$1.0 billion as at the Latest Practicable Date. Our order book amount as at the respective dates represents the value in the secured contracts, letters of award or confirmed variation orders for works yet to be performed (being the total stated value in these contracts, letters of award or confirmed variation orders less the portion of revenue recognised in accordance with our revenue recognition policies as at the respective dates). We have also not taken into account any potential renegotiations, cancellations or deferment of orders in determining our order book.

However, such trend of historical financial performance of our Group is a mere analysis of our past performance only and does not necessarily have any positive implication or may not necessarily reflect our financial performance in the future, which will depend on our capability to secure new business opportunities and to control our costs. In particular, our order book may not be an accurate indicator our future performance or the actual revenue to be recognised as it depends on the actual work undertaken and is provisional only.

We may be affected by accidents at our work sites or at our premises.

There is no assurance that our project worksites will continue to meet the safety and health standards imposed by the regulatory authorities and will not be issued with partial or full stop-work orders. The issuance of stop-work orders or the occurrence of accidents may severely disrupt our operations and lead to a delay in the completion of our projects. In the event of such a delay, we may be liable for liquidated damages under contracts with our customers, resulting in an adverse effect on our reputation, operations and financial performance. Furthermore, accidents may also occur at our work sites or at our premises even though we have put in place safety measures and we may be subject to personal injury claims from our employees or other persons involved in accidents. Any significant claims which are not covered by our insurance policies or are contested by the insurance companies may adversely affect our financial performance. In addition, any accidents resulting in significant damage to our machinery, equipment or premises may require expenditure to make good the damage and to the extent that the expenditure is not recoverable from our insurance policies, our business and financial performance may be adversely affected.

Furthermore, during the Track Record Period, we also engaged subcontractors to perform some of the site works for projects under our supervision. In case of any accidents occurring at properties or work site where we engage subcontractors, we may be held liable and be exposed to potential claims or legal proceedings by our customers against us for such accidents irrespective of whether such accidents were caused or the defective works resulting in such accidents were conducted by our direct labour or our subcontractors, our profitability, cash flows and financial positions could be materially and adversely affected.

RISK FACTORS

Our insurance coverage may be insufficient to cover all the potential losses arising from our business operations.

Our staff may be exposed to work environments containing dust, dirt, viruses or are required to work in environment involves slippery floor, heavy machinery and electrical systems and applicants. During the Track Record Period, we are covered by certain insurance policies, including work injury compensation insurance policies, security bonds and/or contractors’ all risks insurance.

In the case of an uninsured loss or a loss in excess of insured limits, including those caused by natural disasters and other events beyond our control, we may be required to pay for the losses, damages and liabilities out of our own funds. If we face legal claims from parties that may not be adequately covered by the insurance we have taken out, our business, operations and financial condition could be adversely affected. In addition, there is also no guarantee that the insurance premiums payable by us will not increase in the future. Any further increase in insurance premiums or reduction in insurance coverage may materially and adversely affect on our business, results of operations, financial condition and prospects.

We have a concentrated supplier and subcontractor base and any increase in the prices of their products and services could materially and adversely affect our business, financial condition and results of operations.

In 2023, 2024, 2025 and the six months ended 30 June 2026, we procured a substantial portion of our purchases from major suppliers. Purchases from our top five suppliers accounted for 35.0%, 31.8%, 33.8% and 38.6% of our total purchases in 2023, 2024, 2025 and the six months ended 30 June 2026. In 2023, we also procured a substantial portion of our subcontracting services from major subcontractors. Cost incurred from our top five subcontractors accounted for 40.8%, 23.8%, 19.7% and 24.5% of our total sub-contracting cost in 2023, 2024, 2025 and the six months ended 30 June 2026. Our dependency on major suppliers and subcontractors may expose us to concentration risks. We expect to continue procuring the raw materials and services from these suppliers and subcontractors. Any difficulties in procuring these raw materials and services may impact on our ability to promptly complete and deliver M&E engineering services to our customers, thereby resulting in a decrease in our competitive advantage and existing customer base. While we expect to maintain stable relationships with these suppliers and subcontractors, we cannot guarantee that we will be able to secure a consistent, high-quality supply from these suppliers and subcontractors. If any of our major suppliers or subcontractors decides to increase the price of their products or services, or terminate our business relationships or that the quality of the raw materials or services decreases, we may encounter difficulties in finding replacements capable of providing the raw materials or services of equivalent quality at a similar price, which could materially and adversely affect our business, financial condition and results of operations.

RISK FACTORS

We generated a significant portion of our revenue from a concentrated customer base during the Track Record Period.

During the Track Record Period, we generated revenue from providing M&E engineering services to government agencies and main contractors in Singapore. Revenue generated from our five largest customers for each year/period during the Track Record Period accounted for 75.2%, 76.8%, 56.1% and 60.5% of our total revenue for 2023, 2024, 2025 and the six months ended 30 June 2026. Revenue generated from our largest customer for each year/period during the Track Record Period accounted for 24.7%, 32.3%, 21.0% and 25.4% of our total revenue for 2023, 2024, 2025 and the six months ended 30 June 2026. See “Business — Top five customers”.

Our business, financial condition and results of operations for the foreseeable future may continue to depend on services provided to a relatively small number of customers. In the future, our current major customers may decide to reduce their demand for M&E engineering services or switch contractors. Further, the amount of revenue attributable to any single major customer, or our major customers, may fluctuate in any given period. If our major customers scale back or terminate their business relationships with us, or if we are unable to negotiate favourable contractual terms with them, or we are unable to secure new customers at all or on favourable or comparable terms, or if our major customers significantly reduce the purchase of our products, our business, financial condition, results of operations and prospects may be materially and adversely affected. We anticipate that our dependence on a concentrated customer base for a significant portion of our revenue will continue for the foreseeable future and we cannot guarantee that the portion of our revenue attributable to one single customer will not increase in the future. There is no guarantee that our efforts for diversification as part of our business strategies and future plans will be successful or will achieve the benefits we anticipate.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and noncompliance with such laws can subject us to adverse legal consequences.

Due to the significant contract sum of our projects, we are susceptible to acts of fraud, bribery, corruption by our staff, subcontractors, joint venture partners or other third parties. Such wrongdoing may harm our reputation, business and operating results. Our internal control policies and procedures may not enable us to prevent, detect or deter all such instances of fraud, bribery and corruption, and other misconduct. Such instances committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business, financial condition and results of operations. If our staff or subcontractors are involved, our reputation and brand image may also be adversely affected.

Our risk management and internal control systems may not be adequate or effective.

Due to the inherent limitations in the design and implementation of our risk management and internal control systems, including project risk identification, design evaluations, and IT systems, we cannot assure you that these systems will successfully identify, mitigate, or manage all operational and contract-related risks.

Furthermore, the execution of our risk management policies heavily depends on the technical proficiency and daily implementation by our site engineers, project managers, and technicians. Given the large scale of our engineering operations and multiple concurrent project sites, we cannot guarantee that

RISK FACTORS

human error, oversight, or onsite mistakes will not occur. The overall effectiveness of our operations is subject to various engineering variables, including the accuracy of our M&E technical designs, the quality of our installation services, the reliability of our project management software, and our ability to ensure strict adherence to safety guidelines and technical training protocols.

The quality assurance standards and safety measures we enforced throughout our service delivery may not be fully effective at all times. We may fail to detect design defects, installation flaws, or regulatory non-compliance incidents in a timely manner, or at all. If we fail to adapt our risk management frameworks and internal controls to our expanding operational scale and recent acquisitions, our business, financial condition, results of operations, and future growth prospects could be materially and adversely affected.

Compliance with environmental regulations can be expensive, and non-compliance with these regulations may result in adverse publicity and potentially significant monetary damages and fines for our Group.

We may generate noise, wastewater and other industrial wastes in the course of our business operations, and we are required to comply with regulations relating to the protection of the environment. If more stringent legislations and regulations are adopted in the future, the costs of compliance with these new regulations could increase substantially. Changes in environmental protection policies and legislation could result in stricter standards and enforcement, higher fines and liabilities. Furthermore, it is expected that other changes in environmental legislation may also require, amongst others, reduction in emission to the environment from our operations, which may result in additional expenditures for our Group.

During the Track Record Period and as at the Latest Practicable Date, we had not faced any issues with environmental regulations. However, there is no assurance that environmental laws will not result in a curtailment of our services or a material increase in the cost of delivery of our services or otherwise adversely affect our business, financial condition and results of operations. If we fail to comply with present or future environmental regulations, we may be required to pay substantial fines, or be subject to suspension or cessation of our operations.

Failure to complete our projects on a reliable and timely basis could materially affect our business, financial condition and results of operations.

Our ability to offer one-stop integrated M&E engineering services with robust design and build capabilities and our competence to deliver quality works are the key to the success of our business during the Track Record Period.

The contracts with our customers generally contain a liquidated damage clause under which we are liable to pay liquidated damages to our customers if we are unable to deliver or perform the contractual works within the time specified in the contract. Liquidated damages are generally determined on the basis of a fixed sum per day and capped at a fixed proportion of the total contract sum.

We deliver our works according to the specifications and drawings required by our contractors and there is no assurance that the quality of our works can meet the requirements of our customers. If we fail to deliver or perform the contractual works within the time specified in or in accordance with the contract due to our defaults or any unforeseen factors, such as shortage of manpower, delays by

RISK FACTORS

subcontractors, industrial accidents and delay in delivery of materials, we may be liable to pay liquidated damages under the contracts. If there is any delay on our part in completion of a project, we may be liable to pay liquidated damages under the contract. While there has not been any such past incident during the Track Record Period and up to the Latest Practicable Date, there is no assurance that our customers will be satisfied with our works done or there will not be any delay in our existing and future projects resulting in claims for liquidated damages. The inability to deliver quality works on a reliable and timely basis will have an adverse impact on our reputation, business, financial condition and results of operations.

Any future changes in existing laws, regulations and government policies, including but not limited to the introduction of more stringent laws and regulations on licensing, environmental protection and labour safety, may cause us to incur substantial additional expenditure.

Our operations are subject to laws and regulations that relate to matters such as licensing, employment of foreign workers, workplace health and safety, environmental protection, and dormitory accommodation standards in Singapore. In particular, our operations are subject to Singapore’s WSH Act and its subsidiary legislation, which impose duties on employers and occupiers to ensure the safety and health of workers at the workplace. Our operations are also subject to Singapore’s FEDA requirements, which imposes licensing and operational requirements on operators of foreign employee dormitories.

In addition, since 2001, the BCA has implemented buildability legislation for all building projects to raise site productivity and reduce manpower dependence. The mandatory requirements for adoption of buildable designs have been progressively implemented over the years. 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. Furthermore, the MOM imposes foreign worker levies for foreign workers (subject to changes as and when announced by the MOM or the Singapore government) which have been progressively increased over the years and may continue to increase. There is no assurance that increases in our operating costs to comply with regulatory changes will not affect our project profitability as the competitive environment or other factors may not allow us to fully recover all the additional costs. See “Regulatory Overview”.

In the event that our operations fail to meet the applicable regulatory requirements, we may be subject to fines, stop-work orders or other enforcement actions, be required to take remedial measures, and this may affect our ability to obtain new projects. If any of these events occur, it may adversely affect our reputation, business, financial condition and financial performance. Additionally, any changes in such requirements that are applicable to us may result in our Group incurring additional costs and/or increase our operating costs, which may have an adverse effect on our profitability.

We are exposed to risks in respect of acts of war, terrorist attacks, political unrest, natural disasters, outbreaks of infectious diseases, adverse weather and other uncontrollable events.

Our business could be adversely affected by health epidemics, which may restrict economic activity, slow or disrupt our operations, and negatively impact our business, financial condition and results of operations. Natural disasters or other disruptive events could also materially interrupt our operations, affect our industry, or cause temporary closure of our facilities, with similar adverse effects. In addition, any financial or economic crisis, or even the perceived risk of such a crisis, may reduce

RISK FACTORS

consumer confidence and spending, leading to diminished demand for our products and services. If global economic fluctuations materially reduce demand for our solutions, our business, financial condition and results of operations could be materially and adversely affected.

RISKS RELATING TO THE [REDACTED] AND OUR [REDACTED]

The time lag of the transfer of Shares between the Hong Kong and Singapore markets could be longer than expected, and our Shareholders might not be able to settle or effect any Share sale during this period.

There is no direct [REDACTED] between the stock exchanges of Singapore and Hong Kong. To enable the transfer of Shares between the two stock exchanges, our Shareholders are required to comply with specific procedures and bear the necessary costs. Under normal circumstances and assuming that there are no deviations from the usual share transfer procedures, our Shareholders can expect a normal transfer from the Singapore Principal Share Registrar to the [REDACTED] to complete within 15 Business Days and from the [REDACTED] to the Singapore Share Registrar within 15 Business Days depending on whether our Shares are registered under [REDACTED], CDP or in the name of our Shareholders. However, we cannot assure you that the transfer of Shares will be completed in accordance with this timeline. There could be unforeseen market circumstances or other factors that could delay the transfer, thereby preventing our Shareholders from settling or effecting the sale of their Shares.

There are different characteristics between the Singapore stock market and [REDACTED], which may affect the [REDACTED] of our Shares.

Our Shares have been listed and traded on the Catalist Board of the SGX-ST since 18 May 2023 and were subsequently transferred to the Mainboard of the SGX-ST on 29 December 2025. Following [REDACTED], it is our current intention that our Shares will continue to be traded on the Mainboard of the SGX-ST. Our Shares [REDACTED] on the Stock Exchange will be registered by the [REDACTED]. As there is no direct [REDACTED] between the stock markets of Singapore and [REDACTED], the time required to transfer shares between the Singapore Principal Share Registrar and the [REDACTED] could vary and there is no certainty when transferred Shares will be available for [REDACTED].

The Mainboard of the SGX-ST and [REDACTED] have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules and investor bases (including different levels of retail and institutional participation). As a result, the trading price of our Shares on the Mainboard of the SGX-ST [REDACTED] might not be the same.

Further, fluctuations in the price of our Shares on the Mainboard of the SGX-ST could adversely affect the [REDACTED] of our Shares on [REDACTED], and vice versa. Moreover, fluctuations in the exchange rate between Singapore dollars and [REDACTED] dollars can also adversely affect the [REDACTED] of our Shares on the Mainboard of the SGX-ST and [REDACTED]. Due to the different characteristics of the stock markets of Singapore and [REDACTED], the historical prices of our Shares on the Mainboard of the SGX-ST might not be indicative of the performance of our Shares

RISK FACTORS

on the [REDACTED] after the [REDACTED]. You should therefore not place undue reliance on the prior trading history of our Shares on the Mainboard of the SGX-ST.

We will be concurrently subject to Hong Kong and Singapore [REDACTED] and regulatory requirements which may give rise to additional cost.

As we are listed on the Mainboard of the SGX-ST and will be [REDACTED] on the Main Board of the Stock Exchange, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless otherwise agreed by the relevant regulators. Accordingly, we may incur additional costs and resources in complying with the requirements of both Hong Kong and Singapore.

In particular, the Hong Kong Takeovers Code and the Singapore Takeover Code will apply to the Company upon the [REDACTED]. Upon the [REDACTED], as a company incorporated in Singapore with a [REDACTED] on the Stock Exchange, both the Hong Kong Takeovers Code and the Singapore Takeover Code will apply to the Company. There are certain differences between the requirements under the Hong Kong Takeovers Code and the Singapore Takeover Code. For further details of the Singapore Takeover Code and the key differences between the Singapore Takeover Code and the Hong Kong Takeovers Code. For details, see “Further Information Relating To The [REDACTED]” set out in Appendix IV to this document.

Unless the Securities Industry Council of Singapore disapplies the relevant provisions of the Singapore Takeover Code or the SFC grants a waiver from strict compliance with the relevant provisions of the Hong Kong Takeovers Code, Shareholders and potential [REDACTED] of the Company will need to comply with the stricter of the requirements under both codes. Any dispensation under the Singapore Takeover Code or the Hong Kong Takeovers Code will be granted only in exceptional cases and there is no assurance that any such dispensation will be granted.

The liquidity, trading volume and market price of our Shares following the [REDACTED] may be volatile.

Prior to the [REDACTED], our Shares are only traded on the Mainboard of the SGX-ST. While we have applied for [REDACTED] of and permission to [REDACTED] in our Shares on the Hong Kong Stock Exchange, and that our Shares can be transferred from the Singapore Principal Share Registrar to the [REDACTED] and be [REDACTED] on the Hong Kong Stock Exchange, there is no certainty as to the number of Shares to be [REDACTED] on the Main Board of the Hong Kong Stock Exchange that can be [REDACTED] on the Hong Kong Stock Exchange. As such, there is no assurance that the [REDACTED] will result in the development of an active, liquid [REDACTED] for our Shares on the Hong Kong Stock Exchange. There is no guarantee for any particular volume of our Shares will [REDACTED] on the Hong Kong Stock Exchange, and investors’ ability to [REDACTED] or [REDACTED] Shares on the Hong Kong Stock Exchange may therefore be adversely affected.

The [REDACTED] at which our Shares will [REDACTED] after the [REDACTED] will be determined by the market, which may be affected by factors such as our financial results, changes in securities analysts’ estimates, if any, of our financial performance; the history of and the prospects for us and the M&E engineering industry; the an assessment of our management; our past and present operations; and the prospects for, and timing of, our future revenues and cost structures such as the views of independent research analysts, if any; the present state of our development; new investments,

RISK FACTORS

acquisitions, joint ventures or alliances in the future; addition or departure of our key personnel; the valuation of publicly traded companies that are engaged in business activities similar to ours; and actions taken by our competitors.

The actual or perceived sale or availability for sale of substantial amounts of the Shares, especially by the Directors, executive officers, certain shareholders or Controlling Shareholders, could adversely affect the market price of the Shares.

Future sales of a substantial amount of the Shares by existing Shareholders, especially by the Controlling Shareholders, could negatively impact the market price of the Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate.

We cannot assure you that they will not dispose of any Shares they own now or may own in the future. In addition, the Shares held by our Controlling Shareholders are subject to certain restrictions regarding their disposal for a lock-up period after the date on which [REDACTED] in the Shares commences on the Stock Exchange. While we currently are not aware of any intention of the Controlling Shareholders to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they own now or may own in the future. See “Relationship with our Controlling Shareholders”.

You will experience immediate dilution and may experience further dilution if we issue additional Shares, or convertible securities or other equity linked instruments.

As the [REDACTED] of the Shares is higher than the net tangible book value per Share immediately prior to the completion of the [REDACTED], purchasers of the Shares in the [REDACTED] will experience an immediate dilution. As a result, if we issue additional Shares in the future, purchasers of the Shares in the [REDACTED] may experience further dilution in their shareholding percentage.

In addition, we may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Shares, convertible securities or securities linked to Shares including through the vesting of Share awards, may lead to the dilution of investors’ shareholdings in our Company. Any future equity issuances by us or sales of our Shares by our shareholders may adversely affect the trading price of the Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Shares. There can be no guarantee that we will not issue Shares, convertible securities or securities linked to Shares or that our Shareholders will not dispose of, pledge or encumber their Shares in the future.

The interest of our Controlling Shareholders may differ from your interests and they may exercise their vote to the disadvantage of our minority Shareholders.

Immediately after the completion of the [REDACTED] (without taking into account of any Shares which may be allotted and issued pursuant to any exercise of any options that may be granted under the Post-[REDACTED] ESOS or any Shares which may be issued or repurchased by our Company pursuant to the general mandate), each of our two Controlling Shareholders will own approximately [REDACTED]% of our Shares. As such, our Controlling Shareholders will have substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or

RISK FACTORS

substantially all of our assets, election of Directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive our shareholders of an opportunity to receive a premium for their Shares in a sale of our Company or may reduce the market price of our Shares. These actions may be taken even if they are opposed by our other Shareholders, including those who purchased Shares in the [REDACTED]. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders.

Prior dividend distributions are not an indication of our future dividend policy.

We paid dividends of S\$1.3 million, S\$3.0 million, S\$0.7 million and S\$4.0 million in 2023, 2024, 2025 and the six months ended 30 June 2026 to our Shareholders, respectively, out of the retained earnings.

Any future dividend declaration and distribution by our Company will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors deem relevant. Any declaration and payment as well as the amount of dividends will also be subject to our Constitution, including the approvals from our Shareholders and our Directors, if required. In addition, our future dividend payments will depend upon the availability of dividends received from our subsidiaries. As a result of the above, we cannot assure you that we will make any dividend payments on our Shares in the future with reference to our historical dividends. Currently, Singapore does not impose withholding tax on dividends paid to resident or non-resident Shareholders. See “Financial Information — Dividends”.

Shareholders and investors could face difficulties in protecting their interests because our Company was incorporated under the laws of the Singapore and these laws could provide different protections to minority Shareholders than the Laws of Hong Kong.

We are a company incorporated in Singapore with limited liability, and the laws of Singapore differ in some respects from those of Hong Kong or other jurisdictions where investors might be located. Our corporate affairs are governed by our Constitution, the Singapore Companies Act and common law of Singapore. The laws of Singapore relating to the protection of the interests of minority shareholders could differ in some respects from those established under statutes or judicial precedent in existence in Hong Kong. Such differences could mean that the minority Shareholders could have different protections than they would have under the Laws of Hong Kong.

We have significant discretion as to how we will use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the [REDACTED] from the [REDACTED] in ways you may not agree with or that do not yield a favourable return to our Shareholders. We plan to use the [REDACTED] from the [REDACTED] for our business expansion. However, our management will have discretion as to the actual application of our [REDACTED]. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the [REDACTED] from the [REDACTED]. See “Future Plans and [REDACTED] — [REDACTED]”.

RISK FACTORS

Waivers have been granted from strict compliance with certain requirements of the Listing Rules by the Hong Kong Stock Exchange and certificate of exemption has been granted by the SFC for certain requirements under the Companies (WUMP) Ordinance. Shareholders will not have the benefit of the Listing Rules and the Companies (WUMP) Ordinance that are so waived or exempted. These waivers and exemptions could be revoked, exposing us and our Shareholders to additional legal and compliance obligations.

We have applied for, and the Hong Kong Stock Exchange and the SFC, respectively, have granted to us, a number of waivers from strict compliance with the Listing Rules and certificate of exemption for certain requirement under the Companies (WUMP) Ordinance. There is no assurance that the Hong Kong Stock Exchange and the SFC will not revoke any of these waivers and exemptions granted or impose certain conditions on any of these waivers and exemptions. If any of these waivers and exemptions were to be revoked or to be subject to certain conditions, we may be subject to additional compliance obligations, incur additional compliance costs and face uncertainties arising from issues of multi-jurisdictional compliance, all of which could adversely affect us and our Shareholders. See “Waivers and Exemptions”.

Our future financial performance will be negatively affected by the [REDACTED] incurred in connection with the [REDACTED].

Certain non-recurring expenses, including the expenses in relation to the [REDACTED], will affect our financial results for the year ending 31 December 2026. We currently only have an estimate of our [REDACTED]. We expect that our total [REDACTED] will amount to approximately HK\$[REDACTED], of which approximately HK\$[REDACTED] is directly attributable to the issue of the [REDACTED] and to be accounted for as a deduction from equity upon completion of the [REDACTED] in the year ending 31 December 2026. The actual amount to be reported on the financial statements of our Group for the years ending 31 December 2026 is subject to audit adjustment and changes in variables and assumptions. As such, the actual expenses may exceed the estimated amount and will have an adverse impact on our financial results for the year ending 31 December 2026.

RISKS RELATING TO THE STATEMENTS IN THIS DOCUMENT

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government publications, market data providers and other independent third-party sources, contained in this document.

Certain facts and statistics in this document, including but not limited to information and statistics relating to the markets in which we operate and the M&E engineering industry, particularly in “Business” and “Industry Overview”, are based on the CIC Report or are derived from various government sources. We cannot guarantee the accuracy or completeness of certain facts, forecasts and other statistics contained in this document that are obtained from various government sources. Although we believe that the data from official government sources may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and its dependability cannot be guaranteed. The information from official government sources has not been independently verified by the Company, the Relevant Persons or any of their respective affiliates, and no representation is given as to its accuracy. While we believe that the sources of the information are appropriate sources for such information and we have taken reasonable care in the reproduction or extraction of the information for the purpose of disclosure in this document, we make no representation or warranty, express or implied,

RISK FACTORS

as to the accuracy or completeness of such facts and statistics obtained from official government sources. In all cases, investors should give consideration as to how much weight or importance should be placed on such information or statistics.

Investors should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this document, there may have been press and media coverage regarding us and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorised the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.