

FINANCIAL INFORMATION

You should read this section in conjunction with our historical financial information, including the notes thereto, as set out in the Accountants’ Report in Appendix I to this document. The historical financial information has been prepared in accordance with IFRS and SFRS(I).

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include those discussed in “Risk Factors”.

OVERVIEW

We are a leading integrated M&E engineering service provider in Singapore. We offer a comprehensive suite of M&E engineering services for infrastructure and buildings, encompassing ELECT, ACMV, FP and PSG services, as well as produce ancillary components. According to CIC, we ranked second among all the domestic M&E engineering service providers and fourth among all M&E engineering service providers in Singapore, in terms of revenue in 2025. Our market ranking is a result of our competitiveness in service coverage, qualification level and project execution capability across multiple M&E engineering service areas.

During the Track Record Period, we experienced a rapid expansion in operational scale and achieved substantial financial growth. In 2023, we were listed on the Catalist Board of the SGX-ST and were subsequently transferred to the Mainboard of the SGX-ST in 2025. As at 30 June 2026, our total outstanding order book amounted to S\$838.2 million and further exceeded S\$1.0 billion as at the Latest Practicable Date. In addition, our total revenue increased from S\$47.5 million in 2023 to S\$79.9 million in 2024 and further increased to S\$121.6 million in 2025. Our total revenue increased from S\$34.4 million in the six months ended 30 June 2025 to S\$103.2 million in the six months ended 30 June 2026. Our net profit increased from S\$6.8 million in 2023 to S\$9.0 million in 2024 and further increased to S\$20.1 million in 2025. Our net profit increased from S\$4.6 million in the six months ended 30 June 2025 to S\$12.7 million in the six months ended 30 June 2026. This rapid expansion reflects our strong project execution capabilities, competitiveness and strategic growth in the M&E engineering sector, establishing a track record of scalability that positions us for future large-scale public and private contracts.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition have been, and are expected to continue to be, materially affected by the following factors.

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General Factors

Changes in Macroeconomic Conditions and Developments in M&E engineering Industry in Singapore

Our business growth is intrinsically affected by Singapore’s overall economic conditions and the property development trajectory. With continued economic expansion of Singapore, the M&E engineering industry is expected to be driven by an increasing demand for M&E engineering solutions for sustainable and smart buildings, increasing integration of building management systems and growing adoption of DfMA and prefabricated M&E engineering systems. According to CIC, the market size of the Singapore M&E engineering industry is expected to increase from approximately S\$4.3 billion in 2025 to approximately S\$7.3 billion by 2030, representing a CAGR of approximately 10.9%.

Our Directors believe that our diversified project portfolio, broad M&E engineering service capabilities and project execution capacity support our ability to address these market and policy uncertainties. In particular, we seek to navigate changes in demand by adjusting our tendering focus, resource allocation and project execution planning across different types of public and private sector projects, while maintaining our focus on operational optimisation and service quality. During the Track Record Period, our project portfolio and service base supported our ability to navigate these uncertainties. Revenue generated from our M&E engineering services increased substantially in both private and public sectors, and the acquisition of Guthrie Engineering contributed major public sector projects to our pipeline alongside our established private sector M&E engineering services. Our Directors believe that these factors, together with our ongoing cost and project management discipline, support our ability to adapt to changes in demand and pursue opportunities in the Singapore M&E engineering market.

Ability to Balance and Capture Potential Opportunities across Singapore’s Public and Private Sector projects

As an established M&E engineering services provider in Singapore, our dual focus on public and private projects enables us to capture emerging opportunities across the construction industry. According to CIC, the public sector in Singapore is in a phase of strong demand, supported by the continued development of large-scale public infrastructure and high-specification building projects, including the anticipated launch of integrated resorts, hospitals, and railway and coastline extensions. During the Track Record Period, we formed a solid foundation for securing emerging market opportunities in the public sector through the delivery of quality M&E engineering services in major public infrastructure projects, which included landmark projects such as lighting services for the Changi Airport Runway 3, core electrification for Thomson-East Coast MRT Line, full M&E engineering solutions for the buildings supporting Singapore’s port facilities, electrical engineering services for the redevelopment of Alexandra Integrated Hospital. These project records, together with our technical expertise, position us well to secure further opportunities in the public sector.

In addition, we also established a resilient operational foundation by delivering quality M&E engineering services across private projects during the Track Record Period. The construction activities in the private sector in Singapore are expected to maintain steady growth, according to CIC. We believe our technical expertise and extensive experience place us in a favourable position to capture these opportunities.

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Moreover, our diversified portfolio across public and private sectors enhances our counter-cyclical resilience. The private development sector is sensitive to interest rate volatility and government cooling measures, which may constrain developer financing and delay project launches, whereas the public infrastructure sector is less affected by these market conditions. Public works, such as landmark aviation and mass transit networks, are backed by long-term government budgetary allocations that often accelerate during private sector contractions to stimulate economic growth. Our Directors believe that by strategically balancing private contracts with the stable, government-funded cash flows of essential public projects, we are able to reduce our exposure to sector-specific regulatory measures, optimise workforce utilisation and maintain operational stability throughout shifting economic cycles.

Company-specific Factors

Ability to Secure New Contracts and Deliver Quality Services

Our overall financial condition and profitability depend on our ability to secure new contracts and continuously deliver quality services. During the Track Record Period, the demand for construction work in Singapore remained high and the market size of Singapore M&E engineering industry is expected to increase from approximately S\$4.3 billion in 2025 to approximately S\$7.3 billion by 2030, representing a CAGR of approximately 10.9%, according to CIC. While this strong demand presents significant opportunities, it is also accompanied by increasingly stringent requirements-particularly for public sector projects-on engineering quality, track record and financial stability. Backed by our established project records, proven service quality and sound financial position, we have been well placed to capture these opportunities and secure progressively larger and higher-quality projects, with our project portfolio growing from 20 projects as at 31 December 2023 to 50 projects as at 31 December 2024 and 166 projects as at 31 December 2025 and 170 projects as at 30 June 2026.

We sustain our profitability through a strong competitive advantage in tendering for, securing and executing high-value M&E engineering services projects. As our revenue is derived from non-recurring, project-by-project contracts with various customers, we place strong emphasis on quality service delivery. This commitment to execution excellence drives us to become a preferred partner during competitive bidding cycles, allowing us to capture a continuous flow of robust, sizeable contracts to expand our financial pipeline.

Our capability to maintain high service standards and deliver projects on schedule serves as a critical factor for customer evaluations and competitive tendering. We embed rigorous quality assurance into every phase of our M&E engineering workflows, backed by standard warranty commitments that demonstrate our technical confidence and product accountability. Through proactive milestone monitoring, structural oversight and workforce scheduling, we seek to ensure that projects are completed on time and meet or exceed the specified technical requirements of our public and private sector customers. Our Directors believe that this continuous commitment to operational excellence minimises project deviations, safeguards our operational margins, and reinforces our reputation as a trusted, reliable partner capable of securing high-value engineering contracts.

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Ability to Scale our Business through Acquisitions in the Track Record Period

During the Track Record Period, we completed two acquisitions in the Singapore M&E engineering industry, which further enhanced our market position and competitiveness. We completed the acquisitions of Fire-Guard in February 2024 and Guthrie Engineering in July 2025, and their results of operations have been consolidated into ours since their respective completion dates. Our statement of comprehensive income for the year ended 31 December 2024 consolidated the results of Fire-Guard from February 2024, and our statement of comprehensive income for the year ended 31 December 2025 consolidated the results of Guthrie Engineering from July 2025.

Furthermore, Fire-Guard has a track record of over 40 years in the M&E engineering industry and principally specialises in fire protection systems for both public and private sectors. Guthrie Engineering offers M&E engineering services across all four service areas in which we operate. Through this acquisition, we enhanced our ability to provide services to a wider range of customers, including government agencies in the public sector. See “History and Corporate Structure — Corporate History — Acquisitions during the Track Record Period” and see “Financial Information”.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with IFRS and SFRS(I). For the purpose of SFRS(I), the historical financial information that has been prepared in accordance with and complying with SFRS(I) is deemed to have also complied with IFRS. SFRS(I) comprise standards and interpretations that are equivalent to IFRS. All references to SFRS(I) and IFRS are referred to collectively as “IFRS” in the historical financial information, unless specified otherwise. All IFRS effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by us in the preparation of the historical financial information throughout the Track Record Period. For details, see note 2 to the Accountants’ Report as set out in the Appendix I to this document.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

Some of our accounting policies require us to apply estimates, assumptions, and complex judgments related to accounting items. These estimates, assumptions, and judgments have a significant impact on our financial position and results of operations. Our management continuously evaluates such estimates, assumptions, and judgments based on past experience, industry practices, and expectations of future events that are deemed reasonable under the circumstances. During the Track Record Period, there had not been any material deviation between our management’s estimates or assumptions and actual results, and we had not made any material changes to these estimates or assumptions. We do not expect any material changes to these estimates and assumptions in the foreseeable future. Our significant accounting policies, estimates and judgements, which are important for an understanding of our financial condition and results of operations, are set forth in further detail in note 5 to the Accountants’ Report as set out in Appendix I to this document.

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RESULTS OF OPERATIONS

The following table sets forth selected consolidated statements of comprehensive income for the years/periods indicated.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	47,478	79,875	121,566	34,395	103,230
Cost of sales	(36,524)	(67,331)	(98,220)	(26,857)	(81,772)
Gross profit	10,954	12,544	23,346	7,538	21,458
Other income	467	1,662	6,898	277	652
General and administrative expenses	(1,525)	(3,426)	(8,800)	(1,565)	(5,666)
Other expenses	(1,268)	(35)	(2,087)	(356)	(1,416)
Finance costs	(39)	(146)	(1,134)	(203)	(1,446)
Share of results of associates, net of tax	—	(8)	91	(9)	(115)
Profit before income tax	8,589	10,591	18,314	5,682	13,467
Income tax (expense)/credit	(1,758)	(1,636)	1,808	(1,117)	(799)
Profit for the year/period	6,831	8,955	20,122	4,565	12,668
Profit and total comprehensive income for the year/period attributable to owners of the Company	6,831	8,955	20,122	4,565	12,668
Earnings per share					
— Basic (<i>cents</i>)	1.62	2.06	4.22	1.32	2.61
— Diluted (<i>cents</i>)	1.62	2.06	4.12	1.31	2.61

Revenue

During the Track Record Period, we generated revenue from the provision of M&E engineering services, encompassing ELECT, ACMV, FP and PSG services. In 2023, 2024, 2025 and the six months ended 30 June 2025 and 2026, our total revenue amounted to S\$47.5 million, S\$79.9 million, S\$121.6 million, S\$34.4 million and S\$103.2 million, respectively. The overall revenue increase was generally attributable to the acquisition of Guthrie Engineering and revenue recognised from the completion of projects as we continued to grow our business.

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We pursued a strategy of both organic growth and inorganic growth. In terms of organic growth, we were driven by our technical capability, the vibrant economic growth in Singapore in recent years, as well as Singapore’s positive construction sector outlook. From 2022 to 2024, we strengthened our technical capability by obtaining Grade L5 and above qualifications in various engineering workheads. To date, we hold four BCA Grade L6 workhead registrations in M&E engineering service. Our continuous service delivery coupled with efforts in marketing and quality control contributed to the growth of our business. In addition, during the Track Record Period, we successfully listed our Shares on the Catalist Board of the SGX-ST in 2023, and subsequently transferred the listing to the Mainboard of the SGX-ST in 2025. The listing in Singapore gave us access to capital markets and enhanced our brand name and reputation.

In terms of inorganic growth, we acquired Fire-Guard in 2024, which complemented our FP service capabilities. In July 2025, we acquired Guthrie Engineering. Guthrie Engineering has established itself as a respected pillar in the M&E engineering industry in Singapore through the provision of M&E engineering services for various iconic landmark projects including Jewel Changi Airport and Thomson-East Coast MRT Line. Guthrie Engineering’s services mainly include the provision of mechanical engineering services, electrical engineering services, technology solutions, switchboard manufacturing, and sustainable power solutions, providing a comprehensive repertoire of services to meet the needs of smart buildings, iconic landmarks and nationwide transportation network. The acquisition of Guthrie Engineering has further bolstered our competitive position. Thereby with greater technical depth, project experience, and outstanding order book volume, we are well-positioned to compete for large and complex projects.

By Type of M&E Engineering Services

During the Track Record Period, we primarily generated revenue from the provision of services for (i) ELECT systems, which included technology solutions, switchboard manufacturing and sustainable power solutions and (ii) ACMV systems. In addition, as an integrated M&E engineering service provider, we also generated revenue from the provision of services for FP and PSG systems. The following table sets forth our revenue by type of M&E engineering service during the Track Record Period.

	Year ended 31 December						Six months ended 30 June			
	2023		2024		2025		2025		2026	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
ELECT services	20,235	42.7	31,840	39.8	66,528	54.7	11,231	32.7	65,801	63.8
ACMV services	16,718	35.2	21,940	27.5	31,260	25.7	11,364	33.0	24,821	24.0
FP services	2,868	6.0	13,570	17.0	12,500	10.3	5,829	16.9	9,188	8.9
PSG services	7,657	16.1	12,525	15.7	11,278	9.3	5,971	17.4	3,420	3.3
Total	47,478	100.0	79,875	100.0	121,566	100.0	34,395	100.0	103,230	100.0

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By Clientele

During the Track Record Period, revenue generated from the provision of M&E engineering services increased substantially in both private and public sectors. In particular, acquiring Guthrie Engineering injected major public sector projects into our pipeline, significantly boosting our public sector revenue in 2025 alongside our established private sector M&E engineering services. The following table sets forth our revenue by clientele during the Track Record Period.

	Year ended 31 December						Six months ended 30 June			
	2023		2024		2025		2025		2026	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Private sector	39,195	82.6	70,136	87.8	62,884	51.7	29,866	86.8	39,654	38.4
Public sector	8,283	17.4	9,739	12.2	58,682	48.3	4,529	13.2	63,576	61.6
Total	47,478	100.0	79,875	100.0	121,566	100.0	34,395	100.0	103,230	100.0

By Contract Type

During the Track Record Period, we primarily generated revenue from lump-sum contracts. The following table sets forth our revenue by contract type during the Track Record Period.

	Year ended 31 December						Six months ended 30 June			
	2023		2024		2025		2025		2026	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Lump-sum contracts	47,478	100.0	78,623	98.4	104,139	85.7	33,249	96.7	80,902	78.4
Maintenance contracts	—	—	1,252	1.6	17,427	14.3	1,146	3.3	22,328	21.6
Total	47,478	100.0	79,875	100.0	121,566	100.0	34,395	100.0	103,230	100.0

Cost of Sales

Our cost of sales mainly comprises (i) subcontractor charges, (ii) direct material costs, (iii) employee benefit expenses, (iv) depreciation of right-of-use assets and (v) short-term lease expenses. Subcontractor charges are our main cost of sales, accounting for 56.5%, 45.3%, 45.7%, 47.2% and 48.4% of our total cost of sales for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

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The following table sets forth the breakdown of our cost of sales by nature during the Track Record Period.

	Year ended 31 December						Six months ended 30 June			
	2023		2024		2025		2025		2026	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Subcontractor charges	20,649	56.5	30,573	45.3	44,877	45.7	12,664	47.2	39,574	48.4
Direct material costs	10,257	28.1	28,153	41.8	32,463	33.1	9,933	37.0	21,371	26.1
Employee benefits expenses	4,388	12.0	6,096	9.1	16,616	16.9	2,712	10.1	16,413	20.1
Depreciation of right-of-use assets	106	0.3	117	0.2	130	0.1	65	0.2	254	0.3
Short-term lease expenses	481	1.3	588	0.9	595	0.6	307	1.1	215	0.3
Others ^(Note)	643	1.8	1,804	2.7	3,539	3.6	1,176	4.4	3,945	4.8
Total	<u>36,524</u>	<u>100.0</u>	<u>67,331</u>	<u>100.0</u>	<u>98,220</u>	<u>100.0</u>	<u>26,857</u>	<u>100.0</u>	<u>81,772</u>	<u>100.0</u>

Note: Others mainly represent miscellaneous direct costs

Gross Profit and Gross Profit Margin

By Type of M&E Engineering Service

The following table sets forth our gross profit and gross profit margin by type of M&E engineering service during the Track Record Period.

	Year ended 31 December						Six months ended 30 June			
	2023		2024		2025		2025		2026	
	<u>Gross profit</u>	<u>margin</u>	<u>Gross profit</u>	<u>margin</u>	<u>Gross profit</u>	<u>margin</u>	<u>Gross profit</u>	<u>margin</u>	<u>Gross profit</u>	<u>margin</u>
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
ELECT services	2,496	12.3	4,557	14.3	8,510	12.8	1,849	16.5	13,800	21.0
ACMV services	6,720	40.2	4,867	22.2	9,925	31.7	3,492	30.7	4,703	18.9
FP services	276	9.6	2,017	14.9	2,712	21.7	935	16.0	2,430	26.4
PSG services	1,462	19.1	1,103	8.8	2,199	19.5	1,262	21.1	525	15.4
Total	<u>10,954</u>	<u>23.1</u>	<u>12,544</u>	<u>15.7</u>	<u>23,346</u>	<u>19.2</u>	<u>7,538</u>	<u>21.9</u>	<u>21,458</u>	<u>20.8</u>

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By Clientele

The following table sets forth our gross profit and gross profit margin by clientele during the Track Record Period.

	Year ended 31 December						Six months ended 30 June			
	2023		2024		2025		2025		2026	
	Gross		Gross		Gross		Gross		Gross	
	<u>Gross profit</u>	<u>margin</u>	<u>Gross profit</u>	<u>margin</u>	<u>Gross profit</u>	<u>margin</u>	<u>Gross profit</u>	<u>margin</u>	<u>Gross profit</u>	<u>margin</u>
	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>
Private sector	10,785	27.5	11,605	16.5	12,813	20.4	7,084	23.7	13,886	35.0
Public sector	<u>169</u>	<u>2.0</u>	<u>939</u>	<u>9.6</u>	<u>10,533</u>	<u>17.9</u>	<u>454</u>	<u>10.0</u>	<u>7,572</u>	<u>11.9</u>
Total	<u>10,954</u>	23.1	<u>12,544</u>	15.7	<u>23,346</u>	19.2	<u>7,538</u>	21.9	<u>21,458</u>	20.8

By Contract Type

The following table sets forth our gross profit and gross profit margin by contract type during the Track Record Period.

	Year ended 31 December						Six months ended 30 June			
	2023		2024		2025		2025		2026	
	Gross		Gross		Gross		Gross		Gross	
	<u>Gross profit</u>	<u>margin</u>	<u>Gross profit</u>	<u>margin</u>	<u>Gross profit</u>	<u>margin</u>	<u>Gross profit</u>	<u>margin</u>	<u>Gross profit</u>	<u>margin</u>
	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>
Lump-sum contracts	10,954	23.1	12,014	15.3	16,561	15.9	7,027	21.1	8,369	10.3
Maintenance contracts	<u>—</u>	<u>—</u>	<u>530</u>	<u>42.3</u>	<u>6,785</u>	<u>38.9</u>	<u>511</u>	<u>44.6</u>	<u>13,089</u>	<u>58.6</u>
Total	<u>10,954</u>	23.1	<u>12,544</u>	15.7	<u>23,346</u>	19.2	<u>7,538</u>	21.9	<u>21,458</u>	20.8

Other Income

Our other income amounted to approximately S\$0.5 million, S\$1.7 million, S\$6.9 million, S\$0.3 million and S\$0.7 million in 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. In 2023, other income primarily comprises government grants pursuant to the SGX-ST listing of S\$0.2 million in 2023. In 2024, other income primarily comprises bargain purchase of S\$1.1 million in relation to the excess of fair value of identifiable net asset over aggregate of consideration transferred for the acquisition of Fire-Guard in February 2024. In 2025, other income primarily comprises a gain of S\$5.5 million on the bargain purchase, in relation to the excess of fair value of identifiable net asset over aggregate of consideration transferred for the acquisition of Guthrie Engineering in July 2025. In the six months ended 30 June 2025, other income primarily comprises sundry income of S\$0.2 million. In the six months ended 30 June 2026, other income primarily comprises rental income of S\$0.2 million and fixed deposits interest income of S\$0.1 million.

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General and Administrative Expenses

Our general and administrative expenses primarily comprise employee benefit expenses, depreciation and amortisation, professional fees and repair and maintenance expenses, amounted to S\$1.5 million, S\$3.4 million, S\$8.8 million, S\$1.6 million and S\$5.7 million for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

The following table sets forth a breakdown of our general and administrative expenses during the Track Record Period.

	Year ended 31 December						Six months ended 30 June			
	2023		2024		2025		2025		2026	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Employee benefit expenses	983	64.4	1,884	54.8	4,559	51.7	706	45.0	2,356	41.6
Depreciation and amortisation	100	6.6	492	14.4	2,146	24.4	278	17.8	1,781	31.4
Professional fees	154	10.1	348	10.2	709	8.1	253	16.2	198	3.5
Repair and maintenance expenses	66	4.3	151	4.4	308	3.5	55	3.5	241	4.3
Office expenses	52	3.4	85	2.5	348	4.0	100	6.4	261	4.6
SGX-ST ongoing listing expenses	76	5.0	71	2.1	70	0.8	37	2.4	129	2.3
Impairment losses/(reversal of impairment losses) on financial assets	—	—	64	1.9	385	4.4	—	—	(71)	(1.3)
Write-off of contract assets	—	—	99	2.9	—	—	—	—	—	—
Write-off of retention receivables	—	—	64	1.9	—	—	—	—	—	—
Others ^(Note)	94	6.2	168	4.9	275	3.1	136	8.7	771	13.6
	<u>1,525</u>	<u>100.0</u>	<u>3,426</u>	<u>100.0</u>	<u>8,800</u>	<u>100.0</u>	<u>1,565</u>	<u>100.0</u>	<u>5,666</u>	<u>100.0</u>

Note: Others mainly represent insurance, utilities and travelling expenses.

Other Expenses

Other expenses represented (i) one-off listing expenses of listing on Catalist Board of the SGX-ST of S\$1.3 million incurred for the listing in Singapore in 2023, (ii) transaction fees of S\$35 thousand in 2024, in relation to our acquisition of Fire-Guard, (iii) transaction fees of S\$1.3 million in 2025 and S\$0.4 million in the six months ended 30 June 2025, in relation to our acquisition of Guthrie Engineering, and (iv) the expenses in preparation of the [REDACTED] in Hong Kong.

Finance Costs

Finance costs represent interest expenses arising from lease liabilities, bank borrowings and convertible bond issued by us to raise capital in anticipation of a proposed share acquisition. Our finance costs amounted to S\$39 thousand, S\$0.1 million, S\$1.1 million, S\$0.2 million and S\$1.4 million in 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

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Share of Results of Associates, Net of Tax

Share of results of associates represents our investments in Primest Land V1 Pte. Ltd., held through Ever Capital Pte. Ltd. and Tek Guthrie Pte. Ltd., held through Guthrie Engineering. We do not have a controlling interest in either of the entities and their results of which are accounted for using the equity method in the consolidated financial statements. During the Track Record Period, by virtue of our representation on the board of directors, we have significant influence over the two entities, which enables us to participate in the financial and operating policy decisions of the associates as part of our long-term strategies.

Income Tax Expense/Credit

Income tax expense comprises current income tax that we have incurred. We incurred S\$1.8 million, S\$1.6 million, S\$1.1 million and S\$0.8 million of income tax expenses in 2023, 2024 and the six months ended 30 June 2025 and 2026. In 2025, we recorded S\$1.8 million income tax credit arising from recognition of deferred tax asset from unused tax losses in 2025.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Revenue

Revenue by Type of M&E Engineering Service

ELECT Services

Our revenue generated from the provision of services for ELECT systems increased significantly from S\$11.2 million in the six months ended 30 June 2025 to S\$65.8 million in the six months ended 30 June 2026, primarily attributable to the expansion of business scope as a result of (i) the acquisition of Guthrie Engineering, including revenue recognised from a major project of supply and installation of electrical services for a rail-based public transport line project, and (ii) provision of more maintenance services, including maintenance of 230 kV and 66 kV metal-clad SF6 gas-insulated switchgear and related work.

Our revenue generated from the provision of services for ELECT systems increased significantly from S\$31.8 million in 2024 to S\$66.5 million in 2025, primarily attributable to our Group’s continuous expansion with more projects undertaken, including revenue recognised from a major project of supply and installation of electrical services for a rail-based public transport line project, maintenance work for switchgear and a project for certain residential apartments with carpark and communal facilities, childcare centre and commercial buildings.

Our revenue generated from the provision of services for ELECT systems increased by 57.4% from S\$20.2 million in 2023 to approximately S\$31.8 million in 2024, primarily attributable to (i) an increase in the number of on-going projects; and the substantial completion of a major ELECT services for a new 12-storey office building in 2024, as we continued to strengthen competitiveness in this business segment through accumulating more project and technical expertise.

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ACMV services

Our revenue generated from the provision of services for ACMV systems increased significantly from S\$11.4 million in the six months ended 30 June 2025 to S\$24.8 million in the six months ended 30 June 2026, primarily due to the provision of ACMV services for multiple projects, including the installation of ACMV systems for the construction of a multi-use arena at a hospitality development and a mixed-use hospitality development as we continued to expand into the public sector.

Our revenue generated from the provision of services for ACMV systems increased by 42.9% from S\$21.9 million in 2024 to S\$31.3 million in 2025, primarily due to our Group’s continuous expansion in business scale, including the on-going project with the provision of ACMV systems for an integrated business park development, and an on-going project integrated housing development in 2025.

Our revenue generated from the provision of services for ACMV systems increased by 31.1% from S\$16.7 million in 2023 to S\$21.9 million in 2024, primarily attributable to (i) an increase in the number of on-going projects; and (ii) the substantial completion of a major project with ACMV systems for an office building in 2024, as we continued to expand our business through the provision of ACMV systems.

FP services

Our revenue generated from the provision of services for FP systems increased by 58.6% from S\$5.8 million in the six months ended 30 June 2025 to S\$9.2 million in the six months ended 30 June 2026, primarily due to FP services provided for existing integrated projects, as we continued to strengthen our integrated one-stop service capabilities.

Our revenue generated from the provision of services for FP systems slightly decreased by 7.9% from S\$13.6 million in 2024 to S\$12.5 million in 2025, primarily due to the substantial completion of FP services provided for integrated projects in 2024, including one mixed-use development and one residential development, as we strengthened our integrated one-stop service capabilities.

Our revenue generated from the provision of services for FP systems increased significantly from S\$2.9 million in 2023 to S\$13.6 million in 2024, primarily attributable to (i) the substantial completion of a project with services provided for a residential development in 2024; and (ii) consolidation of Fire-Guard’s results following its acquisition by the Group, including the completion of FP system services for a business park development and a public transport facility, as we continued to diversify our customers.

PSG services

Our revenue generated from the provision of services for PSG systems decreased by 43.3% from S\$6.0 million in the six months ended 30 June 2025 to S\$3.4 million in the six months ended 30 June 2026, primarily due to the completion of multiple projects, including mixed-use, residential, and commercial developments for both the public and private sectors, as we continued to strengthen our service provision capabilities.

Our revenue generated from the provision of services for PSG systems remained relatively stable at S\$12.5 million in 2024 and S\$11.3 million in 2025.

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Our revenue generated from the provision of services for PSG systems increased by 62.3% from S\$7.7 million in 2023 to S\$12.5 million in 2024, primarily attributable to completion of PSG services provided for a residential development, an office building, a public housing development and a hospitality property, as we served a diverse type of customers and properties.

Revenue by Clientele

Public sector

Our revenue generated from the provision of services in the public sector increased significantly from S\$4.5 million in the six months ended 30 June 2025 to S\$63.6 million in the six months ended 30 June 2026, primarily attributable to an increase in the number of public contracts awarded as the market demand for public infrastructure works increased.

Our revenue generated from the provision of services in the public sector increased significantly from S\$9.7 million in 2024 to S\$58.7 million in 2025, primarily attributable to (i) the consolidation of Guthrie Engineering’s financial results following the acquisition, with Guthrie Engineering’s contributing to Group’s revenue from the second half of 2025 onwards, and (ii) an increase in the public contracts awarded as the market demand for public infrastructure works increased.

Our revenue increased by 16.9% from S\$8.3 million in 2023 to S\$9.7 million in 2024, primarily attributable to revenue recognised from the provision of M&E engineering services for a public housing project.

Private sector

Our revenue generated from the provision of services in the private sector increased by 32.8% from S\$29.9 million in the six months ended 30 June 2025 to S\$39.7 million in the six months ended 30 June 2026, primarily attributable to revenue recognised from projects obtained subsequent to the GE Acquisition, including two sizable maintenance projects.

Our revenue generated from the provision of services in the private sector decreased by 10.3% from S\$70.1 million in 2024 to S\$62.9 million in 2025, primarily attributable to the completion of one-stop M&E services provided across four business segments for two sizable mixed-use commercial developments in 2024.

Our revenue increased by 78.8% from S\$39.2 million in 2023 to S\$70.1 million in 2024, primarily attributable to (i) an increase in the number of on-going projects; and (ii) the completion of one-stop M&E services provided across four business segments for two sizable mixed-use commercial developments in 2024.

Revenue by Contract Type

We primarily generate revenue from M&E engineering projects with contracts that stipulated a contract sum and we recognised revenue from lump-sum contracts of S\$47.5 million, S\$78.6 million, S\$104.1 million, S\$33.2 million and S\$80.9 million in 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. In 2024, we expanded to provide maintenance contracts and the revenue of which amounted to S\$1.3 million. In 2025, revenue from maintenance contracts grew to

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reach S\$17.4 million, comprising approximately 14.3% of our total revenue. Such growth was primarily due to the continuous expansion of our business scale, including a sizable public project for the operation and management of car park administration systems. Our revenue generated from maintenance contracts increased significantly from S\$1.1 million in the six months ended 30 June 2025 to S\$22.3 million in the six months ended 30 June 2026, which was in line with the expansion of our business scale relating to (i) car park maintenance and (ii) switchgear maintenance for electricity company. The maintenance contracts supplemented the Group’s income streams.

Cost of Sales

Our cost of sales increased significantly from S\$26.9 million in the six months ended 30 June 2025 to S\$81.8 million in the six months ended 30 June 2026, mainly due to the expansion of our business scale and an increase in the number of projects and headcount after our acquisition of Guthrie Engineering. However, the proportion of direct material costs decreased from 37.0% in the six months ended 30 June 2025 to 26.1% in the six months ended 30 June 2026 because more of the direct materials have been provided and included by the subcontractors of Guthrie Engineering in the provision of their services.

Our cost of sales increased by 45.9% from S\$67.3 million in 2024 to S\$98.2 million in 2025. Such increase was in line with our revenue growth and as a result of the consolidation of the financial results of Guthrie Engineering.

Our subcontractor charges increased by 46.7% from S\$30.6 million in 2024 to S\$44.9 million in 2025, primarily due to securing more projects as we continued to grow the M&E engineering services and expand our business scale. Our direct material costs increased by 15.2% from S\$28.2 million in 2024 to S\$32.5 million in 2025, primarily due to an increase in the provision of M&E engineering services and business scale. Our employee benefits expenses increased significantly from S\$6.1 million in 2024 to S\$16.6 million in 2025, primarily due to an increase in business scale for the provision of our M&E engineering services and acquisition of Guthrie Engineering.

Our cost of sales increased by 84.4% from approximately S\$36.5 million in 2023 to approximately S\$67.3 million in 2024. Such increase was in line with our business growth.

Our subcontractor charges increased by 48.5% from S\$20.6 million in 2023 to S\$30.6 million in 2024, primarily due to more subcontractors we engaged in support of our expanded business scale for the provision of M&E engineering services. Our direct material costs increased significantly from S\$10.3 million in 2023 to S\$28.2 million in 2024, primarily due to an increase in business scale for the provision of our M&E engineering services. Our employee benefits expenses increased by 38.6% from S\$4.4 million in 2023 to S\$6.1 million in 2024, primarily due to an increase in business scale for the provision of our M&E engineering services.

Gross Profit and Gross Profit Margin

In the six months ended 30 June 2026, our gross profit for the provision of ELECT, ACMV and FP services increased from S\$1.8 million, S\$3.5 million and S\$0.9 million in the six months ended 30 June 2025 to S\$13.8 million, S\$4.7 million and S\$2.4 million in the six months ended 30 June 2026, primarily due to our strengthened capabilities in providing M&E engineering services and the expanded

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scale of operations following the acquisition of Guthrie Engineering, while our gross profit for the provision of services for PSG systems decreased primarily due to additional costs incurred from remedial works performed during the DLP, which lowered our profit margin.

Our gross profit margin remained relatively stable at 21.9% in the six months ended 30 June 2025 to 20.8% in the six months ended 30 June 2026.

Our gross profit margin increased from 15.7% in 2024 to 19.2% in 2025. The increase was mainly attributable to an increase in gross profit for the provision of services for ACMV systems, driven by a decrease in direct material costs due to the expansion of our scale of operation following the acquisition of Guthrie Engineering.

Our gross profit margin decreased from 23.1% in 2023 to 15.7% in 2024, mainly attributable to a decrease in gross profit margin for the provision of services for ACMV systems. The decrease was mainly because there was a project in 2023 with relatively high margin as it incurred variation orders to upgrade and improve the project from time to time.

Other Income

Our other income increased significantly from S\$0.3 million in the six months ended 30 June 2025 to S\$0.7 million in the six months ended 30 June 2026, primarily due to (i) rental income derived from the rental of one office unit of Guthrie Engineering; and (ii) an increase in fixed deposits interest income.

Our other income increased significantly from S\$1.7 million in 2024 to S\$6.9 million in 2025, primarily due to an increase in the bargain purchase of S\$4.4 million in relation to the excess of fair value of identifiable net assets over aggregate of consideration transferred for the acquisition of Guthrie Engineering in July 2025.

Our other income increased significantly from S\$0.5 million in 2023 to S\$1.7 million in 2024, primarily due to a gain of S\$1.1 million on the bargain purchase of Fire-Guard, as the acquisition was concluded at a consideration below the fair value of the identifiable net assets acquired. This gain arose because the seller intended to exit a family-owned stake and transition the business to be under the Group with better capabilities and opportunities for growth.

General and Administrative Expenses

Our general and administrative expenses increased significantly from S\$1.6 million in the six months ended 30 June 2025 to S\$5.7 million in the six months ended 30 June 2026, primarily due to (i) an increase in depreciation and amortisation expenses mainly driven by additional right-of-use assets, property, plant and equipment as well as intangible assets from the acquisition of Guthrie Engineering; and (ii) an increase in employee benefit expenses in relation to the expansion of business scale.

Our general and administrative expenses increased significantly from S\$3.4 million in 2024 to S\$8.8 million in 2025. The increase in our general and administrative expenses was primarily due to (i) an increase in employee benefit expenses arising from increased number of employees as part of the acquisition of Guthrie Engineering; (ii) an increase in depreciation and amortisation expenses mainly

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driven by additional right-of-use assets, property, plant and equipment as well as intangible assets from the acquisition of Guthrie Engineering, and (iii) an increase in other expenses consisting mainly professional fees, which included audit fees and lawyers fees, and other office and general expenses.

Our general and administrative expenses increased significantly from approximately S\$1.5 million in 2023 to S\$3.4 million in 2024. The increase in our general and administrative expenses was primarily due to (i) the increase in employee benefit expenses arising from increased number of employees acquisition of Fire-Guard; (ii) the increase in depreciation and amortisation expenses mainly arising from additional right-of-use assets, plant and equipment as well as intangible assets arising from the acquisition of Fire-Guard, and (iii) the increase in other expenses consisting mainly professional fees in connection with the acquisition of Fire-Guard.

Other Expenses

Our other expenses increased from S\$0.4 million in the six months ended 30 June 2025 to S\$1.4 million in the six months ended 30 June 2026, primarily due to Hong Kong [REDACTED] related professional fees.

Our other expenses increased significantly from S\$35 thousand in 2024 to S\$2.1 million in 2025, primarily attributable to one-off shares placement, transfer from Catalist Board to Mainboard of the Singapore Exchange and acquisition transaction fees incurred from the acquisition of Guthrie Engineering in 2025.

We incurred other expenses of S\$35 thousand in 2024, primarily attributable to the acquisition transaction fees incurred from the acquisition of Fire-Guard in 2024.

Our other expenses decreased significantly from S\$1.3 million in 2023 to S\$35 thousand in 2024, primarily attributable to the one-off listing expenses incurred for the listing in Singapore in 2023.

Finance Costs

Our finance costs increased significantly from S\$0.2 million in the six months ended 30 June 2025 to S\$1.4 million in the six months ended 30 June 2026, primarily attributable to an increase in interest expenses incurred from the financing of acquiring Guthrie Engineering.

Our finance costs increased significantly from S\$0.1 million in 2024 to S\$1.1 million in 2025. The increase in our finance costs was primarily because the interest expenses of bank borrowings increased from S\$0.1 million to S\$0.6 million mainly due to the financing of the acquisition of Guthrie Engineering; and the interest expenses of S\$0.4 million from the convertible bond issued.

Our finance costs increased from S\$39 thousand in 2023 to S\$0.1 million in 2024 primarily due to an increase in interest expenses of bank borrowing.

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Income tax expense/credit

Our income tax expense decreased by 27.3% from S\$1.1 million in the six months ended 30 June 2025 to S\$0.8 million in the six months ended 30 June 2026, primarily due to the utilisation of previously unrecognised tax losses and capital allowances by one of our subsidiaries, resulting in a lower overall tax expense for the period.

We incurred income tax expense of S\$1.6 million in 2024. We recorded income tax credits of S\$1.8 million in 2025, primarily due to recognition of deferred tax asset from unused tax losses.

Our income tax expense decreased by 11.1% from S\$1.8 million in 2023 to S\$1.6 million in 2024. The decrease in our income tax expense was primarily due to the decrease in under-provision in respect of prior years of S\$0.1 million.

Profit for the year/period

As a result of the foregoing, our profit for the year increased significantly from S\$4.6 million in the six months ended 30 June 2025 to S\$12.7 million in the six months ended 30 June 2026 and increased significantly from S\$9.0 million in 2024 to S\$20.1 million in 2025 and increased by 32.4% from S\$6.8 million in 2023 to S\$9.0 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as at the dates indicated.

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Intangible assets	10	743	3,392	2,892
Property, plant and equipment	112	251	19,655	19,164
Right-of-use assets	341	462	8,137	8,428
Investment in associates	420	1,462	9,216	9,138
Financial assets at fair value through profit or loss (“FVTPL”)	—	1,250	1,219	1,120
Financial assets at fair value through other comprehensive income (“FVOCI”)	—	1	1	1
Trade and other receivables	406	100	4,497	2,543
Total non-current assets	1,289	4,269	46,117	43,286

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	As at 31 December			As at 30 June
	2023	2024	2025	2026
	S\$'000	S\$'000	S\$'000	S\$'000
Current Assets				
Inventories	—	75	147	88
Contract assets	8,205	10,884	35,370	36,536
Trade and other receivables	8,512	20,596	38,052	39,847
Other current assets	239	550	8,631	12,332
Fixed deposits	2,500	5,330	19,874	15,037
Cash and bank balances	4,156	7,489	23,180	23,652
Total current assets	23,612	44,924	125,254	127,492
Total assets	24,901	49,193	171,371	170,778
Non-current liabilities				
Lease liabilities	176	218	7,644	7,773
Bank borrowings	298	130	19,594	16,674
Convertible bond	—	—	4,808	—
Deferred tax liabilities	—	121	345	194
Total non-current liabilities	474	469	32,391	24,641
Current Liabilities				
Trade and other payables	9,425	20,209	61,642	55,464
Contract liabilities	840	1,306	6,982	7,440
Provisions	14	565	375	6
Bank borrowings	937	3,865	8,784	7,694
Lease liabilities	173	247	1,171	1,381
Income tax payables	1,763	3,534	1,796	1,778
Total current liabilities	13,152	29,726	80,750	73,763
Total liabilities	13,626	30,195	113,141	98,404
Equity				
Share capital	2,838	5,067	23,906	29,619
Treasury shares	(86)	(513)	(166)	(166)
Other reserve	1,000	1,000	1,574	1,325
Retained earnings	7,523	13,444	32,916	41,596
Total equity	11,275	18,998	58,230	72,374
Total equity and liabilities	24,901	49,193	171,371	170,778

Property, plant and equipment

Our property, plant and equipment comprised (i) furniture and fittings, (ii) computers, (iii) motor vehicles, (iv) renovation, (v) buildings and (vi) plant and office equipment, for our office space in the ordinary course of business operations.

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Our property, plant and equipment increased significantly from S\$0.1 million as at 31 December 2023 to S\$0.3 million as at 31 December 2024, primarily due to renovation works of Sunbeam office, purchase of new office lorry, and purchase of new furniture and fittings, computer and office equipment, partially offset by depreciation.

Our property, plant and equipment further increased significantly to S\$19.7 million as at 31 December 2025, primarily due to the acquisition of Guthrie Engineering. In accordance with the purchase price allocation requirements, certain identifiable assets were measured at fair value upon acquisition, resulting in an uplift compared to their carrying values prior to the acquisition. The acquisition also contributed to increase in motor vehicles, plant and machinery, and furniture and fittings, which were partially offset by depreciation.

Our property, plant and equipment decreased from S\$19.7 million as at 31 December 2025 to S\$19.2 million as at 30 June 2026, primarily due to depreciation.

Investment in associates

Our investment in associates primarily derives from the 25% ownership interest we had in Primest Land V1 Pte. Ltd. (“**PLV1**”).

Our investment in associates increased significantly from S\$0.4 million as at 31 December 2023 to S\$1.5 million as at 31 December 2024, primarily due to advances provided to PLV1 for the purpose of a land development project. Our investment in associates further increased to S\$9.2 million as at 31 December 2025, primarily due to addition of 36.87% ownership interest in Tek Guthrie Pte Ltd (“**TG**”) as our associate following the acquisition of Guthrie Engineering. Our investment in associates remained relatively stable at S\$9.1 million as at 30 June 2026.

For details, see note 10 to the Accountants’ Report as set out in Appendix I to this document.

Contract assets

Our contract assets principally comprise our right to consideration for work completed but not yet billed at reporting date for construction contracts. Our contract assets increased during the Track Record Period, mainly in line with our expansion of business and an increase in the number of projects.

Trade and other receivables

Our trade and other receivables mainly represented (i) trade receivables, (ii) retention payments withheld by our customers and are typically recoverable upon project completion or after the defect liability period and (iii) other receivables, which mainly include deposits made for collateral for projects, rental of premises and utilities.

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The following table sets forth the details of our trade and other receivables as at the dates indicated:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	3,227	10,011	16,185	18,355
Retention receivables	4,853	9,541	23,628	22,256
Deposits	799	1,056	1,166	1,160
Accrued receivables	—	31	658	596
Interest receivables	38	35	54	23
Other receivables	1	22	858	—
Total	8,918	20,696	42,549	42,390

Our trade and other receivables increased from S\$8.9 million as at 31 December 2023 to S\$20.7 million as at 31 December 2024, primarily due to (i) an increase in trade receivables due to more projects we secured, (ii) an increase in retention receivables as more projects we secured, more retention payments are withheld by customers, which are typically recoverable upon project completion or after the DLP; and (iii) an increase in accrued receivables in relation to accrued alterations and additions work performed but not yet billed.

Our trade and other receivables further increased from S\$20.7 million as at 31 December 2024 to S\$42.5 million as at 31 December 2025, primarily due to (i) our expansion of business; and (ii) an increase in retention receivables due to the increase in the number of projects we had.

Our trade and other receivables remained relatively stable at S\$42.5 million as at 31 December 2025 and S\$42.4 million as at 30 June 2026.

Our trading terms with our customers are mainly on credit, except for new customers. Before accepting any new customers, we will assess the potential customer's credit quality and define credit limit by customer. The credit period is generally for a period of 30 to 90 days for major customers. We seek to maintain strict control over its outstanding receivables and has a credit control department to minimise the credit risk.

We applied the lifetime expected credit loss (ECL) model under the simplified approach in IFRS 9 for trade receivables. Therefore, we do not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. We established a provision matrix based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay. We consider a financial asset in default when contractual payments are 30 days past due. In certain cases, we may also consider a financial asset to be in default when internal or external information indicates that we are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flow.

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The following table sets forth the ageing analysis of our trade receivables, based on the invoice date, as at the dates indicated:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	S\$'000	S\$'000	S\$'000	S\$'000
Within 30 days	2,293	7,703	11,755	14,065
31 to 60 days	343	561	918	1,696
61 to 90 days	158	339	485	363
Over 91 days	433	1,408	3,027	2,231
Total	3,227	10,011	16,185	18,355

Most of our trade receivables are due within 30 to 90 days. We measure loss allowances for trade receivables at an amount equal to lifetime expected credit losses, which is calculated using a provision matrix at each reporting date. As the historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the provision rates are primarily based on past due status. As at 31 December 2025 and 30 June 2026, loss allowance for our trade receivables amounted to S\$0.4 million and S\$0.3 million, respectively.

As at 31 July 2026, approximately S\$11.4 million or 62.1% of our trade receivables outstanding as at 30 June 2026 were settled.

The table below sets forth a summary of average turnover days of trade receivables for the years/ periods indicated:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
Average turnover days of trade receivables ^(Note)	27	30	39	30

Note: Average turnover days of trade receivables for the years/periods ended 31 December 2023, 2024 and 2025 and 30 June 2026 are calculated using the average balance of net trade receivables divided by revenue for the relevant year/ period and multiplied by 365 days, 366 days, 365 days and 181 days, respectively. Average balance of net trade receivables is calculated as the sum of the beginning and the ending balance for the relevant year, divided by two.

Our average turnover days of trade receivables increased from 27 days in 2023 to 30 days in 2024, mainly because the Group secured additional project contracts in 2022 that were fully billed and recognised as revenue in 2024, leading to a higher trade receivable balance and prolonged receivable collection cycle. Our average turnover days of trade receivables increased to 39 days in 2025, mainly due to a project where we received late payment from the main contractor. Our average turnover days of trade receivables decreased to 30 days in the six months ended 30 June 2026, mainly due to receiving outstanding payments from main contractors as the result of improved trade receivable measures.

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Our collection cycles are typically longer than the credit terms, which is in line with the practice of the construction industry, according to CIC. Nevertheless, our account receivable team actively monitor and follows up closely on the overdue balances to ensure timely collections, ensuring compliance with our working capital requirements.

Fixed deposits

Our fixed deposits are primarily deposits pledged to the banks as security for financing facilities and guarantee for construction bond.

Our fixed deposits increased by S\$2.8 million from S\$2.5 million as at 31 December 2023 to S\$5.3 million as at 31 December 2024, primarily due to an increase in deposits pledged to the banks as security for financing facilities and guarantee for construction bond. Our fixed deposits further increased by S\$14.5 million to S\$19.9 million as at 31 December 2025, primarily due to placement of additional cash we deposited to earn higher interest. Our fixed deposits decreased by 24.6% from S\$19.9 million as at 31 December 2025 to S\$15.0 million as at 30 June 2026, primarily due to the one-off placement of additional cash deposited in 2025.

Cash and bank balances

Our cash and bank balances were primarily derived from our operating activities. Our cash and bank balances increased from S\$4.2 million as at 31 December 2023 to S\$7.5 million as at 31 December 2024, due to higher cash inflows from operating activities, in line with the growth in revenue and project billings during the year. Our cash and bank balances further increased to S\$23.2 million as at 31 December 2025, primarily because the Group received proceeds from convertible bond, placement and public offering of Shares in 2025, which significantly strengthened our cash position. Our cash and bank balances remained relatively stable at S\$23.6 million as at 30 June 2026.

Right-of-use assets

Our right-of-use assets primarily consist of various office premises for our operations.

Our right-of-use assets increased from S\$0.3 million as at 31 December 2023 to S\$0.5 million as at 31 December 2024, primarily due to leasing an additional office space, and renewal of tenancy agreement. Our right-of-use assets further increased to S\$8.1 million as at 31 December 2025, primarily due to the acquisition of Guthrie Engineering. Our right-of-use assets increased from S\$8.1 million as at 31 December 2025 to S\$8.4 million as at 30 June 2026, primarily due to an increase in office premises and motor vehicles.

Financial assets at fair value through profit or loss (“FVTPL”)

As at 31 December 2023, 2024 and 2025 and 30 June 2026, we had financial assets at FVTPL amounted to nil, S\$1.3 million, S\$1.2 million and S\$1.1 million, respectively. We held an investment of approximately 5% of equity interests in Bayswood Pte Ltd (“**Bayswood**”) via a special purpose vehicle — Newave Solutions Pte Ltd. (“**Newave**”), and we provided a shareholders’ loan to Newave for the purpose of a development project of an industrial building held by Bayswood. Such shareholders’ loan is provided together with other shareholders of Bayswood in proportion to our indirect equity interest in it.

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Bank borrowings

Our bank borrowings primarily comprise term loan, trust receipts, temporary bridging loans and revolving credit facilities. Our bank borrowings increased from S\$1.2 million as at 31 December 2023 to S\$4.0 million as at 31 December 2024, primarily because we had more trust receipts to support our increased project activities and working capital requirements.

Our bank borrowings further increased to S\$28.4 million as at 31 December 2025, primarily due to (i) additional bank borrowings drawn down by the Group, including an acquisition loan obtained from bank in July 2025 to finance the acquisition of Guthrie Engineering; and (ii) a higher utilisation of trust receipts to support our increased project activities and working capital requirements.

Our bank borrowings decreased from S\$28.4 million as at 31 December 2025 to S\$24.4 million as at 30 June 2026, primarily due to loan repayments.

Trade and other payables

Our trade and other payables mainly represented (i) trade payables for raw materials and services purchased on credit, (ii) accruals for project costs related to materials and services received for project execution, (iii) retention payables withheld from progress payments subcontractors, and (iv) other payables including professional fees and salaries.

The following table sets forth the breakdown of our trade and other payables as at the dates indicated:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	4,087	9,908	14,196	15,075
Accruals for project costs	—	3,911	13,317	18,042
Retention payables	2,504	3,892	12,888	13,133
Other payables	2,834	2,498	21,241	9,214
Total	9,425	20,209	61,642	55,464

Our trade and other payables increased from S\$9.4 million as at 31 December 2023 to S\$20.2 million as at 31 December 2024, primarily due to our business scale expansion, which led to a higher trade payables for material and subcontract cost.

Our trade and other payables further increased from S\$20.2 million as at 31 December 2024 to S\$61.6 million as at 31 December 2025, primarily due to an increase in other payables, resulting from our acquisition of Guthrie Engineering and the ongoing growth of M&E engineering services. The increase in other payables was primarily attributable to the deferred consideration of S\$13.3 million, which represented the discounted present value of the final instalment of our purchase consideration for the acquisition of Guthrie Engineering of S\$13.5 million due on 15 April 2026. We had fully settled such deferred consideration on 10 April 2026.

FINANCIAL INFORMATION

Our trade and other payables decreased from S\$61.6 million as at 31 December 2025 to S\$55.5 million as at 30 June 2026, primarily due to the settlement of deferred consideration on 10 April 2026.

The following table sets forth the ageing analysis of our trade payables, based on the invoice date, as at the dates indicated:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	S\$'000	S\$'000	S\$'000	S\$'000
Within 30 days	2,549	4,156	10,470	10,290
31 to 60 days	995	3,439	2,654	3,687
61 to 90 days	331	1,684	644	835
Over 91 days	212	629	428	263
Total	4,087	9,908	14,196	15,075

As at 31 July 2026, approximately S\$13.0 million or 86.2% of our trade payables outstanding as at 30 June 2026 were settled.

The table below sets forth a summary of average turnover days of trade payables for the years indicated:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
Average turnover days of trade payables <i>(Note)</i>	35	42	54	41

Note: Average turnover days of trade payables for the years/periods ended 31 December 2023, 2024 and 2025 as at 30 June 2026 are calculated using the balance of trade payables divided by cost of sales (excluded depreciation and amortisation and employee benefits expenses) for the relevant year/period and multiplied by 365 days, 366 days, 365 days and 181 days, respectively.

Our average turnover days of trade payables increased from approximately 35 days in 2023 to approximately 42 days in 2024, mainly due to increase in revenue, which led to higher material and subcontract cost, as a result, trade payables were higher at year end compared to the prior year. Our average turnover days of trade payables increased to approximately 54 days in 2025, mainly due to the consolidation of Guthrie Engineering’s trade payables into the Group’s financial statements, which further raised the outstanding payable balance and extended the overall turnover days accordingly. As we paid outstanding amounts, our average turnover days of trade payables decreased from 54 days in 2025 to 41 days in the six months ended 30 June 2026, which is similar to the levels in 2023 and 2024.

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According to CIC, our trade payables turnover days are generally in line with industry practices, as credit terms granted by our suppliers and subcontractors typically range from 30 to 60 days, with payment cycles typically aligned with the construction industry practice. In addition, it is our practice to settle payments due to suppliers and subcontractors in an orderly manner, generally in accordance with contractually agreed credit terms. In some circumstances, we may also make early payments to subcontractors to support their cash flow requirements and to strengthen long-term business relationships and our market reputation.

Contract liabilities

Our contract liabilities primarily relate to the obligation to transfer goods or services to customers for which we have received advances from customers for construction contracts. Our contract liabilities increased from S\$0.8 million as at 31 December 2023 to S\$1.3 million as at 31 December 2024, primarily due to increase in number of projects we undertook. Our contract liabilities further increased by S\$5.7 million to S\$7.0 million as at 31 December 2025, primarily due to the contract liabilities consolidated from Guthrie Engineering. Our contract liabilities remained relatively stable at S\$7.4 million as at 30 June 2026.

Net Current Assets

We recorded net current assets of approximately S\$10.5 million, S\$15.2 million, S\$44.5 million and S\$53.7 million as at 31 December 2023, 2024, 2025 and 30 June 2026, respectively. The table below sets out selected information on our current assets and current liabilities as at the dates indicated:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Current Assets				
Inventories	—	75	147	88
Contract assets	8,205	10,884	35,370	36,536
Trade and other receivables	8,512	20,596	38,052	39,847
Other current assets	239	550	8,631	12,332
Fixed deposits	2,500	5,330	19,874	15,037
Cash and bank balances	4,156	7,489	23,180	23,652
Total current assets	23,612	44,924	125,254	127,492

FINANCIAL INFORMATION

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	S\$'000	S\$'000	S\$'000	S\$'000
Current Liabilities				
Trade and other payables	9,425	20,209	61,642	55,464
Contract liabilities	840	1,306	6,982	7,440
Provisions	14	565	375	6
Bank borrowings	937	3,865	8,784	7,694
Lease liabilities	173	247	1,171	1,381
Income tax payables	1,763	3,534	1,796	1,778
Total current liabilities	13,152	29,726	80,750	73,763
Net current assets	10,460	15,198	44,504	53,729

Our net current assets increased from S\$10.5 million as at 31 December 2023 to S\$15.2 million as at 31 December 2024, primarily due to (i) an increase in trade and other receivables of S\$12.1 million, (ii) an increase in cash and bank balances of S\$3.3 million and (iii) an increase in fixed deposits of S\$2.8 million, partially offset by (i) an increase in trade and other payables of S\$10.8 million and (ii) an increase in bank borrowings of S\$2.9 million.

Our net current assets further increased from S\$15.2 million as at 31 December 2024 to S\$44.5 million as at 31 December 2025, primarily due to (i) an increase in contract assets of S\$24.5 million, (ii) an increase in trade and other receivables of S\$17.5 million, (iii) an increase in cash and bank balances of S\$15.7 million and (iv) an increase in fixed deposits of S\$14.5 million, partially offset by an increase in trade and other payables of S\$41.4 million.

Our net current assets increased from S\$44.5 million as at 31 December 2025 to S\$53.7 million as at 30 June 2026, primarily due to (i) an increase in other current assets of S\$3.7 million, (ii) an increase in trade and other receivables of S\$1.8 million and (iii) a decrease in trade and other payables of S\$6.2 million, partially offset by a decrease in fixed deposits of S\$4.8 million.

FINANCIAL INFORMATION

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

The following table summarises, for the years indicated, our consolidated statements of cash flows:

	Year ended 31 December			Six months ended	
				30 June	
	2023	2024	2025	2025	2026
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Net cash generated from/(used in)					
operating activities	4,900	10,734	10,386	(99)	18,873
Net cash used in investing activities	(530)	(3,043)	(25,442)	(1,240)	(13,866)
Net cash generated from/(used in)					
financing activities	288	(3,756)	44,788	3,693	(10,972)
Net increase/(decrease) in cash and					
cash equivalents	4,658	3,935	29,732	2,354	(5,965)
Cash and cash equivalents at					
beginning of year/period	498	5,156	9,091	9,091	38,823
Cash and cash equivalents at					
the end of year/period	5,156	9,091	38,823	11,445	32,858

Net cash generated from operating activities

During our Track Record Period, our cash inflow from operating activities was principally from the provision of M&E engineering services. Our cash outflow used in operating activities was principally for our costs and expenses relating to operating our business.

In the six months ended 30 June 2026, our Group had net cash generated from operating activities of S\$18.9 million, mainly as a result of the profit before tax of approximately S\$13.5 million, as adjusted by non-cash and non-operating items, primarily comprising (i) interest expenses of S\$1.4 million, (ii) depreciation of plant and equipment of S\$0.8 million, and (iii) depreciation of right-of-use assets of S\$0.7 million, and changes in working capital, which primarily comprise (i) an increase in trade and other payables of S\$7.6 million and (ii) an increase in other current assets of S\$3.7 million.

In 2025, our Group had net cash generated from operating activities of S\$10.4 million, mainly as a result of the profit before tax of approximately S\$18.3 million, as adjusted by non-cash and non-operating items, primarily comprised (i) interest expense of S\$1.1 million, (ii) depreciation of plant and equipment of S\$0.8 million, (iii) depreciation of right-of-use assets of S\$0.8 million and (iv) treasury share reissuance in relation to 2023 PSP and sign on bonus to employee of S\$0.8 million; and changes in working capital, which primarily comprised (i) a decrease of S\$5.3 million in trade and other receivables and (ii) an increase of S\$5.3 million in contract assets and (iii) a decrease in trade and other payables of S\$9.6 million.

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In 2024, our Group had net cash generated from operating activities of S\$10.7 million, mainly as a result of the profit before tax of approximately S\$10.6 million, as adjusted by non-cash and non-operating items, primarily comprising (i) issuance of ordinary shares in relation to 2023 PSP of S\$0.4 million, (ii) depreciation of right-of-use assets of S\$0.3 million and (iii) amortisation of intangible assets of S\$0.3 million; and changes in working capital, which primarily comprising (i) an increase in trade and other payables of S\$8.4 million and (ii) an increase in trade and other receivables of S\$8.2 million.

In 2023, our Group had net cash generated from operating activities of S\$4.9 million, mainly as a result of the profit before tax of S\$8.6 million, as adjusted by changes in working capital, which primarily comprised (i) an increase in contract assets of S\$4.4 million and (ii) an increase in trade and other payables of S\$3.5 million and (iii) a decrease in contract liabilities of S\$1.8 million.

Net cash used in investing activities

In the six months ended 30 June 2026, our Group had net cash used in investing activities of S\$13.9 million, primarily due to the second tranche payments for the acquisition of a subsidiary of S\$13.5 million.

In 2025, our Group had net cash used in investing activities of S\$25.4 million primarily due to net cash outflow on acquisition of a subsidiary of S\$25.1 million.

In 2024, our Group had net cash used in investing activities of S\$3.0 million primarily due to (i) investment in associate of S\$1.1 million, (ii) investment in financial asset of S\$1.3 million and (iii) net cash outflow on acquisition of a subsidiary of S\$0.6 million.

In 2023, our Group had net cash used in investing activities of S\$0.5 million primarily due to investment in associates of S\$0.4 million.

Net cash (used in)/generated from financing activities

In the six months ended 30 June 2026, our Group had net cash used in financing activities of S\$11.0 million primarily due to (i) repayment of bank borrowings of S\$29.1 million, partially offset by proceeds from bank borrowings of S\$25.1 million.

In 2025, our Group had net cash generated from financing activities of S\$44.8 million primarily due to (i) proceeds from bank borrowings of S\$38.2 million and (ii) proceeds from issuance of ordinary shares of S\$17.1 million, partially offset by repayment of bank borrowings of S\$13.8 million.

In 2024, our Group had net cash used in financing activities of S\$3.8 million primarily due to (i) repayment of bank borrowings of S\$4.5 million, (ii) dividends paid of S\$3.0 million and (iii) increase in fixed deposits pledged of S\$2.2 million, partially offset by proceeds from bank borrowings of S\$7.3 million.

In 2023, our Group had net cash generated from financing activities of S\$0.3 million, primarily due to proceeds from issuance of ordinary shares of S\$3.2 million, partially offset by (i) increase in fixed deposits pledged of S\$1.5 million and (ii) dividends paid of S\$1.3 million.

FINANCIAL INFORMATION

WORKING CAPITAL SUFFICIENCY

Our Directors confirm that, taking into consideration the financial resources presently available to us, including banking facilities and other internal resources, and the estimated [REDACTED] from the [REDACTED], we have sufficient working capital for our present requirements and for at least the next 12 months commencing from the date of this document.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditures

Our Group’s capital expenditures have principally consisted of additions of property, plant and equipment and intangible assets in our operations. The following table sets out our historical capital expenditures for the years indicated:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	S\$'000	S\$'000	S\$'000	S\$'000
Property, plant and equipment	97	195	109	343
Intangible assets	13	20	23	7
Total	110	215	132	350

During the Track Record Period, our capital expenditures were S\$0.1 million, S\$0.2 million, S\$0.1 million and S\$0.4 million in 2023, 2024, 2025 and the six months ended 30 June 2026, respectively. We intend to fund our future capital expenditures with financial resources available to us, including our existing cash and bank balances, cash flows generated from our operating activities, and [REDACTED] from the [REDACTED]. See “Future Plans and [REDACTED] — [REDACTED]”.

Capital Commitments

Commitment of our Group

The Group has capital commitments in relation to the equipment costs for a project that have been contracted for but not provided for of approximately nil, S\$203 thousand, S\$203 thousand and S\$203 thousand in the financial statements for 2023, 2024, 2025 and the six months ended 30 June 2026, respectively.

The Group has initial startup costs for a joint operation project of S\$50 thousand that have been contracted for but not provided for in the financial statements for the financial year ended 31 December 2024.

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Commitment for our associate

As at 31 December 2023, 2024 and 2025 and 30 June 2026, we had capital commitment that had been contracted for but not provided for in the financial statements in the amount of S\$2.6 million, S\$1.5 million, S\$1.2 million and S\$1.2 million, respectively. The capital committed will serve as funds for PLV1 to develop the land acquired. Save as disclosed, during the Track Record Period and up to the Latest Practicable Date, we did not have any material capital commitments.

PROPERTY INTERESTS

Our Directors confirm that, as at the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 5.01 to 5.10 of the Listing Rules. As at the Latest Practicable Date, our property interests do not form part of our property activities and no single property interest that forms part of our non-property activities has a carrying amount of 15.0% or more of our total assets.

INDEBTEDNESS

Our indebtedness during the Track Record Period primarily consisted of bank borrowings, and lease liabilities. The following table sets forth a breakdown of our indebtedness as at the dates indicated:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	S\$'000	S\$'000	S\$'000	S\$'000
Current				
Bank borrowings	937	3,865	8,784	7,694
Lease liabilities	<u>173</u>	<u>247</u>	<u>1,171</u>	<u>1,381</u>
Subtotal	<u>1,110</u>	<u>4,112</u>	<u>9,955</u>	<u>9,075</u>
Non-current				
Bank borrowings	298	130	19,594	16,674
Lease liabilities	<u>176</u>	<u>218</u>	<u>7,644</u>	<u>7,773</u>
Subtotal	<u>474</u>	<u>348</u>	<u>27,238</u>	<u>24,447</u>
Total	<u>1,584</u>	<u>4,460</u>	<u>37,193</u>	<u>33,522</u>

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Bank Borrowings

Our bank borrowings mainly represent term loan, temporary bridging loans, trust receipts and revolving credit facilities. The following table sets out our bank borrowings as at 31 December 2023, 2024 and 2025 and 30 June 2026 (being the latest practicable date for the purpose of the indebtedness statement):

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current:				
Term loan	—	—	19,550	16,667
Temporary bridging loans	298	130	44	7
Subtotal	298	130	19,594	16,674
Current:				
Term loan	—	—	4,675	2,857
Temporary bridging loans	223	168	85	80
Trust receipts	714	2,997	3,374	4,407
Revolving credit facilities	—	700	650	350
Subtotal	937	3,865	8,784	7,694
Total	1,235	3,995	28,378	24,368

The term loan is repayable within 60 months from the date of first drawn down and the average effective interest rate was 3.7% to 4.0% per annum. The term loan of our Group is secured by corporate guarantees by Guthrie Engineering and fixed deposits amounting to S\$1.5 million. The term loan is subject to financial covenants imposed by the bank, whereby our Group is required to meet certain key financial ratios relating to tangible net assets, debt service coverage and leverage ratios. The covenants are tested at the end of each financial year until the maturity of the trust receipts and revolving credit facilities. Our Directors confirm that our Group will not have difficulty complying with the covenants.

We also utilise temporary bridging loans to fund our projects. The temporary bridging loans are repayable within 60 months from the date of first drawn down and the average effective interest rate was 3.6% per annum for the financial years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026. Such temporary bridging loans are secured by joint and several personal guarantees from the Controlling Shareholders, and will be fully repaid before [REDACTED].

In addition, we utilise trust receipt facilities as part of supplier finance arrangement. Under this arrangement, a finance provider pays subcontractor invoices on behalf of our Group and the Group settles the resulting liability at a later date. These arrangements provide extended payment terms relative to normal subcontractor credit terms. The trust receipt liabilities were repayable within 120 days, 120 days, 120 days and 120 days and bear interest at 4.83% to 5.75%, 4.09% to 4.76%, 2.31% to 4.76% and 2.17% to 3.03% per annum for the financial year ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, respectively.

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Moreover, the trusts receipts and revolving credit facilities were also subject to financial covenants imposed by the banks, whereby we were required to meet certain key financial ratios. The covenants were tested at the end of each financial year until the maturity of the trust receipts and revolving credit facilities. Our Directors confirm that we had no difficulty complying with the covenants.

Our Directors confirm that as at the Latest Practicable Date, save as disclosed, there was no material covenant on any of our outstanding debt and there was no breach of any material covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

As at 30 June 2026, we had unutilised bank facilities of S\$63.0 million.

Lease Liabilities

Our lease liabilities were primarily related to (i) monthly lease payments for the leasehold land, leasehold properties and office premises and (ii) leased motor vehicles and equipment to render logistic services and plotting services in our operations. Our lease liabilities were S\$0.3 million, S\$0.5 million, S\$8.8 million and S\$9.2 million as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. For details, see note 21 to the Accountants’ Report as set out in Appendix I to this document.

As at 30 June 2026, being the latest practicable date for the purpose of the indebtedness statement, we did not have any material contingent liabilities or guarantees. Our Directors confirm that there has not been any material change in our indebtedness since 30 June 2026 and up to the Latest Practicable Date.

OFF-BALANCE SHEET ARRANGEMENT

As at the Latest Practicable Date, we had not entered into any off-balance sheet transaction.

RELATED PARTIES TRANSACTIONS

For details, see note 34 to the Accountants’ Report as set out in Appendix I to this document. Our Directors are of the view that each of the related party transactions set out in note 34 to the Accountants’ Report as set out in Appendix I to this document was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

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KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as at each of the dates indicated:

	As at/Year ended 31 December			As at/ Six months ended 30 June
	2023	2024	2025	2026
Return on equity (%) ⁽¹⁾	96.0	59.2	52.1	19.4
Return on total assets (%) ⁽²⁾	36.2	24.2	18.2	7.4
Current ratio (times) ⁽³⁾	1.8	1.5	1.6	1.7
Net debt to equity ratio (%) ⁽⁴⁾	N/A	N/A	32.3	13.6

Notes:

- (1) Return on equity for 2023, 2024, 2025 and the six months ended 30 June 2026 was calculated by dividing the profit for the year by the average total equity attributable to the Shareholders at the beginning and the end of the corresponding period, multiplied by 100%.
- (2) Return on total assets for 2023, 2024, 2025 and the six months ended 30 June 2026 was calculated by dividing the profit for the years by the average total assets at the beginning and the end of the corresponding year/period, multiplied by 100%.
- (3) Current ratio as at 31 December 2023, 2024 and 2025 and 30 June 2026 was calculated by dividing the current assets by the current liabilities as at the end of the respective year/period.
- (4) Net debt to equity ratio as at 31 December 2023, 2024 and 2025 and 30 June 2026 was calculated by dividing net debt by total equity as at the end of the respective year/period and multiplied by 100%. Net debt was calculated by sum of bank borrowings, lease liabilities and convertible bond, net of cash and bank balances.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The major financial risks arising from our Group’s normal course of business include credit risk and liquidity risk.

Details of the risk to which we are exposed are set out in note 38 to our historical financial information. For details, see the Accountants’ Report as set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that as at the Latest Practicable Date, there were no circumstances that would give rise to the disclosure requirements under Rules 13.13 to 13.19 of the Listing Rules.

DISTRIBUTABLE RESERVES

As at 30 June 2026, our Group has distributable reserves of S\$41.6 million, representing retained earnings available for distribution.

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[REDACTED]

We expect to incur a total of approximately HK\$[REDACTED] of the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED], being the mid-point of the indicative [REDACTED] range between HK\$[REDACTED] and HK\$[REDACTED], and assuming that the [REDACTED] is not exercised) until the completion of the [REDACTED]. Our [REDACTED] mainly include (1) [REDACTED]-related expenses, such as [REDACTED] fees and commissions, and (2) non-[REDACTED]-related expenses, comprising (i) professional fees paid to parties including legal advisers and reporting accountants for their services rendered in relation to the [REDACTED] and the [REDACTED], and (ii) other fees and expenses. Among such estimated total [REDACTED], we expect to pay [REDACTED]-related expenses of HK\$[REDACTED], professional fees of HK\$[REDACTED] and other fees and expenses of HK\$[REDACTED]. After the Track Record Period, (i) approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon [REDACTED]; and (ii) approximately HK\$[REDACTED] is expected to be recognised as our expenses in our consolidated statement of comprehensive income from the financial statements for the year ending 31 December 2026.

The amount of the [REDACTED] is a current estimate for reference only and the final amount to be recognised in the consolidated financial statements of our Group for the year ending 31 December 2026 is subject to adjustment based on audit and the then changes in variables and assumptions. [REDACTED] should note that the financial performance of our Group for the year ending 31 December 2026 is expected to be adversely affected by the [REDACTED] mentioned above, which are non-recurring in nature.

DIVIDENDS

During the Track Record Period, we declared and paid the following cash dividends to our Shareholders: (i) for the first half of 2023, we declared an interim tax-exempt dividend of S\$0.015 per ordinary share, and we paid an approximate aggregate dividend amount of S\$1.3 million in September 2023; (ii) for 2023, our Shareholders approved a final tax-exempt dividend of S\$0.010 per ordinary share, and we paid an approximate aggregate dividend amount of S\$1.7 million in July 2024; (iii) for the first half of 2024, we declared an interim tax-exempt dividend of S\$0.005 per ordinary share, and we paid an approximate aggregate dividend amount of S\$1.3 million in November 2024; (iv) for 2024, our Shareholders approved a final tax-exempt dividend of S\$0.0025 per ordinary share, and we paid an approximate aggregate dividend amount of S\$0.7 million on 7 July 2025; and (v) for 2025, we declared a final tax-exempt dividend of S\$0.01 per ordinary share, and we paid an approximate dividend amount of S\$4.0 million as at 30 June 2026.

While our Directors intend to recommend and distribute dividends, we currently do not have a fixed dividend policy. The form, frequency and amount of dividends will depend on our earnings, operational and capital requirements, cash flow and financial condition, as well as general business conditions and other factors which the Directors may deem appropriate. Our Directors endeavour to maintain a balance between meeting shareholders’ expectations and prudent capital management. Our Directors will review the dividend payment from time to time and communicate with shareholders regarding any dividends.

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The amount of dividends actually distributed to our Shareholders will depend on our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to approval of our Shareholders. Our Board has the absolute discretion to recommend any dividends. Our dividend distribution record in the past may not be useful as a reference or basis to determine the level of dividends that may be declared or paid by us in the future.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

For the unaudited [REDACTED] statement of adjusted net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules for illustrating the effect of the [REDACTED] on the consolidated net tangible assets of our Group attributable to the owners of our Company as at 30 June 2026 as if the [REDACTED] were completed on that date, for details, see “Unaudited [REDACTED] Financial Information Of The Group” set out in Appendix II to this document.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, we secured new contracts with a total value of over S\$168.0 million. The newly awarded contracts span across M&E services for offshore island airfield, and commercial mixed developments. These contract wins further demonstrate our competitiveness and project execution capabilities across diverse high-value sectors of the M&E engineering industry in Singapore and our continuous efforts to secure contract awards across both public and private sector projects in Singapore.

Save as disclosed in this document, our Directors confirm that up to the date of this document, there has been no material adverse change in our Group’s financial and trading position since 30 June 2026 and there is no event since 30 June 2026 which would materially affect the information shown in the Accountants’ Report as set out in Appendix I to this document.

PRE-ACQUISITION FINANCIAL INFORMATION OF GUTHRIE ENGINEERING

In July 2025, we completed the acquisition of Guthrie Engineering, which mainly engaged in the provision of M&E engineering services. The acquisition is of commercial benefit to the Group and represents an attractive investment opportunity which will diversify its revenue streams. In particular, we are able to tender for more sizable projects, further strengthening our engineering and manufacturing capabilities, competitive advantage, value proposition and provide a holistic engineering solution to existing customers, eventually gaining access to new customers, markets and business opportunities.

The following sets forth the selected pre-acquisition financial information of Guthrie Engineering for 2023, 2024 and the six months ended 30 June 2025 in accordance with IFRS and SFRS(I)s.

FINANCIAL INFORMATION

Consolidated statements of comprehensive income

The following table sets forth selected consolidated statements of comprehensive income of Guthrie Engineering from 1 January 2023 to 30 June 2025, derived from the consolidated statements of comprehensive income of Guthrie Engineering set forth in the Accountants’ Report as set out in Appendix I to this document.

	Year ended 31 December		Six months ended 30 June
	2023	2024	2025
	S\$’000	S\$’000	S\$’000
Revenue	163,920	172,661	59,192
Costs of Sales	(146,928)	(182,087)	(57,427)
Gross profit	16,992	(9,426)	1,765
Other income	1,148	1,576	497
General and administrative expenses	(9,290)	(9,259)	(3,231)
Finance costs	(260)	(288)	(150)
Share of results of associate, net of tax	385	(204)	(279)
Profit/(loss) before income tax	8,975	(17,601)	(1,398)
Income tax expense	—	(66)	—
Profit/(loss) for the year/period	8,975	(17,667)	(1,398)

Revenue

Guthrie Engineering has a leading position in Singapore M&E engineering market having been involved in various iconic landmark projects in Singapore. Services provided by Guthrie Engineering mainly include providing (a) mechanical engineering services, (b) electrical engineering services, (c) technology solutions, (d) switchboard manufacturing, and (e) sustainable power solutions, providing a comprehensive repertoire of services to meet the needs of smart buildings, iconic landmarks and nationwide transportation network. Guthrie Engineering’s revenue during the year ended 31 December 2023, 2024 and the six months ended 30 June 2025 was approximately S\$163.9 million, S\$172.7 million and S\$59.2 million respectively.

Cost of sales

Guthrie Engineering’s cost of sales primarily represents engineering contract costs, wages and salaries. During the year ended 31 December 2023, 2024 and the six months ended 30 June 2025, Guthrie Engineering’s cost of sales was approximately S\$146.9 million, S\$182.1 million and S\$57.4 million respectively. Guthrie Engineering’s cost of sales also include provision made for onerous contracts that amounted to S\$3.0 million and S\$13.5 million during the year ended 31 December 2023 and 2024 respectively.

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Other income

Guthrie Engineering’s other income mainly include rental income, government grant income, and interest income from fixed deposits. Its other income amounted to S\$1.1 million, S\$1.6 million and S\$0.5 million for the year ended 31 December 2023, 2024 and the six months ended 30 June 2025.

General and administrative expenses

Guthrie Engineering’s general and administrative expenses primarily consisted of utilities including water, electricity and gas fees, professional fees including legal and audit fees, as well as building repair and maintenance fees. During the year ended 31 December 2023, 2024 and the six months ended 30 June 2025, Guthrie Engineering’s general and administrative expenses was approximately S\$9.3 million, S\$9.3 million and S\$3.2 million respectively.

Liquidity and Capital Resources

Cash flows

The following table sets forth selected cash flow statement information of Guthrie Engineering for the periods indicated.

	Year ended 31 December		Six months ended 30 June
	2023	2024	2025
	<i>S\$’000</i>	<i>S\$’000</i>	<i>S\$’000</i>
Net cash used in operating activities	(12,372)	(14,741)	(3,897)
Net cash generated from investing activities	10,947	2,109	2,798
Net cash (used in)/generated from financing activities	(3,953)	8,180	(545)
Net decrease in cash and cash equivalents	(5,378)	(4,452)	(1,644)
Cash and cash equivalents at the beginning of the year/period	18,922	13,544	9,092
Cash and cash equivalents at the end of the year/period	13,544	9,092	7,448

Net cash used in operating activities

Guthrie Engineering had net cash used in operating activities amounted to S\$12.4 million, S\$14.7 million and S\$3.9 million for the year ended 31 December 2023, 2024 and the six months ended 30 June 2025. It was mainly resulted from its profit/loss during the respective year and period, and the changes in working capital, mainly being increase in trade and other receivables, increase in contract assets, and decrease in trade payables, and decrease in other payables and accrued liabilities.

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Net cash generated from investing activities

Guthrie Engineering had net cash generated from investing activities in 2023, 2024 and the six months ended 30 June 2026. In 2023, it received cash from repayment of loan by immediate holding corporation of S\$8.3 million, and dividend received from subsidiary of S\$2.0 million. In 2024, it received cash from dividend received from its subsidiary of S\$2.0 million. In the six months ended 30 June 2025, it received cash from dividend received from its subsidiary of S\$3.0 million.

Net cash (used in) generated from financing activities

Guthrie Engineering had net cash used in financing activities of S\$4.0 million, whilst generating S\$8.2 million in 2023 and 2024 respectively, mainly arisen from repayment of loan and loan from immediate holding corporation respectively. During the six months ended 30 June 2025, it used cash from financing activities of S\$0.5 million.

Current Assets and Current Liabilities

The following table sets forth Guthrie Engineering’s current assets and liabilities as at the dates indicated:

	Year ended 31 December		Six months ended 30 June
	2023	2024	2025
	<i>S\$’000</i>	<i>S\$’000</i>	<i>S\$’000</i>
Current assets			
Inventories	—	6,600	13
Contract assets	16,226	16,751	19,146
Trade and other receivables	45,416	27,353	22,657
Other current assets	4,210	6,490	10,153
Cash and cash equivalents	13,544	9,092	7,448
Total current assets	79,396	66,286	59,417
Current liabilities			
Trade payables	44,608	37,015	26,911
Other payables and accrued liabilities	5,208	5,923	4,942
Contract liabilities	5,505	6,379	5,629
Loan from immediate holding company	561	9,561	—
Provisions	356	2,582	2,582
Lease liabilities	273	675	838
Total current liabilities	56,511	62,135	40,902
Net current assets	22,885	4,151	18,515

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Contract assets

Contract assets amounted to S\$16.2 million, S\$16.8 million and S\$19.1 million as at 31 December 2023, 2024 and 30 June 2025 respectively. It represented accrued or unearned revenue, relate to Guthrie Engineering’s right to consideration for work completed but not yet billed at reporting date on construction contracts.

Trade and other receivables

Guthrie Engineering’s trade and other receivables primarily consist of third party retention receivables and third party trade receivables. As at 31 December 2023 and 2024 and 30 June 2025, Guthrie Engineering’s trade and other receivables were S\$45.4 million, S\$27.4 million and S\$22.7 million, respectively.

Trade payables

Guthrie Engineering’s trade payables primarily consist of trade payables to non-related parties and accruals for projects costs. As at 31 December 2023 and 2024 and 30 June 2025, Guthrie Engineering’s trade payables were S\$44.6 million, S\$37.0 million and S\$26.9 million, respectively.

Contract Liabilities

Guthrie Engineering’s contract liabilities primarily consist of advanced payment from customers. The contract liabilities primarily relate to Guthrie Engineering’s obligation to transfer goods or services to customers for which Guthrie Engineering has received advances from customers for contracts. The increase in contract liabilities was mainly due to consideration received in advance for unsatisfied performance obligations. As at 31 December 2023 and 2024 and 30 June 2025, Guthrie Engineering’s contract liabilities were S\$5.5 million, S\$6.4 million and S\$5.6 million, respectively.

Provision

Guthrie Engineering had a balance of provision for onerous contracts that amounted to S\$2.6 million as at 31 December 2024 and 30 June 2025. A provision of onerous contracts is recognised at the end of the reporting period when it is probable that the unavoidable costs of meeting the obligations under a construction contract will exceed the total construction contract revenue expected to be received from the contract. The unavoidable costs of a contract represent the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil the contract. Therefore, the provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. During the year ended 31 December 2023 and 2024, provision made and charged to cost of sales amounted to S\$3.0 million and S\$13.5 million respectively. These provisions are made for specific projects in the circumstances mentioned above. When cost is actually incurred and paid out for these projects, such provision will be utilised.