The following is the text of a report on Ever Glory United Holdings Limited, prepared for the purpose of incorporation in this document received from the independent reporting accountants of the Company, Ernst & Young LLP, Public Accountants and Chartered Accountants, Singapore.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF EVER GLORY UNITED HOLDINGS LIMITED AND ICBC INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Ever Glory United Holdings Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages [●], which comprises the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025 and 30 June 2026, and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages [●] to [●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated **[REDACTED]** (the "**Document**") in connection with the initial **[REDACTED]** of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2026 and other explanatory information (the "**Interim Comparative Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the International Auditing and Assurance Standards Board. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

The Historical Financial Information is stated after making such adjustments to the Historical Financial Statements as defined on page I-4 as were considered necessary.

Dividends

We refer to Note 32 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

[REDACTED]
Public Accountants and Chartered Accountants
Singapore

[REDACTED]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Historical Financial Information in this report was prepared based on previously issued financial statements and management accounts of the Group for the Relevant Periods. The previously issued financial statements of the Group for the years ended 31 December 2023 and 2024 were audited by BDO LLP in accordance with Singapore Standards on Auditing as issued by the Institute of Singapore Chartered Accountants (ISCA). The previously issued financial statements of the Group for the year ended 31 December 2025 was audited by Ernst & Young LLP in accordance with Singapore Standards on Auditing as issued by ISCA (the "**Historical Financial Statements**").

The Historical Financial Information is presented in Singaporean dollars ("**S$**") and all values are rounded to the nearest thousand ("**S$'000**") except when otherwise indicated.

Consolidated statements of financial position

	Notes	31 December 2023 S$'000	31 December 2024 S$'000	31 December 2025 S$'000	30 June 2026 S$'000
ASSETS					
Non-current assets					
Intangible assets	*6*	10	743	3,392	2,892
Property, plant and equipment	*7*	112	251	19,655	19,164
Right-of-use assets	*8*	341	462	8,137	8,428
Investment in associates	*10*	420	1,462	9,216	9,138
Financial assets at fair value through profit or loss ("**FVTPL**")	*12*	—	1,250	1,219	1,120
Financial assets at fair value through other comprehensive income ("**FVOCI**")	*12*	—	1	1	1
Trade and other receivables	*15*	406	100	4,497	2,543
Total non-current assets		1,289	4,269	46,117	43,286
Current assets					
Inventories	*13*	—	75	147	88
Contract assets	*14*	8,205	10,884	35,370	36,536
Trade and other receivables	*15*	8,512	20,596	38,052	39,847
Other current assets	*16*	239	550	8,631	12,332
Fixed deposits	*17*	2,500	5,330	19,874	15,037
Cash and bank balances	*17*	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

The accompanying notes form an integral part of these financial statements.

	Notes	31 December 2023 S$'000	31 December 2024 S$'000	31 December 2025 S$'000	30 June 2026 S$'000
EQUITY AND LIABILITIES					
Equity					
Share capital	*18*	2,838	5,067	23,906	29,619
Treasury shares	*19*	(86)	(513)	(166)	(166)
Other reserves	*20*	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
Non-current liabilities					
Lease liabilities	*21*	176	218	7,644	7,773
Bank borrowings	*22*	298	130	19,594	16,674
Convertible bond	*23*	—	—	4,808	—
Deferred tax liabilities	*30*	—	121	345	194
Total non-current liabilities		474	469	32,391	24,641
Current liabilities					
Trade and other payables	*24*	9,425	20,209	61,642	55,464
Contract liabilities	*14*	840	1,306	6,982	7,440
Provisions	*25*	14	565	375	6
Bank borrowings	*22*	937	3,865	8,784	7,694
Lease liabilities	*21*	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
Total equity and liabilities		24,901	49,193	171,371	170,778

The accompanying notes form an integral part of these financial statements.

Consolidated statements of comprehensive income

	Notes	Year ended 31 December 2023 S$'000	Year ended 31 December 2024 S$'000	Year ended 31 December 2025 S$'000	Six months ended 30 June 2025 S$'000 (unaudited)	Six months ended 30 June 2026 S$'000
Revenue	26	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	27	467	1,662	6,898	277	652
General and administrative expenses		(1,525)	(3,426)	(8,800)	(1,565)	(5,666)
Other expenses	29	(1,268)	(35)	(2,087)	(356)	(1,416)
Finance costs	28	(39)	(146)	(1,134)	(203)	(1,446)
Share of results of associates, net of tax	10	—	(8)	91	(9)	(115)
Profit before income tax	29	8,589	10,591	18,314	5,682	13,467
Income tax (expenses)/credit	30	(1,758)	(1,636)	1,808	(1,117)	(799)
Profit for the financial year/ period, representing total comprehensive income for the financial 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 *(cents)*	31	1.62	2.06	4.22	1.32	2.61
— Diluted *(cents)*	31	1.62	2.06	4.12	1.31	2.61

The accompanying notes form an integral part of these financial statements.

Consolidated statements of changes in equity

		Attributable to owners of the Company				
		Share capital	**Treasury shares**	**Other reserves**	**Retained earnings**	**Total equity**
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
At 1 January 2023		*	—	1,000	1,962	2,962
Profit for the year representing total comprehensive income for the year		—	—	—	6,831	6,831
Transactions with owners						
Issuance of ordinary shares	*18*	3,152	—	—	—	3,152
Share issuance expense	*18*	(314)	—	—	—	(314)
Purchase of treasury shares	*19*	—	(86)	—	—	(86)
Dividends paid	*32*	—	—	—	(1,270)	(1,270)
Total transactions with owners		2,838	(86)	—	(1,270)	1,482
At 31 December 2023		2,838	(86)	1,000	7,523	11,275

* Amount is less than S$1,000

The accompanying notes form an integral part of these financial statements.

		Attributable to owners of the Company				
		Share capital	**Treasury shares**	**Other reserves**	**Retained earnings**	**Total equity**
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
At 1 January 2024		2,838	(86)	1,000	7,523	11,275
Profit for the year representing total comprehensive income for the year		—	—	—	8,955	8,955
Transactions with owners						
Issuance of ordinary shares pursuant to acquisition of subsidiary	*18*	1,800	—	—	—	1,800
Issuance of ordinary shares pursuant to performance share plan	*18*	429	—	—	—	429
Purchase of treasury shares	*19*	—	(427)	—	—	(427)
Dividends paid	*32*	—	—	—	(3,034)	(3,034)
Total transactions with owners		2,229	(427)	—	(3,034)	(1,232)
At 31 December 2024		5,067	(513)	1,000	13,444	18,998

The accompanying notes form an integral part of these financial statements.

		Attributable to owners of the Company				
		Share capital	**Treasury shares**	**Other reserves**	**Retained earnings**	**Total equity**
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
At 1 January 2025		5,067	(513)	1,000	13,444	18,998
Profit for the year representing total comprehensive income for the year		—	—	—	20,122	20,122
Transactions with owners						
Issuance of ordinary shares	*18*	18,449	—	—	—	18,449
Issuance of ordinary shares pursuant to performance share plan	*18*	390	—	—	—	390
Purchase of treasury shares	*19*	—	(431)	—	—	(431)
Treasury shares reissued pursuant to performance share plan and employee sign on bonus	*19*	—	778	325	—	1,103
Equity component of convertible bond	*23*	—	—	249	—	249
Dividends paid	*32*	—	—	—	(650)	(650)
Total transactions with owners		18,839	347	574	(650)	19,110
At 31 December 2025		23,906	(166)	1,574	32,916	58,230

The accompanying notes form an integral part of these financial statements.

		Attributable to owners of the Company				
		Share capital	**Treasury shares**	**Other reserves**	**Retained earnings**	**Total equity**
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
At 1 January 2025		5,067	(513)	1,000	13,444	18,998
Profit for the year representing total comprehensive income for the period		—	—	—	4,565	4,565
Transactions with owners						
Issuance of ordinary shares	*18*	119	—	—	—	119
Treasury shares reissued pursuant to performance share plan		—	198	—	—	198
Equity conversion options of convertible bonds		—	—	249	—	249
Purchase of treasury shares	*19*	—	(431)	—	—	(431)
Total transactions with owners		119	(233)	249	—	135
At 30 June 2025 (unaudited)		5,186	(746)	1,249	18,009	23,698

The accompanying notes form an integral part of these financial statements.

		Attributable to owners of the Company				
		Share capital	**Treasury shares**	**Other reserves**	**Retained earnings**	**Total equity**
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
At 1 January 2026		23,906	(166)	1,574	32,916	58,230
Profit for the year representing total comprehensive income for the period		—	—	—	12,668	12,668
Transactions with owners						
Issuance of shares pursuant to the acquisition of a subsidiary	*18*	357	—	—	—	357
Issuance of new ordinary shares pursuant to the conversion of the convertible bonds	*18*	5,356	—	(249)	—	5,107
Dividends paid	*32*	—	—	—	(3,988)	(3,988)
Total transactions with owners		5,713	—	(249)	(3,988)	1,476
At 30 June 2026		29,619	(166)	1,325	41,596	72,374

The accompanying notes form an integral part of these financial statements.

Consolidated statements of cash flows

	Notes	Year ended 31 December 2023 S$'000	Year ended 31 December 2024 S$'000	Year ended 31 December 2025 S$'000	Six months ended 30 June 2025 S$'000 (unaudited)	Six months ended 30 June 2026 S$'000
Operating activities						
Profit before income tax		8,589	10,591	18,314	5,682	13,467
Adjustments for:						
Amortisation of intangible assets	*6, 29*	3	267	650	144	507
Depreciation of property, plant and equipment	*7, 29*	46	55	839	44	796
Depreciation of right-of-use assets	*8, 29*	157	287	787	155	732
Plant and equipment written off		—	16	7	—	—
Loss on disposal of property, plant and equipment		—	—	—	—	9
Fair value loss on financial assets		—	—	31	—	99
Impairment losses/(reversal of impairment loss) on financial assets		—	—	385	—	(71)
Remeasurement of contingent consideration	*25, 27*	—	(176)	45	—	—
Fixed deposits interest income	*27*	(38)	(110)	(226)	(70)	(139)
Interest expense	*28*	39	146	1,134	203	1,446
Contract assets written off		—	99	—	—	—
Retention receivables written off	*15*	—	64	—	—	—
Increase in provisions						
— Provision for onerous contracts	*25*	12	7	3,589	—	—
— Provision for unutilised leave	*25*	2	—	2	—	—
Issuance of ordinary shares — Ever Glory Performance Share Plan ("**PSP**")	*18*	—	429	390	—	—
Treasury shares reissuance — PSP and sign on bonus to employee	*19*	—	—	778	—	—
Share of results of associates, net of tax		*	8	(91)	9	115
Bargain purchase	*27*	—	(1,075)	(5,522)	—	—

The accompanying notes form an integral part of these financial statements.

	Notes	Year ended 31 December 2023 S$'000	Year ended 31 December 2024 S$'000	Year ended 31 December 2025 S$'000	Six months ended 30 June 2025 S$'000 (unaudited)	Six months ended 30 June 2026 S$'000
Operating cash flows before working capital changes		8,810	10,608	21,112	6,167	16,961
Working capital changes:						
Contract assets		(4,429)	(446)	(5,340)	(697)	(1,166)
Trade and other receivables		(1,198)	(8,235)	5,313	4,248	(414)
Inventories		—	61	(58)	(40)	59
Other current assets		426	—	2,075	(12)	(3,701)
Trade and other payables		3,498	8,438	(9,593)	(6,929)	7,649
Contract liabilities		(1,773)	416	47	(841)	458
Provisions		(111)	(11)	—	—	(6)
Cash generated from operations		5,223	10,831	13,556	1,896	19,840
Income tax paid		(323)	(99)	(3,210)	(1,997)	(1,007)
Income tax refunded		—	2	40	2	40
Net cash generated from/(used in) operating activities		4,900	10,734	10,386	(99)	18,873
Investing activities						
Proceeds from disposal of property, plant and equipment		—	—	—	—	29
Interest received		—	114	207	39	171
Investment in associates	*10*	(420)	(1,050)	(312)	(150)	(37)
Acquisition of subsidiary, tranche C		—	—	(119)	(119)	(179)
Acquisition of subsidiary, tranche B		—	—	—	—	(13,500)
Net cash outflow on acquisition of a subsidiary	*9*	—	(641)	(25,086)	—	—
Investment in financial asset	*12*	—	(1,251)	—	—	—
Purchase of intangible assets	*6*	(13)	(20)	(23)	(4)	(7)
Purchase of property, plant and equipment	*7*	(97)	(195)	(109)	(6)	(343)
Deposit paid for acquisition of Guthrie Engineering		—	—	—	(1,000)	—
Net cash used in investing activities		(530)	(3,043)	(25,442)	(1,240)	(13,866)

The accompanying notes form an integral part of these financial statements.

	Notes	Year ended 31 December 2023 S$'000	Year ended 31 December 2024 S$'000	Year ended 31 December 2025 S$'000	Six months ended 30 June 2025 S$'000 (unaudited)	Six months ended 30 June 2026 S$'000
Financing activities						
Repayment to a director of a subsidiary	9	—	(400)	—	—	—
Repayment of principal portion of lease liabilities	21	(155)	(281)	(732)	(150)	(684)
Repayment of interest portion of lease liabilities	21	(12)	(27)	(191)	(12)	(184)
Proceeds from bank borrowings	22	711	7,262	38,173	7,272	25,074
Repayment of bank borrowings	22	(215)	(4,523)	(13,787)	(6,400)	(29,104)
Interest paid on bank borrowings	22	(23)	(98)	(421)	(86)	(486)
Placement of pledged fixed deposits		(1,500)	(2,228)	(503)	(1,500)	(1,600)
Proceeds from issuance of ordinary shares	18	3,152	—	17,050	—	—
Share issuance expenses	18	(314)	—	—	—	—
Purchase of treasury shares	19	(86)	(427)	(431)	(431)	—
Dividends paid	32	(1,270)	(3,034)	(650)	—	(3,988)
Proceeds from convertible bond	23	—	—	5,000	5,000	—
Proceeds from public offering of shares	18	—	—	1,280	—	—
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 end of year/period	17	5,156	9,091	38,823	11,445	32,858

The accompanying notes form an integral part of these financial statements.

Statements of financial position of the Company

	Notes	31 December 2023 S$'000	31 December 2024 S$'000	31 December 2025 S$'000	30 June 2026 S$'000
ASSETS					
Non-current assets					
Investment in subsidiaries	*9*	1,107	6,456	54,331	54,368
Trade and other receivables	*15*	333	2,221	—	—
Total non-current assets		1,440	8,677	54,331	54,368
Current assets					
Trade and other receivables	*15*	1,876	5,331	6,100	271
Other current assets	*16*	24	24	26	266
Fixed deposits	*17*	2,500	4,602	14,213	5,213
Cash and bank balances	*17*	1,478	195	6,667	1,669
Total current assets		5,878	10,152	27,006	7,419
Total assets		7,318	18,829	81,337	61,787

The accompanying notes form an integral part of these financial statements.

	Notes	31 December 2023 S$'000	31 December 2024 S$'000	31 December 2025 S$'000	30 June 2026 S$'000
EQUITY AND LIABILITIES					
Equity					
Share capital	*18*	2,838	5,067	23,906	29,619
Treasury shares	*19*	(86)	(513)	(166)	(166)
Other reserves	*20*	1,000	1,000	1,574	1,325
Retained earnings		3,114	8,904	8,906	5,163
Total equity		6,866	14,458	34,220	35,941
Non-current liabilities					
Bank borrowings	*22*	—	—	19,550	16,667
Convertible bond	*23*	—	—	4,808	—
Total non-current liabilities		—	—	24,358	16,667
Current liabilities					
Trade and other payables	*24*	452	3,616	17,347	6,135
Provisions	*25*	—	555	363	—
Bank borrowings	*22*	—	—	4,675	2,857
Income tax payables		—	200	374	187
Total current liabilities		452	4,371	22,759	9,179
Total liabilities		452	4,371	47,117	25,846
Total equity and liabilities		7,318	18,829	81,337	61,787

The accompanying notes form an integral part of these financial statements.

II. NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Ever Glory United Holdings Limited (the "**Company**") is a public limited company, which is incorporated in the Republic of Singapore and has its registered office at 3 Little Road #03 01 CRF Building Singapore 536982. The registration number of the Company is 202144351H. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**the SGX-ST**") on 18 May 2023 and transferred to the Mainboard of the SGX-ST on 29 December 2025.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 9 to the Historical Financial Information.

2. BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards ("**IFRS**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**").

The Historical Financial Information that have been prepared in accordance with and complied with SFRS(I) are 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 rest of the Historical Financial Information, unless specified otherwise.

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information and the Interim Comparative Financial Information.

The Historical Financial Information has been prepared on a historical cost basis except as disclosed in the accounting policies below and are presented in Singapore Dollars ("**S$**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousand ("**S$'000**"), except when otherwise indicated.

3. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS, if applicable, when they become effective.

Description	**Effective date (annual periods beginning on or after)**
IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
IFRS 20 *Regulatory Assets and Regulatory Liabilities*	1 January 2029
Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Amendments to IAS 28 *Fair value option for Investments in Associates and Joint Ventures*	1 January 2027
Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The directors expect that the adoption of these new and amended standards will have no material impact on the financial performance and financial position in the year of initial application, apart from IFRS 18 *Presentation and Disclosure in Financial statements* issued on 4 October 2024, effective for reporting periods beginning on or after 1 January 2027.

IFRS 18 is a new standard that replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new categories of subtotals in profit or loss. Entities are required to classify all income and expenses within profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, wherein the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for the location, aggregation and disaggregation of financial information.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18 will apply retrospectively.

The amendments will have impact on the presentation and disclosure in the financial information but not on the measurement or recognition of items in the Group's financial information. The application of IFRS 18 is not expected to have material impact on the statement of financial position of the Group but is expected to affect the presentation of the statement of comprehensive income, statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

4. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of consolidation

The consolidated financial statements incorporate the Historical Financial Information of the Company and its subsidiaries for the Relevant Periods. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

(c) Investment in subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(d) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate are accounted for using the equity method.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of profit or loss outside operating profit and represents profit or loss after tax.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(e) Foreign currency transactions and balances

The Group's consolidated financial statements are presented in Singapore dollar. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are measured in the functional currency of the Group's entities and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(f) Intangible assets

Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 years.

Customer relationships and customer contracts

Customer relationships and customer contracts arising from business combinations are identified and recognised at their fair value as at the acquisition date. Subsequent to initial recognition, the customer relationships and customer contracts are reported at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives between 3 and 5 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(g) Property, plant and equipment

Property, plant and equipment is recognised at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the plant and equipment over their estimated useful life as follows:

	Years
Computers	3
Furniture and fittings	5 to 10
Plant and office equipment	3 to 5
Renovation	5
Motor vehicles	4 to 5
Building	25

(h) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(i) Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group's joint arrangements are joint operations whereby the parties (the joint operators) that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises, in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

When the Group sells or contributes assets to a joint operation, the Group recognises gains or losses on the sale or contribution of assets that is attributable to the interest of the other joint operators. The Group recognises the full amount of any loss when the sale or contribution of assets provides evidence of a reduction in the net realisable value, or an impairment loss, of those assets.

When the Group purchases assets from a joint operation, it does not recognise its share of the gains and losses until it resells the assets to a third party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of the assets to be purchased or an impairment loss.

The accounting policies of the assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(j) Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("**FVOCI**") and FVTPL.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVTPL, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVTPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) Convertible bond (compound financial instrument)

Convertible bond is separated into liability and equity component based on the terms of the contract.

Initial recognition and measurement

On initial recognition, the fair value of the liability component is determined by discounting the contractually determined future cash flows using the prevailing market interest rate for a similar debt instrument. The equity component is recognised as the residual amount, being the difference between the fair value of the convertible bond as a whole and the fair value of the liability component, and is included in equity.

Transaction costs that are directly attributable to the issuance of the convertible bond are allocated to the liability and equity components in proportion to their respective carrying amounts at initial recognition. Transaction costs allocated to the liability component are included in the initial carrying amount of the liability, while transaction costs allocated to the equity component are recognised directly in equity.

Subsequent measurement

After initial recognition, the liability component of the convertible bond is subsequently measured at amortised cost using the effective interest method. Interest expense recognised in profit or loss reflects the effective interest rate applied to the carrying amount of the liability component.

The equity component is not remeasured after initial recognition and remains in equity until conversion, expiry or redemption of the convertible bond.

Upon conversion of the convertible bond into ordinary shares, the carrying amount of the liability component and the equity component are transferred to share capital. No gain or loss is recognised on conversion.

(k) Impairment of financial assets

The Group recognises allowance for expected credit losses ("**ECLs**") for all debt instruments not held at FVTPL. ECLs represent the present value of the difference between the contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted using the original effective interest rate.

For purchased or originated credit-impaired ("**POCI**") financial assets, the Group recognises an allowance equal to the cumulative changes in lifetime expected credit losses since initial recognition, discounted using the credit-adjusted effective interest rate determined at initial recognition.

The expected cash flows reflect the time value of money, are probability-weighted, and include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, retention receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is 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 flows.

(l) Inventories

Inventories cost is determined on a first-in first-out method and includes all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price at which inventories can be realised in the ordinary course of business, less estimated costs to be incurred to make the sale. Where necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

The Group provides assurance-type warranties for fixing defects arising from construction contracts within a one-year period, which relate directly to the underlying construction services and are therefore accounted for as part of the main performance obligation rather than as a separate service. Provisions for assurance-type warranty-related costs are recognised when the related product is sold or service is provided, with the initial estimate measured based on historical experience. The estimate of warranty-related costs is reviewed and revised annually to reflect updated expectations.

Provision for unutilised leave

Provision for unutilised leave is computed based on the outstanding annual leave balance for the employees and the salary rate of those employees. This unutilised leave is expected to be utilised within 12 months from the end of reporting period.

Provision for onerous contracts

The Group has ongoing construction contracts. A provision for 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. The cost of fulfilling a contract comprises costs that relate directly to the contract, including both incremental costs and an allocation of other direct costs incurred in fulfilling the contract. Accordingly, 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.

The Group applies significant judgement in estimating the total construction contract costs and the total construction contract revenue. In making these estimates, the Group places reliance on historical experience and estimates provided by internal specialists, taking into account the circumstances and relevant events that were available at the end of the reporting period. Where it is determined that the unavoidable costs of a construction contract exceed the total construction contract revenue, a provision for onerous contracts is recognised immediately.

(o) Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

(p) Employee benefits

(a) Defined contribution plans

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(q) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are recognised at cost and depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets as follow:

	Years
Land	25
Office premises	2 to 3 years, or the unexpired lease term, if shorter
Motor vehicles	2 to 3 years, or the unexpired lease term, if shorter
Leasehold property	25
Office equipment	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as disclosed in Note 4(h) to the financial statements.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(r) Revenue

Construction contracts

Revenue from construction contracts is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. For these contracts, the Group's performance obligation typically comprises an integrated combination of design, procurement, installation and commissioning activities that together deliver the construction service promised to the customer. Revenue is recognised over time because the Group's performance creates or enhances an asset that the customer controls. In assessing when the performance obligation is satisfied, management considers the customer's rights to the work-in-progress, the fact that work is performed on customer-controlled premises, and the Group's enforceable right to payment for performance completed to date.

Management applies significant judgement in determining the measure of progress that best depicts the transfer of control of goods or services to the customer. Depending on the nature of the contract, the Group uses either an input method or an output method. In selecting the appropriate measure of progress, management considers factors including the reliability of cost information, the extent to which costs incurred correlate with the value of work performed, the availability and reliability of customer or quantity surveyor certifications, and whether such certifications faithfully represent the transfer of control to the customer. The selection of the measure of progress affects the timing and amount of revenue recognised, contract assets and contract liabilities, and the assessment of whether contracts are onerous.

Construction contracts

Under the input method, revenue is recognised based on the proportion of contract costs incurred to date relative to the estimated total contract costs, as this method most faithfully reflects the Group's performance for construction activities where costs incurred correlate closely with value delivered. Significant judgement is required in estimating total contract costs, including assumptions about labour productivity, subcontractor performance, material pricing, variation orders and site conditions. Under the output method, progress is measured using customer or quantity surveyor certifications reflecting the value of work performed to date. Management exercises judgement in assessing whether such certifications reliably represent the value transferred to the customer for the relevant contract. The customer is invoiced according to milestone based billing schedules. Contract assets arise when revenue recognised exceeds billings to date, while contract liabilities arise when billings exceed revenue recognised. A significant financing component may exist in the Group's construction contracts depending on the length of time between customer payments and the transfer of promised services. The Group applies the practical expedient not to adjust the transaction price for the effects of a significant financing component for contracts where, at contract inception, the period between the transfer of the promised goods or services and customer payment is expected to be one year or less.

Variation orders

Variation orders are accounted for as modifications to the original contract and are recognised as part of the existing performance obligation. The transaction price is updated to reflect the approved variation orders and revenue is recognised on a cumulative catchup basis to the extent that it is highly probable that a significant reversal of revenue will not occur. The Group recognises revenue arising from variation orders only when it is highly probable that the customer will accept the variation orders, taking into consideration the contractual terms, the status of negotiations with the customer, and past experience with similar contracts.

Estimation of total contract costs

Significant judgement is required in estimating the total construction contract costs and the costs to complete construction contracts, which affect the determination of revenue recognised over time and the assessment of whether a contract is onerous. These estimates involve assumptions about, among others, labour costs, material costs, subcontractor performance, project timelines and variations in contract scope.

In making these estimates, management relies on historical experience, current contract terms and forecasts, as well as estimates and inputs from internal specialists, taking into account the circumstances and relevant information available at the end of each reporting period.

Service income

Service revenue comprises revenue from maintenance and car park services.

Revenue from maintenance and car park services is recognised over time as the services are performed and the customer simultaneously receives and consumes the benefits of the Group's performance.

Sale of goods

The Group sells electrical component parts to the customers. Revenue from sale of goods is recognised at a point in time when the Group has delivered the products to the customer, the customer has accepted the products and the collectability of the related receivables is reasonably assured. No element of financing is deemed present as the sales are made with credit terms of 30 days, which is consistent with market practice.

(s) Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets (Note 30) are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the Historical Financial Information and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) Goods and services tax

Expenses and assets are recognised net of the amount of goods and services tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(t) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(u) Treasury payments

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

(v) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense (Note 29), together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

(w) Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

(x) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

(y) Financial guarantee contracts

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee contract.

Subsequent to initial recognition, financial guarantee contracts are measured at the higher of the amount of expected credit loss and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee contract.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

In the process of applying the Group's accounting policies, management has made significant judgements in respect to the recognition of revenue (Note 4(r)) and deferred tax (Note 4(s)(b)), which have the most significant effect on the amounts recognised in the consolidated financial statements and they are disclosed within these mentioned notes.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Construction contracts

(a) Onerous contracts

The Group conducts critical review of all its long-term construction contracts regularly. Allowance is made where necessary to account for onerous contracts. To determine the total costs, the Group monitors and reviews the progress of all long-term construction contracts, taking into consideration inputs from internal project managers and external customers. Significant judgement has been exercised in estimating these total contract costs to complete as well as in the evaluation of any potential risks and factors which may affect contract price, cost and timely completion of these contracts. The review also encompasses the cost analysis process whereby both actual costs incurred and future costs to complete are critically examined.

(b) Costs to fulfil construction contract

For construction contract with customers where revenue is recognised over time, the costs incurred during the construction phase are recognised as an asset (i.e. contract costs — fulfilment) only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately. Management has assessed that the contract costs incurred as at the ending of each of the Relevant Periods do not meet the criteria to be capitalised.

6. INTANGIBLE ASSETS

Group	Computer software *S$'000*	Customer contracts *S$'000*	Customer relationships *S$'000*	Total *S$'000*
Cost				
At 1 January 2023	—	—	—	—
Additions	13	—	—	13
At 31 December 2023 and 1 January 2024	13	—	—	13
Arising from acquisition of a subsidiary *(Note 9)*	21	569	390	980
Additions	20	—	—	20
At 31 December 2024 and 1 January 2025	54	569	390	1,013
Additions from acquisition of a subsidiary *(Note 9)*	—	3,276	—	3,276
Additions	23	—	—	23
At 31 December 2025 and 1 January 2026	77	3,845	390	4,312
Additions	7	—	—	7
At 30 June 2026	84	3,845	390	4,319
Accumulated amortisation				
At 1 January 2023	—	—	—	—
Amortisation for the financial year	3	—	—	3
At 31 December 2023 and 1 January 2024	3	—	—	3
Amortisation for the financial year	21	174	72	267
At 31 December 2024 and 1 January 2025	24	174	72	270
Amortisation for the financial year	18	554	78	650
At 31 December 2025 and 1 January 2026	42	728	150	920
Amortisation for the financial period	9	459	39	507
At 30 June 2026	51	1,187	189	1,427
Net carrying amount				
At 31 December 2023	10	—	—	10
At 31 December 2024	30	395	318	743
At 31 December 2025	35	3,117	240	3,392
At 30 June 2026	33	2,658	201	2,892

Intangible assets are subject to impairment tests whenever whether there is any indication that their carrying amount may not be recoverable. There was no such indication as at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Computers	Furniture and fittings	Plant and office equipment	Renovation	Motor vehicles	Building	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Cost							
At 1 January 2023	44	51	28	65	—	—	188
Additions	28	22	25	22	—	—	97
At 31 December 2023 and 1 January 2024	72	73	53	87	—	—	285
Arising from acquisition of a subsidiary *(Note 9)*	—	1	8	6	—	—	15
Additions	21	6	21	67	80	—	195
Written off	—	—	(2)	(21)	—	—	(23)
At 31 December 2024 and 1 January 2025	93	80	80	139	80	—	472
Arising from acquisition of a subsidiary *(Note 9)*	376	5	229	—	232	19,299	20,141
Additions	55	—	7	2	45	—	109
Written off	(2)	—	(6)	(9)	—	—	(17)
At 31 December 2025 and 1 January 2026	522	85	310	132	357	19,299	20,705
Additions	149	—	—	—	194	—	343
Disposal	—	—	(110)	—	—	—	(110)
Written off	(165)	(14)	—	—	—	—	(179)
At 30 June 2026	506	71	200	132	551	19,299	20,759

Group	Computers	Furniture and fittings	Plant and office equipment	Renovation	Motor vehicles	Building	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Accumulated depreciation							
At 1 January 2023	19	43	10	55	—	—	127
Depreciation for the financial year	14	10	8	14	—	—	46
At 31 December 2023 and 1 January 2024	33	53	18	69	—	—	173
Depreciation for the financial year	22	5	15	6	7	—	55
Written off	—	—	(1)	(6)	—	—	(7)
At 31 December 2024 and 1 January 2025	55	58	32	69	7	—	221
Depreciation for the financial year	119	9	64	16	93	538	839
Written off	(2)	—	(6)	(2)	—	—	(10)
At 31 December 2025 and 1 January 2026	172	67	90	83	100	538	1,050
Depreciation for the financial period	118	4	47	7	82	538	796
Disposal	—	—	(72)	—	—	—	(72)
Written off	(165)	(14)	—	—	—	—	(179)
At 30 June 2026	125	57	65	90	182	1,076	1,595
Net carrying amount							
At 31 December 2023	39	20	35	18	—	—	112
At 31 December 2024	38	22	48	70	73	—	251
At 31 December 2025	350	18	220	49	257	18,761	19,655
At 30 June 2026	381	14	135	42	369	18,223	19,164

8. RIGHT-OF-USE ASSETS

Group	Land	Office premises	Motor vehicles	Leasehold property	Office equipment	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Cost						
At 1 January 2023	—	237	—	—	—	237
Additions	—	203	—	—	—	203
Lease modification	—	158	—	—	—	158
At 31 December 2023 and 1 January 2024	—	598	—	—	—	598
Arising from acquisition of a subsidiary *(Note 9)*	—	98	55	—	6	159
Lease modification	—	249	—	—	—	249
Reclassification to property, plant and equipment	—	—	—	—	(6)	(6)
At 31 December 2024 and 1 January 2025	—	945	55	—	—	1,000
Arising from acquisition of a subsidiary *(Note 9)*	5,701	—	202	820	22	6,745
Additions	—	245	—	—	—	245
Lease modification	1,180	360	—	—	—	1,540
Derecognition	—	—	—	(203)	—	(203)
At 31 December 2025 and 1 January 2026	6,881	1,550	257	617	22	9,327
Additions	—	—	506	517	—	1,023
At 30 June 2026	6,881	1,550	763	1,134	22	10,350

Group	Land	Office premises	Motor vehicles	Leasehold property	Office equipment	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Accumulated depreciation						
At 1 January 2023	—	100	—	—	—	100
Depreciation for the financial year	—	157	—	—	—	157
At 31 December 2023 and 1 January 2024	—	257	—	—	—	257
Depreciation for the financial year	—	243	38	—	6	287
Derecognition	—	—	—	—	(6)	(6)
At 31 December 2024 and 1 January 2025	—	500	38	—	—	538
Depreciation for the financial year	179	291	78	234	5	787
Derecognition	—	—	—	(135)	—	(135)
At 31 December 2025 and 1 January 2026	179	791	116	99	5	1,190
Depreciation for the financial period	190	154	90	294	4	732
At 30 June 2026	369	945	206	393	9	1,922
Net carrying amount						
At 31 December 2023	—	341	—	—	—	341
At 31 December 2024	—	445	17	—	—	462
At 31 December 2025	6,702	759	141	518	17	8,137
At 30 June 2026	6,512	605	557	741	13	8,428

9. INVESTMENT IN SUBSIDIARIES

	Company			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*
Unquoted equity shares, at cost	1,010	5,841	51,293	51,293
Deemed investment in a subsidiary	97	615	3,038	3,075
	1,107	6,456	54,331	54,368
Movements in unquoted equity shares, at cost:				
At beginning of year/period	1,000	1,010	5,841	51,293
Additions	10	500	—	—
Acquisition of a subsidiary	—	4,331	45,452	—
At end of year/period	1,010	5,841	51,293	51,293

The deemed investment in a subsidiary relate to equity funding extended to the subsidiary. In the opinion of the directors, the funding is unlikely to be repaid in the foreseeable future and are considered as part of the Company's net investment in the subsidiary.

The details of subsidiaries are as follow:

Name of subsidiaries	Place and date of incorporation and place of operations	Nominal value of issued share capital	Principal activities	Proportion of ownership interest held by the Company			
				31 December			30 June
				2023	2024	2025	2026
				%	%	%	%
Sunbeam M&E Pte. Ltd.[(1)(3)]	Singapore 14 May 2018	S$1,500,000	Building construction (specialised in mechanical and electrical engineering)	100	100	100	100
Ever Capital Pte. Ltd.[(1)(3)]	Singapore 12 October 2023	S$10,000	Real estate development	100	100	100	100
Fire-Guard Engineering Pte. Ltd.[(1)(3)]	Singapore 8 February 1980	S$100,000	Building construction (specialised in fire protection)	—	100	100	100
Guthrie Engineering (S) Pte. Ltd.[(2)(3)]	Singapore 6 January 1951	S$46,798,493	Building construction (specialised in mechanical and electrical engineering)	—	—	100	100

(1) The statutory financial statements for the financial years ended 31 December 2023 and 2024 prepared in accordance with the Singapore Financial Reporting Standards (International) as issued by the Accounting Standards Council, have been audited by BDO LLP, Public Accountants and Chartered Accountant registered in Singapore.

(2) The statutory financial statements for the financial years ended 31 December 2023 and 2024 prepared in accordance with the Financial Reporting Standards in Singapore as issued by the Accounting Standards Council, have been audited by PricewaterhouseCoopers LLP, Public Accountants and Chartered Accountant registered in Singapore.

(3) The statutory financial statements for the financial year ended 31 December 2025 prepared in accordance with the Singapore Financial Reporting Standards (International) as issued by the Accounting Standards Council, have been audited by Ernst & Young LLP, Public Accountants and Chartered Accountant registered in Singapore.

Acquisition of a subsidiary in 2024

On 7 February 2024, the Company entered into a sale and purchase agreement to acquire the entire equity interest of Fire-Guard Engineering Pte. Ltd. ("**FG**") for a consideration of approximately S$4,331,000. The consideration shall be paid in 3 tranches as follows:

(i) Tranche A: S$1,650,000 cash consideration was settled during the financial year;

(ii) Tranche B: Issuance of 4,125,000 ordinary shares of the Company and additional shares if the share price drops below certain level, with a fair value of approximately S$1,800,000;

(iii) Tranche C: Cash and shares consideration with fair value of approximately S$827,000, subject to achieving certain profit levels by FG for each of the financial period ended from 1 April 2023 to 31 December 2023, financial year ended 31 December 2024 and 2025. The consideration will be proportional to the extent that the cumulative minimum aggregate profit before tax is achieved.

The Company acquired FG in order to expand its existing fire protection systems engineering services as the services provided by FG are complementary to the Group's existing offerings of M&E engineering services.

Transaction costs related to the acquisition of subsidiary amounting to S$35,000 have been recognised in the "other expenses" (Note 29) in the Group's consolidated statement of comprehensive income.

	Year ended 31 December 2024
	S$'000
Cash paid	1,800
Issuance of ordinary shares *(Note 18)*	1,800
Provision for contingent consideration assumed in business combination *(Note 25)*	731
Total purchase consideration	4,331

The fair values of the identifiable assets and liabilities of FG as at the date of acquisition during the financial year were:

	Notes	**Fair value recognised on acquisition** *S$'000*
Plant and equipment	*7*	15
Right-of-use assets	*8*	159
Intangible assets	*6*	980
Inventories		137
Contract assets	*14*	2,331
Trade and other receivables		3,918
Cash and cash equivalents		1,159
Total assets		8,699
Trade and other payables		(2,532)
Contract liabilities	*14*	(50)
Lease liabilities	*21*	(148)
Amount due to directors		(400)
Deferred tax liabilities	*30*	(163)
Total liabilities		(3,293)
Net identifiable assets at fair value		5,406
Bargain purchase		(1,075)
Total consideration at fair value		4,331

Bargain purchase is measured as the excess of fair value of identifiable net assets over aggregate of consideration transferred and was included in "other income" in the Group's consolidated statement of comprehensive income.

The bargain purchase arose because the acquisition was concluded at a consideration below the fair value of the identifiable net assets acquired, primarily due to the previous owners' intention to exit the business expediently under prevailing market conditions at the acquisition date. In addition, certain identifiable assets were measured at fair value upon acquisition, resulting in an uplift compared to their carrying values prior to the acquisition. Management has reassessed the identification and measurement of the acquired assets and liabilities and confirmed that the resulting gain represents a bargain purchase in accordance with IFRS 3.

At the acquisition date, the fair value of the trade and other receivables amounted to S$3,918,000. The gross contractual amount of trade and other receivables (mainly trade receivables and retention receivables) amounted to S$3,982,000 of which trade receivables of S$64,000 are expected to be uncollectible.

The effect of acquisition of subsidiary on the consolidated statement of cash flows is as follows:

	Year ended 31 December 2024 *S$'000*
Cash paid	(1,800)
Net cash acquired with the subsidiary	1,159
Net cash outflow from acquisition	(641)

Impact of the acquisition on profit or loss

From the acquisition date on 7 February 2024, FG has contributed S$10,651,000 of revenue and S$766,000 to the Group's profit after tax. If the business combination had taken place at the beginning of the year, the Group's revenue would have been S$81,184,000 and the Group's profit after tax would have been S$9,034,000.

Acquisition of subsidiary in 2025

On 8 April 2025, the Company entered into a sale and purchase agreement to acquire the entire equity interest of Guthrie Engineering (S) Pte. Ltd. ("**Guthrie**") for a consideration of approximately S$46,034,000. The consideration shall be paid in 2 tranches as follows:

(i) Tranche A: S$32,534,000 cash consideration was settled during the financial year; and

(ii) Tranche B: Cash consideration of S$13,500,000 that is payable on 15 April 2026.

The Company acquired Guthrie to expand its mechanical and engineering ("**M&E**") business operations. Guthrie's track record enables the Group to undertake more infrastructure projects, and with the ancillary businesses serving as a gateway to allow the Company to expand into switchboard and other manufacturing, it further strengthens the Company's engineering and manufacturing capabilities.

The fair value of the identifiable assets and liabilities of the subsidiary acquired as at the acquisition date were:

	Notes	**Fair value recognised on acquisition** *S$'000*
Property, plant and equipment	*7*	20,141
Right-of-use assets	*8*	6,745
Investment in associate	*10*	7,351
Intangible assets	*6*	3,276
Inventories		13
Contract assets	*14*	19,146
Trade and other receivables		27,445
Cash and bank balances		7,448
Other current assets		10,153
		101,718
Contract liabilities	*14*	(5,629)
Trade and other payables		(31,702)
Lease liabilities	*21*	(7,367)
Provisions	*25*	(2,582)
Deferred tax liabilities	*30*	(3,464)
		(50,744)
Total identifiable net assets at fair value		50,974
Bargain purchase		(5,522)
Total consideration at fair value		45,452

At the acquisition date, the fair values of the trade and other receivables amounted to S$27,445,000. The gross contractual amount of trade and other receivables (mainly trade receivables and retention receivables) were S$28,606,000 of which trade receivables of S$672,000 are expected to be uncollectible.

Bargain purchase is measured as the excess of fair value of identifiable net assets over aggregate of consideration transferred and was included in "other income" line item of profit or loss. The Group recognised a bargain purchase of S$5,522,000 arising from the acquisition of Guthrie.

The bargain purchase arose because the acquisition was concluded at a consideration below the fair value of the identifiable net assets acquired, primarily due to the seller's intention to exit a family-owned stake and to transition the business to be under the Group with better capabilities and opportunities for growth. In addition, certain identifiable assets were measured at fair value upon acquisition, resulting in an uplift compared to their carrying values prior to the acquisition. Management has reassessed the identification and measurement of the acquired assets and liabilities and confirmed that the resulting gain represents a bargain purchase in accordance with IFRS 3.

The total consideration at fair value is derived from the cash paid during the year amounted to S$32,534,000 (Tranche A) and the remaining payment of S$13,500,000 (Tranche B) is discounted to its present value (S$12,918,000) as at the acquisition date.

Transaction costs related to the acquisition of subsidiary amounting to S$1,277,000 have been recognised in "other expenses" (Note 29) in the Group's consolidated statement of comprehensive income.

The effect of acquisition of subsidiary on the consolidated statement of cash flows was as follows:

	Year ended 31 December 2025
	S$'000
Cash paid	(32,534)
Net cash acquired with the subsidiary	7,448
Net cash outflow on acquisition	(25,086)

The fair value adjustments to contract assets and trade and other payables arose from discounting these balances to their present value as they are non-current in nature.

Impact of the acquisition on profit or loss

From the acquisition date on 1 July 2025, Guthrie has contributed S$59,600,000 of revenue and S$8,622,000 to the Group's profit after tax. If the business combination had taken place at the beginning of the year, the Group's revenue would have been S$180,758,000 and the Group's profit after tax would have been S$18,375,000.

10. INVESTMENT IN ASSOCIATES

	Group			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*
Equity investment at cost	250	250	7,601	7,601
Deemed investment in an associate	170	1,220	1,532	1,569
Share of results of associates, net of tax	*	(8)	83	(32)
	420	1,462	9,216	9,138
At beginning of the year/period	—	420	1,462	9,216
Additions	250	—	—	—
Arising from acquisition of subsidiary *(Note 9)*	—	—	7,351	—
Deemed investment in an associate during the year	170	1,050	312	37
Share of results of associates, net of tax	—	(8)	91	(115)
At end of the year/period	420	1,462	9,216	9,138

* Amount is less than S$1,000

The details of the associates are as follows:

Name of entity	Principal place of business	Principal activities	Proportion of ownership interest held by the Group			
			31 December			30 June
			2023	2024	2025	2026
			%	%	%	%
Held through Ever Capital Pte. Ltd.						
Primest Land V1 Pte. Ltd. ("**PLV1**")	Singapore	Other holding companies (Property development)	25	25	25	25
Held through Guthrie Engineering (S) Pte Ltd						
Tek Guthrie Pte Ltd ("**TG**")	Singapore	Manufacturing of moulds, tools, and dies and metal stamping	—	—	36.87	36.87

The results of PLV1 and TG were accounted for using the equity method in the consolidated financial statements. The Group is deemed to have significant influence by virtue of its representation on the board of PLV1 and TG.

As at 31 December 2023 and 2024, the advances provided to PLV1 described as deemed investment is unsecured and bears interest at the rate of 0.50% per annum above the average prevailing prime lending rates of the banks. The repayment of this amount is dependent on the approval of the directors of PLV1. In the opinion of the directors, the advances made are unlikely to be repaid in the foreseeable future and are considered as part of the Company's net investment in the associate. On 31 October 2025, the Group has agreed to waive the interest previously imposed on the advances to the associate.

Summarised financial information of PLV1

The following table summarises the Group's share of profit and other comprehensive income of the Group's associate accounted for using the equity method.

	Group			
	31 December 2023	**31 December 2024**	**31 December 2025**	**30 June 2026**
	S$'000	*S$'000*	*S$'000*	*S$'000*
Share of loss before tax	*	(8)	(21)	(8)
Share of loss after tax	*	(8)	(21)	(8)
Share of total comprehensive income	*	(8)	(21)	(8)
Aggregate net carrying amount of the Group's interest in the associate	420	1,462	1,753	1,782

The summarised financial information in respect of PLV1 and a reconciliation of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Group			
	31 December 2023	**31 December 2024**	**31 December 2025**	**30 June 2026**
	S$'000	*S$'000*	*S$'000*	*S$'000*
Current assets	1,000	28	311	87
Non-current assets	—	19,034	19,954	21,193
Current liabilities	—	—	(379)	(570)
Non-current liabilities	—	(18,097)	(19,001)	(19,860)
Proportion of the Group's ownership	25%	25%	25%	25%
Group's share of net assets	250	242	221	213
Deemed investment arising from advances to associate	170	1,220	1,532	1,569
Carrying value of Group's interest in an associate	420	1,462	1,753	1,782

Summarised statement of comprehensive income

	Group			
	31 December 2023	**31 December 2024**	**31 December 2025**	**30 June 2026**
	S$'000	*S$'000*	*S$'000*	*S$'000*
Revenue	—*	—	—	—
Other income	—*	*	—	1
Other expenses	—*	(34)	(82)	(35)
Loss before tax	—*	(34)	(82)	(34)

* Amount is less than S$1,000

Capital commitments

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group has capital commitment of S$2,590,000, S$1,530,000, S$1,218,000 and S$1,218,000, respectively, that has been contracted for but not provided for in the Historical Financial Information. The capital committed will serve as funds for PLV1 to develop the land acquired.

Summarised financial information of TG

The following table summarises the Group's share of profit and other comprehensive income of the Group's associate accounted for using the equity method.

	Group	
	31 December 2025	**30 June 2026**
	S$'000	*S$'000*
Share of profit/(loss) before tax	112	(107)
Share of profit/(loss) after tax	112	(107)
Share of total comprehensive income/(loss)	112	(107)
Aggregate net carrying amount of the Group's interest in the associate	7,463	7,356

The summarised financial information in respect of TG and a reconciliation of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Group	
	31 December 2025	**30 June 2026**
	S$'000	*S$'000*
Current assets	10,617	9,382
Non-current assets	11,300	11,652
Current liabilities	(1,676)	(1,078)
Proportion of the Group's ownership	36.87%	36.87%
Group's share of net assets	7,463	7,356
Carrying value of Group's interest in an associate	7,463	7,356

Summarised statement of comprehensive income/(loss) for the period from 1 July 2025 to 31 December 2025 and the six months ended 30 June 2026

	Group	
	31 December 2025	**30 June 2026**
	S$'000	*S$'000*
Revenue	2,751	2,288
Cost of sales	(2,076)	(2,191)
Other income	137	79
Other expenses	(507)	(465)
Profit/(loss) before tax	305	(289)

11. INVESTMENT IN JOINT ARRANGEMENTS

Sunley M&E Engineering Pte Ltd and Sunbeam M&E Pte Ltd formed joint arrangements for Orange Grove Hotel, IQuest and SoDrama projects to develop a hotel building, business park building and media production building in Singapore.

Joint operations

The details of the joint operations of the Group are as follows:

Name of joint operation	Principal place of business	Principal activities	Proportion of ownership interest held by the Group			
			31 December			30 June
			2023	2024	2025	2026
			%	%	%	%
Sunley M&E Engineering Pte Ltd and Sunbeam M&E Pte Ltd — Project Orange Grove Hotel ("**OGH**")	Singapore	Building construction	50	50	50	50
Sunley M&E Engineering Pte Ltd and Sunbeam M&E Pte Ltd — Project International Business Park ("**IQuest**")	Singapore	Building construction	50	50	50	50
Sunley M&E Engineering Pte Ltd and Sunbeam M&E Pte Ltd — Project Media Production ("**SoDrama**")	Singapore	Building construction	50	50	50	50

The following amounts represent the Group's 50% share of the assets and liabilities and income and expenses of the joint operations.

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*
Current assets	444	1,481	1,626	1,806
Current liabilities	(137)	(1,157)	(762)	(1,344)
Non-current liabilities	—	—	(135)	—
Net assets	307	324	729	462
Revenue	217	5,302	9,026	1,374
Cost of sales	(169)	(4,095)	(5,150)	(1,148)
Other income	15	—	—	—
Profit before tax	63	1,207	3,876	226
Profit after tax	63	1,010	3,878	226
Proportionate interest of joint operations' capital commitments	50%	50%	50%	50%

12. FINANCIAL ASSETS AT FVOCI/FVTPL

	Group			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*
Unquoted equity shares — financial assets at FVOCI	—	1	1	1
Loan receivables — financial assets at FVTPL	—	1,250	1,250	1,219
Fair value adjustment	—	—	(31)	(99)
	—	1,250	1,219	1,120

Financial assets at FVOCI

In August 2024, the Group entered into a shareholders' agreement with various parties to invest in Bayswood Pte Ltd ("**Bayswood**") via a special purpose vehicle — Newave Solutions Pte. Ltd. ("**Newave**"). The Group invested S$1,000 into Bayswood via Newave, which represented 5% equity interests.

As the Group intends to hold these investments for long-term for appreciation in value as well as strategic investments purposes, the unquoted equity shares were classified as fair value through other comprehensive income ("**FVOCI**").

Financial assets at FVTPL

The Group has made shareholders' loan of S$1,250,000 to the Newave and designated it as financial assets at fair value through profit or loss ("**FVTPL**"). As at 31 December 2024 and 2025 and 30 June 2026, management has assessed the fair value of the loan receivables based on method described in Note 38(d).

The financial assets are denominated in Singapore dollar.

13. INVENTORIES

	Group			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*
Raw materials	—	75	147	88

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the cost of inventories recognised as an expense and included in "Cost of sales" line item in profit or loss was approximately Snil, S378,000, S$399,000 and S$187,000, respectively.

14. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group				
	1 January 2023	31 December 2023	31 December 2024	2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Contract assets — construction contracts	3,776	8,205	10,884	35,370	36,536
Contract liabilities — construction contracts	2,613	840	1,306	6,982	7,440

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for construction contracts. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for construction contracts. Contract liabilities are recognised as revenue as the Group fulfils its performance obligations under the contract.

The Group assessed and determined expected credit loss rates for contract assets, by reference to past default experience and expected credit losses, which incorporate forward looking estimate. The allowance for expected credit losses on contract assets are not material as at 31 December 2023, 2024 and 2025 and 30 June 2026.

Contract assets are written off when there is no reasonable expectation of recovery.

(a) Significant changes in the contract assets are explained as follows:

	Group			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*
Contract assets reclassified to trade receivables	(3,776)	(8,205)	(10,884)	(39,768)
Excess of revenue recognised over cash (or rights to cash)	7,908	9,406	13,228	31,974
Cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability	297	(1,168)	2,996	8,986
Arising from acquisition of a subsidiary *(Note 9)*	—	2,331	19,146	—

(b) Significant changes in the contract liabilities are explained as follows:

	Group			
	31 December 2023	**31 December 2024**	**31 December 2025**	**30 June 2026**
	S$'000	*S$'000*	*S$'000*	*S$'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the financial year	2,613	840	1,306	6,982
Increase due to cash received, excluding amounts recognised as revenue during the financial year	(1,225)	(344)	(717)	(6,936)
Cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability	385	(912)	(636)	(503)
Arising from acquisition of a subsidiary *(Note 9)*	—	(50)	(5,629)	—

(c) Remaining performance obligations

	Group			
	31 December 2023	**31 December 2024**	**31 December 2025**	**30 June 2026**
	S$'000	*S$'000*	*S$'000*	*S$'000*
Aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December				
— Arising from the subsidiaries	104,088	101,154	712,071	973,168
— Arising from joint arrangements	—	6,293	11,791	10,483
	104,088	107,447	723,862	983,651

The amounts excluded the following:

- Performance obligation for which the Group has applied the practical expedient not to disclose information about its remaining performance obligations if:
  - The performance obligation is part of a contract that has an original expected duration
  - for one year or less, or
  - The Group recognises revenue to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to-date.
- Variable consideration that is constrained and therefore is not included in the transaction price.

Management expects that the aggregate amount of the transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations as of 31 December 2023, 2024 and 2025 and 30 June 2026 will be recognised as revenue as the Group continue to fulfil the performance obligations over the remaining contract life up till the year 2026, 2028, 2043 and 2043 respectively. The timing of revenue recognition varies across projects depending on the nature, complexity and duration of the works, and is influenced by project milestones, customer approvals and site conditions. The amount disclosed above does not include variable consideration which is subject to significant risk of reversal.

15. TRADE AND OTHER RECEIVABLES

	Group				Company			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Non-current								
Other receivables — subsidiary	—	—	—	—	333	2,221	—	—
Deposits	406	100	100	100	—	—	—	—
Retention receivables — third parties	—	—	4,397	2,443	—	—	—	—
	406	100	4,497	2,543	333	2,221	—	—
Current								
Trade receivables								
— third parties	2,577	8,251	15,469	18,206	—	—	—	—
— related parties	650	1,824	1,165	435	—	—	—	—
Accrued receivables	—	31	658	596	—	—	—	—
	3,227	10,106	17,292	19,237	—	—	—	—
Less: Allowance for impairment of receivables — third parties	—	(64)	(449)	(286)	—	—	—	—
	3,227	10,042	16,843	18,951	—	—	—	—
Retention receivables								
— third parties	3,828	8,996	18,133	18,888	—	—	—	—
— related parties	1,025	545	1,098	925	—	—	—	—
	4,853	9,541	19,231	19,813	—	—	—	—
Other receivables								
— third parties	—	—	31	—	—	—	—	—
— subsidiaries	—	—	—	—	—	—	2,989	250
— related party	—	22	54	—	—	—	—	—
Loan to a subsidiary	—	—	—	—	—	2,000	2,000	—
Interest receivables from fixed deposits	38	35	54	23	38	31	54	21
Dividend receivables	—	—	—	—	1,837	3,300	1,056	—
Deposits	393	956	1,066	1,060	—	—	1	—
Goods and services tax recoverable	1	—	773	—	1	—	—	—
	432	1,013	1,978	1,083	1,876	5,331	6,100	271
	8,512	20,596	38,052	39,847	1,876	5,331	6,100	271
Total current and non-current	8,918	20,696	42,549	42,390	2,209	7,552	6,100	271

As at 31 December 2023 and 31 December 2024, the non-current other receivables due from a subsidiary are non-trade in nature, unsecured, non-interest bearing, repayable after 12 months subsequent to the reporting date and are expected to be settled in cash. The fair value of the non-current other receivables due from the subsidiary which approximates its carrying amounts are within Level 3 of the fair value hierarchy. The management estimates the fair value of the non-current other receivables due from the subsidiary using the market borrowing rate at 5.25% per annum at the end of the reporting period. During the financial year ended 31 December 2025, the Company has agreed to not recall all non-current other receivables due from the subsidiary and treat it as an equity funding. Consequently, the Company has reclassified the amount to deemed investment in subsidiary as at 31 December 2025 as disclosed in Note 9 to the Historical Financial Information.

The current other receivables due from subsidiaries and a related party are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash. Other current receivables due from subsidiaries mainly relate to dividend receivables.

Accrued trade receivables are additions and alteration works that have been performed but not yet billed by the Group. The accrued trade receivables will be reclassified to trade receivables once the rights to consideration become unconditional. The balances as at 31 December 2024 and 2025 has been fully transferred to trade receivables during the financial year ended 31 December 2025 and the six month period ended 30 June 2026, respectively.

The loan to a subsidiary was unsecured, repayable on demand and was expected to be settled in cash. The loan bears interest of 7.5% per annum for the financial years ended 31 December 2024 and 2025.

Deposits mainly relate to deposits made for collateral for projects, rental of premises and utilities. Included in the deposits, there are insurance guarantees or performance bonds by the insurance companies to the customers in respect of projects undertaken by the Group, which the directors have jointly provided indemnities for all liabilities that the insurance companies may incur in connection with the issuance of the insurance guarantees or performance bonds.

Trade receivables are non-interest bearing and the average credit term granted by the Group is 35 days for the financial years ended 31 December 2023, 2024 and 2025.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

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

Loss allowance

Trade receivables

Trade receivables are subject to the lifetime expected credit loss ("**ECL**") model under the simplified approach in IFRS 9. The Group assesses ECLs by applying historical loss rates to ageing brackets, adjusted for forward-looking information that may affect customers' ability to settle outstanding balances. In developing the loss rates, the Group considers past default patterns, current credit profiles of customers, and macroeconomic factors relevant to the industry.

The Group recognises lifetime for:

- individually significant customers, based on specific credit assessments; and
- other customers on a collective basis, using an ageing-based provision matrix.

Balances are written off when there is no reasonable expectation of recovery, taking into account the customer's financial position, project status and past payment behaviour. Subsequent recoveries are recognised in profit or loss.

At the end of the reporting period, the ageing profile of trade receivables and the associated loss allowance are as follows:

Group	Expected credit loss rate*	Gross carrying amount *S$'000*	Loss allowance on receivables *S$'000*	Net carrying amount *S$'000*
31 December 2023				
Not past due	0%	2,379	—	2,379
Past due 1–30 days	0%	389	—	389
Past due 31–60 days	0%	74	—	74
Past due 61–90 days	0%	241	—	241
Past due over 90 days	0%	144	—	144
		3,227	—	3,227
Credit impaired customers		—	—	—
		3,227	—	3,227
31 December 2024				
Not past due	0%	7,634	—	7,634
Past due 1–30 days	0%	494	—	494
Past due 31–60 days	0%	472	—	472
Past due 61–90 days	0%	268	—	268
Past due over 90 days	0%	1,143	—	1,143
		10,011	—	10,011
Credit impaired customers		64	(64)	—
		10,075	(64)	10,011
31 December 2025				
Not past due	0%	10,576	—	10,576
Past due 1–30 days	0%	2,021	—	2,021
Past due 31–60 days	0%	1,096	—	1,096
Past due 61–90 days	0%	140	—	140
Past due over 90 days	13%	2,709	(357)	2,352
		16,542	(357)	16,185
Credit impaired customers		92	(92)	—
		16,634	(449)	16,185
30 June 2026				
Not past due	0%	15,293	—	15,293
Past due 1–30 days	0%	498	—	498
Past due 31–60 days	0%	86	—	86
Past due 61–90 days	0%	344	—	344
Past due over 90 days	13%	2,420	(286)	2,134
		18,641	(286)	18,355
Credit impaired customers		—	—	—
		18,641	(286)	18,355

* The credit loss rates disclosed have been rounded to the nearest percentage.

Retention receivables

Retention receivables arise from construction contracts and are measured using the lifetime ECL model under the simplified approach in IFRS 9. The Group monitors key retention balances individually as part of its credit-risk management process and estimates ECLs using historical loss rates adjusted for forward-looking information relevant to the construction industry. The assessment considers historical recovery patterns, the credit quality of customers, and the status of the underlying projects, including any disputes or delays that may affect recoverability.

Retention amounts are typically recoverable only upon completion of project milestones or defect-liability periods, and this extended collection cycle is incorporated into the Group's ECL assessment. Based on this methodology, the loss allowance for retention receivables as at the end of each of the Relevant Period was not material. During the years ended 31 December 2023, 2024 and 2025 and the financial period ended 30 June 2026, retention receivables of Snil, S64,000, S$nil and S$nil, respectively, were written off due to no reasonable expectation of recovery.

Non-trade receivables from subsidiaries and related parties

The Group and the Company have taken into account information that they have available internally about the past and current operating performance and cash flow position of its subsidiaries and a related party. At the end of the reporting period, the Group and the Company have assessed their financial performance and is of the view that no expected credit loss allowance is required. The other receivables from subsidiaries and a related party are considered to be of low credit risk and subject to immaterial credit loss. Credit risk for these assets has not increased significantly since their initial recognition.

Movement in allowance for expected credit losses for trade receivables are set out as follows:

	Group			
	31 December			30 June
	2023	**2024**	**2025**	**2026**
	S$'000	*S$'000*	*S$'000*	*S$'000*
At beginning of year/period	—	—	64	449
Loss allowance recognised in profit or loss	—	64	385	—
Write-back	—	—	—	(71)
Write-off	—	—	—	(92)
At end of year/period	—	64	449	286

The Group's and the Company's financial assets measured at amortised cost comprise trade and other receivables excluding advance payments to suppliers and goods and services tax recoverable.

The currency profile of trade and other receivables as at the end of the reporting period is Singapore dollar.

16. OTHER CURRENT ASSETS

	Group				Company			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Prepayments	24	24	167	697	24	24	26	266
Advance payments to suppliers	215	526	8,464	11,635	—	—	—	—
	239	550	8,631	12,332	24	24	26	266

Advance payments to suppliers mainly relate to the payments made in advance to subcontractors for the subcontractor works.

17. CASH, BANK BALANCES AND FIXED DEPOSITS

	Group				Company			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Cash on hand	*	*	8	14	*	—	—	—
Bank balances	4,156	7,489	23,172	23,638	1,478	195	6,667	1,669
Fixed deposits	2,500	5,330	19,874	15,037	2,500	4,602	14,213	5,213
	6,656	12,819	43,054	38,689	3,978	4,797	20,880	6,882
Less: deposits pledged to banks as security	(1,500)	(3,728)	(4,231)	(5,831)				
Cash and cash equivalents for the consolidated statement of cash flows	5,156	9,091	38,823	32,858				

* Amount is less than S$1,000

Fixed deposits are placed for a period of 12 months, with interest rate ranging from 3.75% to 4.28%, 1.31% to 3.10%, 0.34% to 3.10% and 0.34% to 2.10% per annum for the financial years ended 31 December 2023, 2024, 2025 and the financial period ended 30 June 2026, respectively. For the purpose of presenting the consolidated statements of cash flows, cash and cash equivalents include deposits with maturity of more than 3 months, as there is no significant cost or penalty in converting these deposits into a known amount of cash before maturity.

As at 31 December 2023, 2024, 2025 and 30 June 2026, the Company's fixed deposits amounting to approximately S$1,500,000, S$3,728,000, S$4,231,000 and S$5,831,000, respectively, were pledged to the banks as security for banking facilities and guarantee for construction contract as disclosed in Note 22 to the Historical Financial Information.

The currency profile of cash and cash equivalents as at the end of the reporting period is Singapore dollar.

18. SHARE CAPITAL

	Group and Company	
	Number of shares	
	'000	*S$'000*
Issued and fully-paid up ordinary shares:		
At 1 January 2023	*	*
Share split pursuant to a restructuring exercise[(i)]	65,600	*
Issuance of new ordinary shares[(ii)]	5,100	72
Issuance of new ordinary shares pursuant to an initial public offering exercise[(iii)]	14,000	3,080
Capitalisation of listing expenses to share capital[(iv)]	—	(314)
Issuance of new ordinary shares pursuant to a bonus issue[(v)]	84,700	—
At 31 December 2023 and 1 January 2024	169,400	2,838
Issuance of new ordinary shares pursuant to a bonus issue[(vi)]	86,608	—
Issuance of shares pursuant to the acquisition of subsidiary[(vii)]	4,500	1,800
Issuance of shares pursuant to the PSP[(viii)]	1,072	429
At 31 December 2024 and 1 January 2025	261,580	5,067
Issuance of new ordinary shares pursuant to a bonus issue[(ix)]	86,636	—
Issuance of shares pursuant to the acquisition of a subsidiary[(vii)]	297	119
Issuance of ordinary shares pursuant to the placement[(x)]	31,000	17,050
Issuance of new ordinary shares pursuant to the transfer from Catalist Board to Mainboard of the SGX-ST[(xi)]	2,000	1,280
Issuance of shares pursuant to the PSP[(viii)]	476	390
At 31 December 2025 and 1 January 2026	381,989	23,906
Issuance of new ordinary shares pursuant to the conversion of the convertible bonds[(xii)]	17,241	5,356
Issuance of new ordinary shares pursuant to a bonus issue[(xiii)]	99,696	—
Issuance of shares pursuant to the acquisition of a subsidiary[(vii)]	447	357
At 30 June 2026	499,373	29,619

* Amount is less than S$1,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per ordinary share without restriction.

(i) On 9 March 2023, the Company completed the sub-division of every one (1) ordinary share in the capital of the Company to 32,800,000 ordinary shares.

(ii) On 10 March 2023, the Company issued and allotted an aggregate of 5,100,000 new ordinary shares to certain employees of the Company for an aggregate consideration of S$72,000.

(iii) On 17 May 2023, the Company issued 14,000,000 ordinary shares for a total cash consideration of approximately S$3,080,000.

(iv) Share issuance expenses consist of, among others, an allocation portion of professional fees paid to the sponsor and auditors of the Company in respect of professional services rendered as professional service and independent reporting accountants respectively in connection with the Company's initial public offering. The allocation portion of professional fees paid to the sponsor and auditors of the Company amounted to S$141,000 and S$36,000 respectively.

(v) On 29 August 2023, the Company allotted and issued 84,700,000 ordinary shares pursuant to a bonus issue exercise on the basis of one bonus share credited as fully paid for every one ordinary share held by the shareholders in the Company.

(vi) On 28 June 2024, the Company allotted and issued 86,608,349 ordinary shares pursuant to a bonus share issuance exercise on the basis of one bonus share credited as fully paid for every two (2) existing ordinary shares held by the shareholders of the Company.

(vii) On 4 June 2024, 19 August 2024, 21 April 2025 and 10 June 2026 the Company allotted and issued 4,125,000, 375,000, 296,724 and 447,000 ordinary shares respectively as partial consideration for the acquisition of Fire-Guard Engineering Pte Ltd.

(viii) On 13 August 2024 and 26 December 2025, the Company allotted and issued 1,072,300 and 475,600 ordinary shares of the Company pursuant to the PSP at S$0.40 and S$0.82 per share respectively.

(ix) On 10 April 2025, the Company allotted and issued 86,635,750 ordinary shares pursuant to a bonus issue exercise on the basis of one bonus share credited as fully paid for every three (3) existing ordinary shares held by the shareholders of the Company.

(x) On 2 September 2025, the Company allotted and issued 31,000,000 ordinary shares pursuant to Placement based on S$0.55 per share.

(xi) On 18 December 2025, the Company allotted and issued 2,000,000 ordinary shares pursuant to the transfer from Catalist Board to Mainboard of the SGX-ST at S$0.64 per share.

(xii) On 8 April 2026, the holders of the convertible bonds had exercised the option and fully converted the entire outstanding amount of the convertible bonds into 17,241,362 ordinary shares as disclosed in Note 23 to the Historical Financial Information. Included in the amount from the issuance of shares are accumulated interest payables due to the bond holders of S$356,000 that were waived in accordance with the terms of the conversion, and the equity conversion component of the convertible bonds amounting to S$249,000.

(xiii) On 18 May 2026, the Company allotted and issued 99,696,026 ordinary shares pursuant to a bonus issue exercise on the basis of one bonus share credited as fully paid for every four (4) existing ordinary shares held by the shareholders of the Company.

19. TREASURY SHARES

	Group and Company							
	31 December						30 June	
	2023		2024		2025		2026	
	Number of shares		Number of shares		Number of shares		Number of shares	
	'000	*S$'000*	*'000*	*S$'000*	*'000*	*S$'000*	*'000*	*S$'000*
At beginning of year/ period	—	—	242	86	1,334	513	446	166
Repurchased during the financial year	242	86	1,092	427	1,094	431	—	—
Issuance of shares pursuant to PSP	—	—	—	—	(1,551)	(610)	—	—
Issuance of shares pursuant to employee sign on bonus	—	—	—	—	(431)	(168)	—	—
At end of year/period	242	86	1,334	513	446	166	446	166

The Company acquired 242,000, 1,091,800 and 1,094,000 of its own shares through purchases in the open market during the financial years ended 31 December 2023, 2024 and 2025 and the financial period ended 30 June 2026 respectively. The total amount paid to repurchase the shares was approximately S$86,000, S$427,000 and S$431,000 respectively and has been presented as a component within shareholders' equity.

During the year ended 31 December 2025, the difference arising from the purchase cost of treasury shares and reissuance price of treasury shares of S$325,000 were included in other reserves, as disclosed in Note 20 to the Historical Financial Information

20. OTHER RESERVES

Group and Company

Included in other reserves is an amount of S$1,000,000 that was previously owed to the shareholders, who are also the directors of the Company and waived via a settlement agreement during the financial year ended 31 December 2022. Other reserves are not available for dividend distribution to shareholders.

On 2 April 2025, the Company issued convertible bonds as disclosed in Note 23 to the Historical Financial Information. The equity component of S$249,000, representing the value of the conversion option granted to bondholders to convert the bonds into ordinary shares of the Company, was recognised in other reserve and will not be remeasured subsequently.

On 8 April 2026, the holders of the convertible bonds had exercised the option and fully converted the entire outstanding amount of the convertible bonds. Accordingly, the equity component of S$249,000 was transferred to share capital.

During the year ended 31 December 2025, the other reserves also included the difference arising from the purchase cost of treasury shares and reissuance price of treasury shares of S$325,000.

21. LEASE LIABILITIES

Lessee

Nature of the Group's leasing activities

Leasehold land, leasehold property and office premises

The Group makes monthly lease payments for the leasehold land, leasehold property and office premises. The leasehold land is used for the purpose of the Group's operation.

Motor vehicles and equipment

The Group leases motor vehicles and equipment to render logistic services and plotting services for the Group's operation. The lease arrangements prohibit the Group from subleasing the equipment to third parties.

There are no externally imposed covenants on these lease arrangements.

Set out below are the carrying amounts of lease liabilities and the movements during the Relevant Periods:

		Group			
		31 December			30 June
		2023	2024	2025	2026
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000*
At beginning of year/period		143	349	465	8,815
Arising from acquisition of a subsidiary	*9*	—	148	7,367	—
Additions		203	—	245	1,023
Lease modifications		158	249	1,540	—
Derecognition of lease liability		—	—	(70)	—
Interest expense	*28*	12	27	191	184
Lease payments					
— Principal portion		(155)	(281)	(732)	(684)
— Interest portion		(12)	(27)	(191)	(184)
At end of year/period		349	465	8,815	9,154

The maturity analysis of lease liabilities as of the reporting date are as follows:

	Group			
	31 December 2023	**31 December 2024**	**31 December 2025**	**30 June 2026**
	S$'000	*S$'000*	*S$'000*	*S$'000*
Contractual undiscounted cash flows				
Within one financial year	185	262	1,513	1,745
After one financial year but within two financial years	128	134	1,046	1,143
After two financial years but within five financial years	53	93	1,892	2,068
More than five financial years	—	—	7,409	7,119
	366	489	11,860	12,075
Less: Future interest expense	(17)	(24)	(3,045)	(2,921)
Present value of lease liabilities	349	465	8,815	9,154

	Group			
	2023	**2024**	**2025**	**2026**
	S$'000	*S$'000*	*S$'000*	*S$'000*
Presented in consolidated statement of financial position				
Current	173	247	1,171	1,381
Non-current	176	218	7,644	7,773
	349	465	8,815	9,154

The following are the amounts recognised in profit or loss:

		Group			
		Year ended 31 December 2023	**Year ended 31 December 2024**	**Year ended 31 December 2025**	**Six months ended 30 June 2026**
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Depreciation expense of right-of-use assets	*8*	157	287	787	732
Interest expense on lease liabilities	*28*	12	27	191	184
Expense relating to low value and short-term leases	*29*	481	588	606	245
Total amount recognised in profit or loss		650	902	1,584	1,161

Rental of foreign worker dormitory, machineries and office equipment of the Group qualifies as low value or short-term leases. The election of short-term leases is made by class of underlying assets with similar nature and use in the Group's operations whereas the low-value lease exemption is made on lease-by-lease basis.

The total cash outflows for all leases including low value and short-term leases were S$648,000, S$896,000, S$1,529,000 and S$1,113,000 for the financial year ended 31 December 2023, 2024, 2025 and the financial period ended 30 June 2026, respectively.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the incremental borrowing rates applied were ranging from 4.25% to 4.68%, 4.25% to 5.50% and 4.25% to 5.50%, 4.25% to 5.50%, respectively. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The lease for a dormitory contains an extension period, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise the extension option. The Group negotiates extension options to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

The currency profile of the lease liabilities as at the end of reporting period is Singapore dollar.

Lessor

Nature of the Group's leasing activities — Group as an intermediate lessor

Sub-leases — classified as operating leases

The Group acts as an intermediate lessor under arrangements in which it sub-leases out part of its office spaces to third parties for monthly lease payments. The sub-lease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as operating leases.

Income from sub-leasing the office spaces recognised during the financial year ended 31 December 2025 and the financial period ended 30 June 2026 amounted to S$249,000 and S$169,000, respectively. There were no income arising from sub-leasing office spaces for the financial years ended 31 December 2023 and 2024.

Undiscounted lease payments to be received by the Group for its leases and sub-leases after the reporting date are as follows:

	31 December 2023	**31 December 2024**	**31 December 2025**	**30 June 2026**
	$'000	*$'000*	*$'000*	*S$'000*
Less than one year	—	—	277	243
One to two years	—	—	135	14
Total undiscounted lease payments	—	—	412	257

22. BANK BORROWINGS

	Group				Company			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Non-current								
Term loan	—	—	19,550	16,667	—	—	19,550	16,667
Temporary bridging loan I	86	—	—	—	—	—	—	—
Temporary bridging loan II	212	130	44	7	—	—	—	—
	298	130	19,594	16,674	—	—	19,550	16,667
Current								
Term loan	—	—	4,675	2,857	—	—	4,675	2,857
Temporary bridging loan I	145	86	—	—	—	—	—	—
Temporary bridging loan II	78	82	85	80	—	—	—	—
Trust receipts	714	2,997	3,374	4,407	—	—	—	—
Revolving credit facilities	—	700	650	350	—	—	—	—
	937	3,865	8,784	7,694	—	—	4,675	2,857
	1,235	3,995	28,378	24,368	—	—	24,225	19,524

The maturity analysis of bank borrowings as of the reporting date are as follows:

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'000	*$'000*	*$'000*	*S$'000*
Group				
Bank borrowings repayable:				
Within one financial year	937	3,865	8,784	7,694
After one financial year but within two financial years	168	85	5,100	2,864
After two financial years but within five financial years	130	45	14,494	13,810
	1,235	3,995	28,378	24,368

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'000	*$'000*	*$'000*	*S$'000*
Company				
Bank borrowings repayable:				
Within one financial year	—	—	4,675	2,857
After one financial year but within two financial years	—	—	5,100	2,857
After two financial years but within five financial years	—	—	14,450	13,810
	—	—	24,225	19,524

Temporary bridging loan I and Temporary bridging loan II

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 financial period ended 30 June 2026.

The Temporary bridging loans of the Group are secured by joint and several personal guarantees from the controlling shareholders of the Company.

Trust receipts and revolving credit facilities

The Group utilises trust receipt facilities as part of a supplier finance arrangement, whereby a finance provider pays subcontractor invoices on behalf of the Group and the Group settles the resulting liability at a later date. These arrangements provide extended payment terms relative to normal subcontractor credit terms. Trust receipt liabilities are repayable within 120 days, 120 days, 120 days 120 days and 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 years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, respectively.

At 31 December 2023, 2024 and 2025 and 30 June 2026, the carrying amount of financial liabilities arising from these arrangements was S$714,000, S$2,997,000, S$3,374,000 and S$4,407,000, respectively, presented within bank borrowings for which the finance provider had already made payment to subcontractors.

Payment due dates for these liabilities range from 92 to 122 days after invoice date, compared with 30 to 90 days for comparable trade payables that are not part of a supplier finance arrangement.

At 31 December 2023, 2024 and 2025 and 30 June 2026, the trust receipts are secured by the corporate guarantee provided by the Company and fixed deposits of S$1,500,000, S$2,500,000, S$1,500,000 and S$2,600,000, respectively, were pledged with financial institutions.

Non-cash movements during the year include interest accruals.

At 31 December 2023, 2024 and 2025 and 30 June 2026, the Group has existing revolving credit facilities amounting to Snil, S1,000,000, S$1,000,000 and S$1,000,000, respectively, which can be drawn down to finance short-term operating expenses and for business expansion. The revolving credit facilities are repayable within 1 to 3 months and bear interest ranging from nil, 4.44% to 4.54%, 4.44% to 4.54% and 2.42% to 2.50% in 2023, 2024 and 2025 and the six months ended 30 June 2026, respectively.

At 31 December 2023, 2024 and 2025 and 30 June 2026, the revolving credit facilities are secured by the corporate guarantee provided by the Company and fixed deposits amounting to Snil, S1,000,000, S$1,000,000 and S$1,000,000, respectively.

Both trusts receipts and revolving credit facilities are subject to financial covenants imposed by the banks, whereby the Group is required to meet certain key financial ratios. The covenants are tested at the end of each financial year until the maturity of the trust receipts and revolving credit facilities. The Group has no indication that it will have difficulty complying with the covenants.

As at 31 December 2024, one of the subsidiaries of the Group was not in compliance with the covenants set out in the banking facilities letter, as the Group did not obtain the bank's consent prior to dividend declaration to its shareholders during the financial year ended 31 December 2024, and the Group failed to maintain the required utilisation rate and security margin for one of the trade facilities.

As at 31 December 2025 and 30 June 2026, the subsidiary is in compliance with the covenants set out in the banking facility letter which comprise obtaining the bank's consent prior to dividend declaration to its shareholders and to maintain at least 50% utilisation rate for the facility.

The above breaches do not affect the classification of related borrowings as these borrowings are due for repayment within 12 months from the end of the reporting period and classified as current liabilities.

Term loan

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 the Group is secured by corporate guarantees by GE and fixed deposits amounting to S$1,500,000.

The term loan is subject to financial covenants imposed by the bank, whereby the 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. The Group has no indication that it will have difficulty complying with the covenants.

As at the end of the reporting period, the Group had facilities as follows:

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*
Facilities granted	4,600	12,900	160,200	162,400
Facilities utilised	1,811	7,576	91,291	99,447

The currency profile of bank borrowings as at the end of the reporting period is Singapore dollar.

Reconciliation of liabilities arising from financing activities

				Non-cash changes							
	1 January 2023	Proceeds	Principal and interest payments	Interest expense	Arising from acquisition of a subsidiary	Addition during the year	Modification of lease liability	Derecognition of lease liability	Equity component of convertible bond	Accrued interest	31 December 2023
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Bank borrowings	735	711	(238)	27	—	—	—	—	—	—	1,235
Lease liabilities	143	—	(167)	12	—	203	158	—	—	—	349

				Non-cash changes							
	1 January 2024	Proceeds	Principal and interest payments	Interest expense	Arising from acquisition of a subsidiary	Addition during the year	Modification of lease liability	Derecognition of lease liability	Equity component of convertible bond	Accrued interest	31 December 2024
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Bank borrowings	1,235	7,262	(4,621)	119	—	—	—	—	—	—	3,995
Lease liabilities	349	—	(308)	27	148	—	249	—	—	—	465
Amount due to a director of a subsidiary	—	—	(400)	—	(400)	—	—	—	—	—	—

Reconciliation of liabilities arising from financing activities

				Non-cash changes							
	1 January 2025	Proceeds	Principal and interest payments	Interest expense	Arising from acquisition of a subsidiary	Addition during the year	Modification of lease liability	Derecognition of lease liability	Equity component of convertible bond	Accrued interest	31 December 2025
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Bank borrowings	3,995	38,173	(14,208)	587	—	—	—	—	—	(169)	28,378
Lease liabilities	465	—	(923)	191	7,367	245	1,540	(70)	—	—	8,815
Convertible bond	—	5,000	—	356	—	—	—	—	(249)	(299)	4,808

				Non-cash changes							
	1 January 2026	Proceeds	Principal and interest payments	Interest expense	Arising from acquisition of a subsidiary	Addition during the year	Modification of lease liability	Derecognition of lease liability	Conversion of convertible bond	Accrued interest	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Bank borrowings	28,378	25,074	(29,590)	506	—	—	—	—	—	—	24,368
Lease liabilities	8,815	—	(868)	184	—	1,023	—	—	—	—	9,154
Convertible bond	4,808	—	—	—	—	—	—	—	(4,808)	—	—

				Non-cash changes							
	1 January 2025	Proceeds	Principal and interest payments	Interest expense	Arising from acquisition of a subsidiary	Addition during the year	Modification of lease liability	Derecognition of lease liability	Equity component of convertible bond	Accrued interest	30 June 2025
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000* (unaudited)
Bank borrowings	3,995	7,272	(6,486)	93	—	—	—	—	—	(6)	4,868
Lease liabilities	465	—	(162)	12	—	245	—	(70)	—	—	490
Convertible bond	—	5,000	—	98	—	—	—	—	(249)	(98)	4,751

23. CONVERTIBLE BONDS

On 2 April 2025, the Company issued 8% convertible bonds of S$5,000,000. The bonds are due for repayment three years from the issue date or conversion into 17,241,362 ordinary shares, at any time on or after the first anniversary of the issue date (the "**Conversion Period Start Date**") up to the close of business on the date falling seven calendar days after the Conversion Period Start Date (both days inclusive) at the bond holders option. The convertible bonds bears interest commencing from issuance date at the rate of 8% per annum, payable semi-annually in arrears on 30 June and 31 December each year.

The fair value of the liability component amounting to S$4,751,000 is calculated using a market interest rate of 10% for an equivalent non-convertible bond at the date of issue. The residual amount of S$249,000, representing the value of the equity conversion component, is recognised separately in other reserves (Note 20).

The convertible bond is classified as non-current liability because the equity conversion option has been classified as an equity instrument and recognised separately in other reserves (Note 20).

On 8 April 2026, the holders of the convertible bonds had exercised the option and fully converted the entire outstanding principal amount of the convertible bonds into ordinary shares at the prevailing conversion price of S$0.29 per share. A total of 17,241,362 ordinary shares were issued to the bond holders. The right of the bond holders to receive the accumulated interest amounting to S$356,000 was extinguished in accordance with the terms of the conversion and the amounts were recognised directly in "Share capital" as a capital contribution from equity owners.

Subsequent to the conversion of the convertible bond, the equity conversion component recognised on initial recognition amounting to S$249,000 under "Other reserves" was transferred to "Share capital".

The carrying amount of the liability component of the convertible bonds at the balance sheet date is derived as follows:

	Group	
	31 December 2025	**30 June 2026**
	S$'000	*S$'000*
Face value of convertible bonds at issuance	5,000	5,000
Equity conversion component on initial recognition	(249)	(249)
Liability component on initial recognition	4,751	4,751
Accumulated amortisation of interest expense *(Note 28)*	356	356
Accumulated interest payables *(Note 24)*	(299)	(299)
Conversion of convertible bonds	—	(4,808)
Liability component at end of financial year/period	4,808	—

24. TRADE AND OTHER PAYABLES

	Group				Company			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Current								
Trade payables								
— third parties	4,087	9,887	14,142	15,065	—	—	—	—
— related parties	*	21	54	10	—	—	—	—
Accruals for project costs	—	3,911	13,317	18,042	—	—	—	—
	4,087	13,819	27,513	33,117	—	—	—	—
Retention payables								
— third parties	2,504	3,892	12,888	13,133	—	—	—	—
	6,591	17,711	40,401	46,250	—	—	—	—
Other payables								
— third parties	177	269	590	1,000	149	125	410	887
— subsidiary	—	—	—	—	—	2,994	2,596	4,331
Advance payments	63	6	223	125	—	—	—	—
Amounts collected on behalf of a customer	—	—	1,508	1,401	—	—	—	—
Accrued expenses	2,516	1,423	4,734	6,204	303	420	639	871
Interest payable for convertible bond *(Note 23)*	—	—	299	—	—	—	299	—
Deferred consideration *(Note 9)*	—	—	13,277	—	—	—	13,277	—
Goods and services tax payable	78	800	610	484	—	77	126	46
	2,834	2,498	21,241	9,214	452	3,616	17,347	6,135
	9,425	20,209	61,642	55,464	452	3,616	17,347	6,135

As at 31 December 2023, 2024, 2025 and 30 June 2026, trade payables are unsecured, non-interest bearing and are normally settled within the credit terms of 30 days to 90 days.

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

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

Retention payables to third parties are due for settlement after more than 12 months. They have been classified as current liabilities because they are expected to be realised in the normal operating cycle of the Group.

Amount due to subsidiary is unsecured, non-interest bearing, repayable on demand.

The Group's and the Company's financial liabilities measured at amortised cost comprise trade and other payables excluding goods and services tax payable and advanced payment.

The currency profile of trade and other payables as at the end of the reporting period is Singapore dollar.

25. PROVISIONS

	Group			
	Provision for unutilised leave	Provision for onerous contracts	Provision for contingent consideration assumed in business combination	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*
At 1 January 2023	38	73	—	111
Provision made	2	12	—	14
Provision utilised	(38)	(73)	—	(111)
At 31 December 2023 and 1 January 2024	2	12	—	14
Provision made	—	7	731	738
Provision utilised	(2)	(9)	—	(11)
Remeasurement	—	—	(176)	(176)
At 31 December 2024 and 1 January 2025	—	10	555	565
Arising from acquisition of a subsidiary *(Note 9)*	—	2,582	—	2,582
Provision made	2	3,589	—	3,591
Provision utilised	—	(6,171)	(237)	(6,408)
Remeasurement	—	—	45	45
At 31 December 2025 and 1 January 2026	2	10	363	375
Provision utilised	(2)	(4)	(363)	(369)
At 30 June 2026	—	6	—	6

Provision for contingent consideration assumed in business combination

The Group recognised the provision of contingent consideration assumed in a business combination as of acquisition date as there is a present obligation arising from the forecasted profits of the acquired subsidiary and forecasted share price of the Company. As of the reporting date, management remeasured the provision based on the profit forecast of the acquired subsidiary and share price level recognising a gain amounted to S$176,000 in 2024 and a loss amounted to S$45,000 in 2025 in the consolidated statement of comprehensive income.

	Note	**Company Provision for contingent consideration assumed in business combination** *S$'000*
At 1 January 2023, 31 December 2023 and 1 January 2024		—
Provision made		731
Remeasurement	*27*	(176)
At 31 December 2024 and 1 January 2025		555
Provision utilised		(237)
Remeasurement	*27*	45
At 31 December 2025 and 1 January 2026		363
Provision utilised		(363)
At 30 June 2026		—

26. REVENUE

	Group				
	Year ended 31 December 2023 *S$'000*	**Year ended 31 December 2024** *S$'000*	**Year ended 31 December 2025** *S$'000*	**Six months ended 30 June 2025** *S$'000* (unaudited)	**Six months ended 30 June 2026** *S$'000*
Over time					
Construction contracts	47,478	78,623	104,715	33,249	80,901
Services rendered	—	1,252	16,826	1,146	22,326
At a point in time					
Sale of goods	—	—	25	—	3
	47,478	79,875	121,566	34,395	103,230

27. OTHER INCOME

		Group				
	Notes	Year ended 31 December 2023 S$'000	Year ended 31 December 2024 S$'000	Year ended 31 December 2025 S$'000	Six months ended 30 June 2025 S$'000 (unaudited)	Six months ended 30 June 2026 S$'000
Write back of financial assets		—	—	258	—	71
Government grants						
— Grant income pursuant to listing		246	—	—	—	—
— Others		13	30	40	20	94
Sundry income		110	86	406	109	93
Management fees — joint operations		60	185	242	78	86
Fixed deposits interest income		38	110	226	70	139
Remeasurement of contingent consideration	25	—	176	(45)	—	—
Rental income		—	—	249	—	169
Bargain purchase	9	—	1,075	5,522	—	—
		467	1,662	6,898	277	652

Government grants relating to costs are recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. There are no unfulfilled conditions and other contingencies attaching to the government grants recognised during the years ended 31 December 2023, 2024 and 2025 and the financial period ended 30 June 2026.

28. FINANCE COSTS

		Group				
	Notes	Year ended 31 December 2023 S$'000	Year ended 31 December 2024 S$'000	Year ended 31 December 2025 S$'000	Six months ended 30 June 2025 S$'000 (unaudited)	Six months ended 30 June 2026 S$'000
Interest expenses:						
— Lease liabilities	21	12	27	191	12	184
— Bank borrowings	22	27	119	587	93	506
— Convertible bond	23	—	—	356	98	—
— Unwinding of discount on deferred consideration acquisition		—	—	—	—	756
		39	146	1,134	203	1, 446

29. PROFIT BEFORE INCOME TAX

In addition to the charges and credits as disclosed elsewhere in the notes to the consolidated statement of comprehensive income, profit before tax includes the following charges:

		Group				
		Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2025	Six months ended 30 June 2026
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000* (unaudited)	*S$'000*
Cost of sales						
Employee benefits expenses[(1)]						
— short-term employee benefits		4,203	5,453	14,854	2,210	15,690
— performance share plan		—	343	923	150	—
— defined contribution plan expenses		185	300	839	352	723
Depreciation of right-of-use assets	*8*	106	117	130	65	254
Short-term lease expenses	*21*	481	588	595	307	215
General and administrative expenses						
Employee benefits expenses[(1)]						
— short-term employee benefits		793	1,440	3,671	493	1,976
— performance share plan		—	86	320	47	—
— defined contribution plan expenses		70	137	291	66	195
— other personal expenses		9	41	97	10	34
— directors fees		111	180	180	90	151
Amortisation of intangible assets	*6*	3	267	650	144	507
Depreciation of property, plant and equipment	*7*	46	55	839	44	796
Depreciation of right-of-use assets	*8*	51	170	657	90	478
Short-term lease expenses		—	—	11	—	30
Professional fees		154	348	709	253	198
Impairment losses/(reversal of impairment losses) on financial assets		—	64	385	—	(71)
Fair value loss on financial assets		—	—	31	—	99
Write off of contract assets		—	99	—	—	—
Write off of retention receivables	*15*	—	64	—	—	—
Other expenses						
SGX-ST listing expenses		1,268	—	—	—	—
HKEX **[REDACTED]**		—	—	—	—	**[REDACTED]**
Acquisition transaction fees	*9*	—	35	1,277	356	—
Placement fees		—	—	810	—	—

(i) Employee compensation relating to key management personnel is disclosed in Note 34 of the Historical Financial Information

30. INCOME TAX EXPENSE/(CREDIT)

	Group				
	Year ended 31 December 2023	**Year ended 31 December 2024**	**Year ended 31 December 2025**	**Six months ended 30 June 2025**	**Six months ended 30 June 2026**
	S$'000	*S$'000*	*S$'000*	*S$'000* (unaudited)	*S$'000*
Current income tax expense					
— Current financial year/period	1,665	1,678	1,761	1,259	990
— Under-provision/(over-provision) in respect of prior financial years/periods	93	—	(329)	(142)	(40)
	1,758	1,678	1,432	1,117	950
Deferred tax expense					
— Current financial year/period	—	(42)	—	—	(151)
— Under-provision in respect of prior financial year/period	—	—	160	—	—
— Recognition of deferred tax asset from unused tax losses	—	—	(3,400)	—	—
Income tax expense/(credit) recognised in profit or loss	1,758	1,636	(1,808)	1,117	799

Relationship between tax expense and accounting profit

	Group				
	Year ended 31 December 2023	**Year ended 31 December 2024**	**Year ended 31 December 2025**	**Six months ended 30 June 2025**	**Six months ended 30 June 2026**
	S$'000	*S$'000*	*S$'000*	*S$'000* (unaudited)	*S$'000*
Profit before income tax	8,589	10,591	18,314	5,682	13,467
Share of results of an associate *(Note 10)*	—	8	(91)	—	115
	8,589	10,599	18,223	5,682	13,582
Tax at current income tax rate of 17%	1,460	1,802	3,098	966	2,309
Tax effect of expenses not deductible for income tax purposes	306	134	1,077	54	423
Tax effect of income not subject to tax	(37)	(184)	(1,406)	287	(62)
Tax effect of tax exemption	(17)	(52)	(52)	(35)	(52)
Utilisation of previously unrecognised:					
— Tax losses	—	—	(457)	—	(1,758)
— Capital allowance	—	—	(447)	—	(21)
Recognition of deferred tax asset from unused tax losses	—	—	(3,400)	—	—
Under-provision/(over-provision) in respect of prior financial years/ periods	93	—	(169)	(142)	(40)
Others	(47)	(64)	(52)	(13)	—
Income tax expense/(credit) recognised in profit or loss	1,758	1,636	(1,808)	1,117	799

Deferred tax liabilities

Deferred tax as at each of the Relevant Periods relates to the following:

	Group							
	Statement of financial position				Statement of comprehensive income			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026	31 December 2023	31 December 2024	31 December 2025	Six months ended 30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Deferred tax liabilities:								
Right-of-use assets	—	—	(1,750)	(1,342)	—	—	247	(408)
Differences in depreciation for tax purposes	—	—	—	(121)	—	—	—	491
Fair value adjustments on acquisition of a subsidiary	—	(121)	(3,610)	(3,459)	—	(42)	25	(151)
Earnings from joint arrangements	—	—	(135)	(135)	—	—	135	—
	—	(121)	(5,495)	(5,057)	—	(42)	407	(68)
Deferred tax assets:								
Differences in depreciation for tax purposes	—	—	370	—	—	—	(139)	—
Lease liabilities	—	—	1,380	1,463	—	—	(108)	(83)
Unutilised tax losses	—	—	3,400	3,400	—	—	(3,400)	—
	—	—	5,150	4,863	—	—	(3,647)	(83)

	Group			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000*
At beginning of year/period	—	—	121	345
Arising from acquisition of subsidiary *(Note 9)*	—	163	3,464	—
Credited to profit or loss	—	(42)	(3,240)	(151)
At end of year/period	—	121	345	194

Deferred tax liabilities are attributable to temporary differences arising from accelerated tax depreciation computed at Singapore's income tax rate of 17%.

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. As at 31 December 2025 and 30 June 2026, the Group has unrecognised tax losses of S$33,606,000 and S$23,265,000 respectively, which can be carried forward and used to offset against future taxable income subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislations. These tax losses have no expiry date. There are no tax losses available for offset against future taxable profits as at 31 December 2023 and 31 December 2024.

31. EARNINGS PER SHARE

The calculation for earnings per share is based on:

		Group				
	Notes	**Year ended 31 December 2023**	**Year ended 31 December 2024**	**Year ended 31 December 2025**	**Six months ended 30 June 2025** (unaudited)	**Six months ended 30 June 2026**
Profit attributable to owners of the Company for basic earnings *(S$'000)*		6,831	8,955	20,122	4,565	12,668
Interest on convertible bond *(S$'000)*	*23, 28*	—	—	356	98	—
Profit attributable to owners of the Company adjusted for the effect of dilution *(S$'000)*		6,831	8,955	20,478	4,663	12,668
Weighted average number of ordinary shares for basis earnings per shares computation *('000)*		422,895	433,745	476,929	346,612	485,536
Weighted average number of ordinary shares for diluted earnings per shares computation *('000)*		422,895	433,745	498,481	355,584	485,536
Earnings per share *(in cents)*						
— Basic		1.62	2.06	4.22	1.32	2.61
— Diluted		1.62	2.06	4.12	1.31	2.61

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these Historical Financial Information.

32. DIVIDENDS

	Group				
	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2025	Six months ended 30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000* (unaudited)	*S$'000*
Declared and paid during the year:					
Interim tax-exempt dividend of S$0.015 per ordinary share for the financial year ended 31 December 2023	1,270	—	—	—	—
Final tax-exempt dividend of S$0.010 per ordinary share for financial year ended 31 December 2023	—	1,732	—	—	—
Interim tax-exempt dividend of S$0.005 per ordinary share for financial year ended 31 December 2024	—	1,302	—	—	—
Final tax-exempt dividend of S$0.0025 per ordinary share for financial year ended 31 December 2024	—	—	650	—	—
Final tax-exempt dividend of S$0.01 per ordinary share for financial year ended 31 December 2025	—	—	—	—	3,988
	1,270	3,034	650	—	3,988

The board of directors proposed that a final tax-exempt dividend of S$0.0025 and S$0.01 per ordinary share amounting to approximately S$650,000 and S$3,988,000 to be paid for the financial year ended 31 December 2024 and 2025 respectively. These dividends have not been recognised as a liability at the end of the respective reporting period as it is subject to the approval of the shareholders at the Annual General Meeting.

33. PERFORMANCE SHARE PLAN

Under the Ever Glory Performance Share Plan ("**PSP**"), ordinary shares of the Company were granted to the employees who were not directors or controlling shareholders of the Company which serves to motivate the employees towards better performance through the award of shares to align themselves with the performance of the Company. The shares vest immediately upon issuance, which is considered the grant date, and the grant date fair value is determined based on the quoted market price of the shares.

The expense recognised for employee services received during the Relevant Periods is shown in the following table:

	Group				
	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2025	Six months ended 30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000* (unaudited)	*S$'000*
Expense arising from equity-settled share-based payment transactions *(Note 29)*	—	429	1,243	197	—

There were no cancellations or modifications to the awards during the Relevant Periods.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these Historical Financial Information, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party, to exercise joint control over the party, or to exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties also include associates, joint arrangements, key management personnel of the Group and the Company or of its parent, close family members of such individuals, and entities that are controlled or jointly controlled by these individuals. Related parties may be individuals or other entities, and include entities in which the Company's directors have beneficial interests.

In addition to the information disclosed elsewhere in the Historical Financial Information, the following were significant related party transaction at rates and terms agreed between Group and the Company and its related parties during the Relevant Periods:

	Group					Company				
	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2025	Six months ended 30 June 2026	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2025	Six months ended 30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000* (unaudited)	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000* (unaudited)	*S$'000*
With subsidiaries										
Management fee income	—	—	—	—	—	—	1,155	3,852	578	1,455
Loan interest income	—	—	—	—	—	—	75	150	75	—
Deemed investment interest income	—	—	—	—	—	—	—	—	62	—
Dividend income	—	—	—	—	—	6,000	8,300	1,056	—	2,454
With related parties										
Rental expenses recharged from	(126)	(166)	(280)	(82)	(81)	—	—	—	—	—
Revenue	2,572	3,164	8,354	2,772	4,811	—	—	—	—	—
Purchases of project related expenses	(54)	(70)	(363)	(246)	(94)	—	—	—	—	—
With joint arrangements										
Sales to	—	177	—	—	—	—	—	—	—	—
Management fee income	60	185	242	78	86	—	—	—	—	—
Management fee from	—	—	(242)	(78)	(86)	—	—	—	—	—
Worker dormitory expenses	—	(43)	—	—	—	—	—	—	—	—
With directors of the subsidiary										
Rental expenses	—	(94)	(103)	(47)	(56)	—	—	—	—	—

As at the end of each of the Relevant Periods, the outstanding balance in respect of the above related party transactions are disclosed in Notes 9, 10, 11, 15 and 24.

Compensation of key management personnel

Key management personnel are directors of the Company and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly.

The remuneration of key management personnel of the Group during the Relevant Periods were as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2025	Six months ended 30 June 2026
	S$'000	*S$'000*	*S$'000*	*S$'000* (unaudited)	*S$'000*
Directors of the Company					
— Short-term employee benefits	680	638	775	277	648
— Central provident fund contribution	22	17	17	9	9
— Directors' fees	111	180	180	90	151
	813	835	972	376	808
Directors of the subsidiaries					
— Short-term employee benefits	—	534	1,016	218	423
— Performance share plan	—	—	67	—	—
— Central provident fund contribution	—	47	55	19	28
— Sign on bonus	—	—	250	—	—
	—	581	1,388	237	451
Other key management personnel					
— Short-term employee benefits	773	767	959	479	496
— Performance share plan	—	249	493	90	—
— Central provident fund contribution	60	56	76	38	45
	833	1,072	1,528	607	541

35. DIRECTORS' REMUNERATION

Directors' remuneration for the Relevant Periods are as follows:

	Salary & allowance	Central provident fund contribution	Bonus	Directors' fee	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Year ended 31 December 2023					
Mr. Xu Ruibing	335	17	245	—	597
Mr. Sun Renwang	100	5	—	41	146
Mr. Chua Siong Kiat	—	—	—	28	28
Mr. Kong Chee Keong	—	—	—	21	21
Mr. Goh Siong Pheck Francis	—	—	—	21	21
Total	435	22	245	111	813
Year ended 31 December 2024					
Mr. Xu Ruibing	309	17	329	—	655
Mr. Sun Renwang	—	—	—	65	65
Mr. Chua Siong Kiat	—	—	—	45	45
Mr. Kong Chee Keong	—	—	—	35	35
Mr. Goh Siong Pheck Francis	—	—	—	35	35
Total	309	17	329	180	835
Year ended 31 December 2025					
Mr. Xu Ruibing	325	17	450	—	792
Mr. Sun Renwang	—	—	—	65	65
Mr. Chua Siong Kiat	—	—	—	45	45
Mr. Kong Chee Keong	—	—	—	35	35
Mr. Goh Siong Pheck Francis	—	—	—	35	35
Total	325	17	450	180	972
Six months ended 30 June 2025 (unaudited)					
Mr. Xu Ruibing	162	9	115	—	286
Mr. Sun Renwang	—	—	—	33	33
Mr. Chua Siong Kiat	—	—	—	23	23
Mr. Kong Chee Keong	—	—	—	17	17
Mr. Goh Siong Pheck Francis	—	—	—	17	17
Total	162	9	115	90	376
Six months ended 30 June 2026					
Mr. Xu Ruibing	198	9	450	—	657
Mr. Sun Renwang	—	—	—	50	50
Mr. Chua Siong Kiat	—	—	—	37	37
Mr. Kong Chee Keong	—	—	—	32	32
Mr. Goh Siong Pheck Francis	—	—	—	32	32
Total	198	9	450	151	808

36. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods included the chief executive, details of whose remuneration are set out in note 35 above. Details of the remuneration of the remaining four highest paid employees who are neither a director nor chief executive of the Group during the Relevant Periods are as follows:

	Group				
Group	**Year ended 31 December 2023** *S$'000*	**Year ended 31 December 2024** *S$'000*	**Year ended 31 December 2025** *S$'000*	**Six months ended 30 June 2025** *S$'000* (unaudited)	**Six months ended 30 June 2026** *S$'000*
Salaries, allowances and benefits in kind	646	734	797	653	537
Bonuses	60	—	331	—	—
Performance share plan	—	262	299	57	—
Defined contribution plan expenses	47	57	56	37	31
Sign on bonus	—	—	250	—	—
Total	753	1,053	1,733	747	568

The number of non-directors and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Number of individuals				
Group	**Year ended 31 December 2023**	**Year ended 31 December 2024**	**Year ended 31 December 2025**	**Six months ended 30 June 2025** (unaudited)	**Six months ended 30 June 2026**
Emolument bands (in HK$)					
Nil to HK$1,000,000	2	—	—	4	3
HK$1,000,001 to HK$1,500,000	2	3	1	—	1
HK$1,500,001 to HK$2,000,000	—	—	1	—	—
HK$2,000,001 to HK$2,500,000	—	1	1	—	—
HK$4,500,001 to HK$5,000,000	—	—	1	—	—

37. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief executive officer who makes strategic decisions on resource allocation and performance review of the Group.

Business segment

The Group is organised into two business segments as follows:

(a) M&E engineering services encompassing construction contracts, maintenance and car park services; and

(b) Property development segment relating to development of properties.

Management does not monitor the operating results of the segment separately as property development segment remains inactive throughout the financial year and its contribution is less than 10% of the Group. Accordingly, the results of business segments are not presented separately.

Geographical information

During the Relevant Periods, the Group operated mainly in Singapore and all non-current assets were located in Singapore. Accordingly, an analysis of non-current assets and revenue of the Group by geographical distribution has not been presented.

Major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue, contributing to the M&E engineering services encompassing construction contracts, maintenance and car park services segment, is set out below:

	Year ended 31 December 2023 *S$'000*	Year ended 31 December 2024 *S$'000*	Year ended 31 December 2025 *S$'000*	Six months ended 30 June 2025 *S$'000* (unaudited)	Six months ended 30 June 2026 *S$'000*
Customer A	11,714	—	—	—	—
Customer B	6,869	—	—	—	—
Customer C	6,816	—	—	6,705	—
Customer D	5,525	25,827	—	4,345	—
Customer E	—	21,552	—	7,861	—
Customer F	—	—	25,501	—	26,170
Customer G	—	—	12,753	—	—
Customer H	—	—	—	3,735	—
Customer I	—	—	—	—	12,499

38. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Group's exposure to foreign currency risk is assessed to be minimal, as substantially all financial assets and liabilities are denominated in Singapore dollars. Accordingly, the Group does not have significant foreign currency-denominated balances, and movements in exchange rates would not have a material impact on profit or loss or equity.

The Group's and the Company's activities expose them to credit risk and liquidity risk arising in the ordinary course of business. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The board of directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's management then establishes the detailed process as risk identification and measurement, in accordance with the objectives and underlying principles approved by the board of directors.

There has been no significant change to the Group's and the Company's exposure to these financial risks or the manner in which the risks are managed and measured. The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchanges rates.

a. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require collaterals. As the Group and the Company do not hold any collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that financial instruments presented in the respective statements of financial position, except for the financial corporate guarantees issued to the financial institutions for loans provided to subsidiaries.

Trade receivables, retention receivables and contract assets

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except as follows:

(a) The Group has outstanding trade receivables from 5, 5, 5 and 5 customers which represent 87%, 84%, 52% and 29% of total trade receivables balance for the financial years ended 31 December 2023, 2024 and 2025 and the financial period ended 30 June 2026, respectively.

(b) The retention receivables from 5, 5, 5 and 5 customers represent 72%, 53%, 79% and 58% of total retention receivables for the financial years ended 31 December 2023, 2024 and 2025 and the financial period ended 30 June 2026, respectively.

(c) The contract assets from 5, 5, 5 and 5 customers represent 90%, 78%, 55% and 27% of total contract assets for the financial years ended 31 December 2023, 2024 and 2025 and the financial period ended 30 June 2026, respectively.

Financial guarantee contracts

For the financial guarantee issued, the Company has assessed that the subsidiary has sufficient financial capabilities to meet its contractual cash flows obligation in the near future. Hence, it does not expect any material loss allowance under 12-months expected credit loss model.

The Company estimates a loss allowance for financial guarantee contracts based on 12-month or lifetime expected credit losses, depending on whether there has been a significant increase in the credit risk of the guaranteed subsidiary. Expected credit losses represent the present value of expected payments required to settle the guarantee obligation, taking into account the credit risk of the subsidiary, its financial position and ability to meet its obligations, as well as any expected recoveries from the subsidiary.

Based on its assessment of the subsidiary's financial condition and forecast cash flows, the Company considers the risk of default to be low and does not expect a material loss allowance under the 12-month expected credit loss model.

Other receivables

The Group and Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except as follows:

The Company has outstanding other receivables from 2, 3, 3 and 1 subsidiaries which represent 98%, 98%, 99% and 92% of total other receivables balance for the financial years ended 31 December 2023, 2024 and 2025 and the financial period ended 30 June 2026, respectively.

The Group's major classes of financial assets are cash and bank balances, fixed deposits, trade and other receivables.

As at 31 December 2023, 2024 and 2025 and the financial period ended 30 June 2026, the Group's and the Company's bank balances and fixed deposits are held with the financial institutions with minimum credit rating of "AA-", "AA-" and "AA-", respectively, based on S&P's ratings.

The board of directors monitors the credit rating on regular basis and considers that its bank balances and fixed deposits have low credit risk based on the external credit ratings of the counterparties. The cash and bank balances and fixed deposits are measured based on 12-month credit loss model and subject to immaterial credit loss.

b. Liquidity risk

Liquidity risk refers to the risk that the Group and the Company may encounter difficulties in meeting obligations associated with financial liabilities. Liquidity risk is managed through maintaining a prudent level of cash and monitoring cash inflows and outflows to ensure that payment obligations are met as they fall due.

The Group and the Company manage this risk by forecasting and monitoring working-capital requirements on an ongoing basis, reviewing the timing of customer receipts relative to supplier payments, and ensuring access to adequate funding and compliance with bank covenants. The Group also maintains undrawn committed credit facilities (Note 22) that are available to support short-term liquidity needs. These facilities, together with existing cash resources, form part of the Group's strategy to manage liquidity risk.

The following tables detail the Group's and the Company's remaining contractual maturity for non-derivative financial instruments. The tables have been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to pay.

Contractual maturity analysis

Group	*Notes*	Within one financial year	After one financial year but within five financial years	More than five financial years	Total
31 December 2023					
Financial liabilities					
Trade and other payables	*24*	9,284	—	—	9,284
Lease liabilities	*21*	185	181	—	366
Bank borrowings		953	312	—	1,265
Total undiscounted financial liabilities		10,422	493	—	10,915
31 December 2024					
Financial liabilities					
Trade and other payables	*24*	19,403	—	—	19,403
Lease liabilities	*21*	262	227	—	489
Bank borrowings		3,874	135	—	4,009
Total undiscounted financial liabilities		23,539	362	—	23,901
31 December 2025					
Financial liabilities					
Trade and other payables	*24*	60,809	—	—	60,809
Lease liabilities	*21*	1,513	2,938	7,409	11,860
Bank borrowings		9,709	23,520	—	33,229
Convertible bonds	*23*	—	6,200	—	6,200
Total undiscounted financial liabilities		72,031	32,658	7,409	112,098
30 June 2026					
Financial liabilities					
Trade and other payables	*24*	54,855	—	—	54,855
Lease liabilities	*21*	1,745	3,211	7,119	12,075
Bank borrowings		8,113	16,896	—	25,009
Total undiscounted financial liabilities		64,713	20,107	7,119	91,939

Company	*Notes*	Within one financial year *S$'000*	After one financial year but within five financial years *S$'000*	Total *S$'000*
31 December 2023				
Other payables	*24*	452	—	452
Financial corporate guarantee		452	—	452
31 December 2024				
Financial liabilities				
Other payables	*24*	3,539	—	3,539
Financial corporate guarantee		3,539	—	3,539
31 December 2025				
Financial liabilities				
Other payables	*24*	17,221	—	17,221
Bank borrowings		5,610	23,460	29,070
Convertible bond	*23*	—	6,200	6,200
Total undiscounted financial liabilities		22,831	29,660	52,491
Financial corporate guarantee		4,024	—	4,024
30 June 2026				
Financial liabilities				
Other payables	*24*	6,089	—	6,089
Bank borrowings		3,276	16,896	20,172
Total undiscounted financial liabilities		9,365	16,896	26,261
Financial corporate guarantee		4,738	—	4,738

At the reporting date, the Group does not consider it probable that a claim will be made against the Group under the financial guarantees.

c. Capital management policies and objectives

The Group and the Company manage capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value.

Management reviews the capital structure to ensure that the Group is able to service any debt obligations (including principal repayment and interest) based on operating cash flows and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, obtain loans, issuance of new shares or convertible bond.

Overall strategy remains unchanged during the financial years ended 31 December 2023, 31 December 2024 and 31 December 2025.

The Group and the Company monitor capital based on a gearing ratio, which is net debt divided by total equity plus net debt. The Group's net debt includes trade and other payables (excluding goods and services tax payables), bank borrowings, convertible bonds and lease liabilities less cash and bank balances and fixed deposits. Equity attributable to the owners of the Group comprises share capital, other reserves and retained earnings.

		Group				Company			
		31 December 2023	31 December 2024	31 December 2025	30 June 2026	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*		
Trade and other payables (excluding goods and services tax payables)	*24*	9,347	19,409	61,032	54,980	452	3,539	17,221	6,089
Bank borrowings	*22*	1,235	3,995	28,378	24,368	—	—	24,225	19,524
Convertible bond	*23*	—	—	4,808	—	—	—	4,808	—
Lease liabilities	*21*	349	465	8,815	9,154	—	—	—	—
Less: Fixed deposits	*17*	(2,500)	(5,330)	(19,874)	(15,037)	(2,500)	(4,602)	(14,213)	(5,213)
Less: Cash and bank balances	*17*	(4,156)	(7,489)	(23,180)	(23,652)	(1,478)	(195)	(6,667)	(1,669)
Net debt/(cash)		4,275	11,050	59,979	49,813	(3,526)	(1,258)	25,374	18,731
Total equity		11,275	18,998	58,230	72,374	6,866	14,458	34,220	35,941
Total capital		15,550	30,048	118,209	3,340	122,187	13,200	59,594	54,672
Gearing ratio		27%	37%	51%	41%	N/M	N/M	43%	34%

N/M: Not meaningful as the Company is in net cash position.

The Group is also subject to externally imposed capital requirements arising from its banking facilities, including compliance with specified financial covenants. Compliance with these covenants forms part of the Group's capital management process. As disclosed in Note 22, one subsidiary did not comply with certain covenants for the financial year ended 31 December 2024. The Group complied with the applicable covenants for the financial years ended 31 December 2023 and 2025 and the financial period ended 30 June 2026.

d. Fair value measurement

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — inputs other than quoted prices included within that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments carried at fair value

The fair value of financial assets at FVTPL and FVOCI is disclosed in Note 12 to the Historical Financial Information.

The table below classified financial instruments carried at fair value by level of fair value hierarchy as at the end of reporting period:

		Group			
		Level 1	**Level 2**	**Level 3**	**Total**
	Notes	*S$'000*	*S$'000*	*S$'000*	*S$'000*
31 December 2024					
Financial assets					
Financial assets, at FVOCI					
— Unquoted equity shares	*12*	—	—	1	1
Financial assets, at FVTPL					
— Loan receivables	*12*	—	—	1,250	1,250
Financial liabilities					
Provision of contingent consideration assumed in business combinations	*25*	—	—	555	555
31 December 2025					
Financial assets					
Financial assets, at FVOCI					
— Unquoted equity shares	*12*	—	—	1	1
Financial assets, at FVTPL					
— Loan receivables	*12*	—	—	1,219	1,219
Financial liabilities					
Provision of contingent consideration assumed in business combinations	*25*	—	—	363	363
30 June 2026					
Financial assets					
Financial assets, at FVOCI					
— Unquoted equity shares	*12*	—	—	1	1
Financial assets, at FVTPL					
— Loan receivables	*12*	—	—	1,120	1,120

There were no financial instruments carried at fair value as at 31 December 2023.

There were no transfers between levels of the fair value hierarchy during the financial years ended 31 December 2024 and 2025 and the financial period ended 30 June 2026.

The significant unobservable inputs used in the fair value measurements categorised within level 3 of the fair value hierarchy are shown below:

Description	Valuation technique	Unobservable inputs	Range	Sensitivity of the input to fair value
At fair value through profit and loss — loan receivables	Discounted project profitability	Discount rate	2025: 6.48% 2026: 6.91%	0.5% increase in discount rate results in an increase in fair value of the loan receivables by S$15,000 as at 31 December 2025 and S$49,000 as at 30 June 2026.
		Assumed profitability	2025: S$25,600,000 2026: S$25,600,000	5% decrease in profitability results in a decrease in fair value of the loan receivables by S$53,000 as at 31 December 2025 and S$91,000 as at 30 June 2026.
Provision of contingent consideration assumed in business combinations	Discounted cash flow	Assumed cumulative minimum aggregate profitability	2024: S$2,851,000 2025: S$3,115,000	5% decrease in profitability results in a decrease in fair value of S$43,000 as at 31 December 2024 and is not material as at 31 December 2025.

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Financial assets at FVTPL *S$'000*	Financial assets at FVOCI *S$'000*	Contingent consideration *S$'000*	Total *S$'000*
At 1 January 2023, 31 December 2023 and at 1 January 2024	—	—	—	—
Additions	1,250	1	—	1,251
Arising from acquisition of subsidiary	—	—	(731)	(731)
Remeasurement of contingent liabilities	—	—	176	176
At 31 December 2024 and 1 January 2025	1,250	1	(555)	696
Fair value loss for the year	(31)	—	—	(31)
Remeasurement of contingent liabilities	—	—	(45)	(45)
Utilisation of contingent consideration	—	—	237	237
At 31 December 2025 and 1 January 2026	1,219	1	(363)	857
Fair value loss for the year	(99)	—	—	(99)
Utilisation of contingent consideration	—	—	363	363
At 30 June 2026	1,120	1	—	1,121

As at the end of each Relevant Periods, management has determined that the fair value of the above financial assets was assessed to their adjusted net assets which approximated their fair values.

Fair values of financial instruments that are not carried at fair value

The carrying amounts of the current financial assets and current financial liabilities that are not carried at fair value approximate their respective fair values as at each reporting date due to the relatively short-term maturity of these financial instruments.

The carrying amount of non-current bank borrowings approximates its fair value because it is charged at the market lending rate for similar types of lending or borrowing at the end of the reporting period. The fair value of non-current deposits approximates its fair value due to the insignificant effect of discounting.

The carrying amount of lease liabilities are reasonable approximation of their fair value estimated by discounting expected future cash flows at market incremental borrowing rate for similar types of borrowing arrangements at the reporting date.

The carrying amount of the convertible bonds at its amortised cost computed using the effective interest rate method approximates its fair value because the historical effective interest rate is comparable to the market rate of interest at the reporting date.

e. Categories of financial instruments

The following table sets out the financial instruments as at the end of the Relevant Periods:

	Group	**Company**
	S$'000	*S$'000*
31 December 2023		
Financial assets, at amortised cost	15,574	6,186
Financial liabilities, at amortised cost	10,868	452
31 December 2024		
Financial assets, at FVOCI	1	—
Financial assets, at FVTPL	1,250	—
Financial assets, at amortised cost	32,689	12,349
Financial liabilities, at amortised cost	23,253	3,539
31 December 2025		
Financial assets, at FVOCI	1	—
Financial assets, at FVTPL	1,219	—
Financial assets, at amortised cost	84,830	26,980
Financial liabilities, at amortised cost	102,810	46,254
30 June 2026		
Financial assets, at FVOCI	1	—
Financial assets, at FVTPL	1,120	—
Financial assets, at amortised cost	81,079	7,153
Financial liabilities, at amortised cost	88,377	25,613

39. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

The Group has capital commitments in relation to the equipment costs for a project of approximately Snil, S203,000, S$203,000 and S$203,000, respectively, that have been contracted for but not provided for in the Historical Financial Information as at 31 December 2023, 2024 and 2025 and 30 June 2026.

The Group has initial startup costs for a joint operation project of S$50,000 that have been contracted for but not provided for in the Historical Financial Information for the financial year ended 31 December 2024.

Contingent liabilities

Financial support to a subsidiary

At each reporting period, the Company has undertaken to provide continued financial support to a subsidiary which is in a net current liability position.

In the opinion of directors, no significant actual losses are expected to arise from the contingent liability as at end of each of the Relevant Periods.

Arbitration with a sub-contractor

The Group was involved in an arbitration initiated by one of the Group's sub-contractors arising from a sub-contract in connection with a construction project. The Group has opposed the claim and put forward substantial evidence and arguments and arbitration proceedings are still ongoing as at the date of this report.

Management is of the opinion that any outflow of economic resources is not estimable at this juncture and that the possibility of the claim by the sub-contractor succeeding is not probable. As such, no provision for the ongoing arbitration has been made as at 30 June 2026.

40. EVENTS AFTER REPORTING PERIOD

(i) Subsequent to the Relevant Periods, on 2 July 2026, the Company allotted and issued 2,349,600 award shares pursuant to the PSP to certain employees of the Group.

(ii) Subsequent to the Relevant Periods, the Company purchased 26,400, 54,600, 139,600 and 18,000 of its own shares in the open market on 2 July 2026, 6 July 2026, 7 July 2026 and 8 July 2026, respectively, at a total amount of S$185,000.

41. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2026.

III. SUPPLEMENTARY PRE-ACQUISITION FINANCIAL INFORMATION OF GUTHRIE

Pre-acquisition financial information of Guthrie for the period from 1 January 2023 to 30 June 2025 (the "**Pre-acquisition Period**") has been prepared in accordance with the basis of preparation and accounting policies as set out below. This information is referred hereafter as "Financial Information of Guthrie".

1. FINANCIAL INFORMATION OF GUTHRIE

The financial statements of Guthrie in this report were prepared by the directors of Guthrie based on the management accounts of Guthrie for the years ended 31 December 2023 and 2024 and the six months period from 1 January 2025 to 30 June 2025 in accordance with IFRS and SFRS(I)s.

The Financial Information of Guthrie excludes its wholly owned subsidiary, Guthrie FMC Pte Limited ("**Guthrie FMC**" or "**carved-out subsidiary**"). Guthrie FMC was incorporated in Singapore and was engaged in provision of property and facility management services. On 13 May 2025, Guthrie disposed its entire equity interest to its then holding company, Guthrie GTS Pte. Ltd, for a consideration of S$1,753,792, representing the investment cost of Guthrie FMC. In particular, the Financial Information of Guthrie excludes the investment cost of Guthrie FMC and related dividend income received from Guthrie FMC while retaining certain transactions with Guthrie FMC to the extent attributable to the operations of Guthrie during the Pre-acquisition Period.

	Notes	31 December 2023 S$'000	31 December 2024 S$'000	30 June 2025 S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	*2.3*	6,740	6,175	6,004
Right-of-use assets	*2.15*	5,923	6,819	6,746
Investment in an associate	*2.4*	3,699	3,495	3,216
Deferred income tax assets	*2.20*	66	—	—
Trade and other receivables	*2.7*	4,561	11,154	5,277
Total non-current assets		20,989	27,643	21,243
Current assets				
Inventories	*2.5*	—	6,600	13
Contract assets	*2.6*	16,226	16,751	19,146
Trade and other receivables	*2.7*	45,416	27,353	22,657
Other current assets	*2.8*	4,210	6,490	10,153
Cash and cash equivalents	*2.9*	13,544	9,092	7,448
Total current assets		79,396	66,286	59,417
Total assets		100,385	93,929	80,660

	Notes	31 December 2023 S$'000	31 December 2024 S$'000	30 June 2025 S$'000
EQUITY AND LIABILITIES				
Equity				
Share capital	*2.10*	39,000	39,000	46,798
Retained earnings/(accumulated losses)		495	(17,172)	(18,570)
Other reserves		(1,754)	3,246	5,000
Total equity		37,741	25,074	33,228
Non-current liability				
Lease liabilities		6,133	6,720	6,530
Total non-current liability		6,133	6,720	6,530
Current liabilities				
Trade payables	*2.11*	44,608	37,015	26,911
Other payables and accrued liabilities	*2.12*	5,208	5,923	4,942
Contract liabilities	*2.6*	5,505	6,379	5,629
Loan from immediate holding company	*2.13*	561	9,561	—
Provisions	*2.14*	356	2,582	2,582
Lease liabilities	*2.15*	273	675	838
Total current liabilities		56,511	62,135	40,902
Total liabilities		62,644	68,855	47,432
Total equity and liabilities		100,385	93,929	80,660

	Notes	Year ended 31 December 2023 S$'000	Year ended 31 December 2024 S$'000	Six months ended 30 June 2025 S$'000
Revenue	*2.16*	163,920	172,661	59,192
Cost of sales		(146,928)	(182,087)	(57,427)
Gross profit/(loss)		16,992	(9,426)	1,765
Other income	*2.17*	1,148	1,576	497
General and administrative expenses		(9,290)	(9,259)	(3,231)
Finance costs	*2.18*	(260)	(288)	(150)
Share of results of associate, net of tax		385	(204)	(279)
Profit/(loss) before income tax	*2.19*	8,975	(17,601)	(1,398)
Income tax expense	*2.20*	—	(66)	—
Profit/(loss) for the year/period, representing total comprehensive income for the year/period attributable to owners of Guthrie		8,975	(17,667)	(1,398)

	Notes	Share capital	(Accumulated losses)/ retained earnings	Other reserves	Total
		S$'000	*S$'000*	*S$'000*	*S$'000*
At 1 January 2023		35,000	(8,480)	(1,754)	24,766
Profit for the year, representing total comprehensive income for the year		—	8,975	—	8,975
Transactions with owners					
— Issuance of new shares	*2.10*	4,000	—	—	4,000
At 31 December 2023 and 1 January 2024		39,000	495	(1,754)	37,741
Loss for the year, representing total comprehensive income for the year		—	(17,667)	—	(17,667)
Others					
Transactions with carved-out subsidiary		—	—	5,000	5,000
At 31 December 2024 and 1 January 2025		39,000	(17,172)	3,246	25,074
Loss for the period, representing total comprehensive income for the period		—	(1,398)	—	(1,398)
Transactions with owners					
— Issuance of new shares	*2.10*	7,798	—	—	7,798
Others					
Disposal of carved-out subsidiary		—	—	1,754	1,754
At 30 June 2025		46,798	(18,570)	5,000	33,228

	Notes	Year ended 31 December 2023 S$'000	Year ended 31 December 2024 S$'000	Six months ended 30 June 2025 S$'000
Operating activities				
Profit/(loss) before income tax		8,975	(17,601)	(1,398)
Adjustments for:				
— Depreciation of property, plant and equipment	*2.19*	1,044	906	405
— Depreciation of right-of-use assets	*2.19*	337	625	432
— Interest income	*2.17*	(378)	(450)	(33)
— Finance expenses	*2.18*	260	288	150
— (Gain)/loss on disposal of property, plant and equipment	*2.19*	(23)	—	1
— Waiver of interest charged to customers		—	68	—
— Write off of trade receivables	*2.19*	—	6	—
— Write back of provision for warranties	*2.14*	(1,429)	—	—
— Reversal of write-down of inventories	*2.5*	—	(7)	—
— Provision for onerous contract	*2.14*	3,014	13,518	—
— Impairment losses/(write back of impairment losses) on financial assets	*2.19*	79	(9)	594
— Share of results of associate, net of tax		(385)	204	279
Operating cash flows before changes in working capital		11,494	(2,452)	430
Changes in working capital:				
— Trade and other receivables		(34,549)	14,405	(10,977)
— Inventories		62	(6,593)	6,587
— Contract assets		2,359	(525)	(614)
— Contract liabilities		5,315	874	(616)
— Other current assets		(111)	(2,280)	(3,663)
— Trade payables		9,528	(7,592)	(10,104)
— Other payables and accrued liabilities		(6,470)	(10,578)	15,060
Cash used in operations and cash used in operating activities		(12,372)	(14,741)	(3,897)

	Notes	Year ended 31 December 2023 S$'000	Year ended 31 December 2024 S$'000	Six months ended 30 June 2025 S$'000
Investing activities				
Purchases of property, plant and equipment		(498)	(341)	(235)
Proceeds from disposal of property, plant and equipment		26	—	—
Interest received		378	450	33
Repayment of loan by immediate holding company		8,303	—	—
Dividend received from associate	*2.4*	738	—	—
Transaction with the carved-out subsidiary		2,000	2,000	3,000
Net cash generated from investing activities		10,947	2,109	2,798
Financing activities				
Proceeds from borrowings	*2.13*	1,000	2,000	—
Repayment of borrowings	*2.13*	(1,000)	(2,000)	—
Repayment of interest arising from borrowings	*2.13*	(5)	(2)	—
Loan from immediate holding company	*2.13*	—	9,000	—
Repayment of loan from immediate holding corporation	*2.13*	(3,439)	—	(9)
Principal repayment of lease liabilities	*2.15*	(254)	(532)	(386)
Interest paid arising from lease liabilities	*2.15*	(255)	(286)	(150)
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

2. NOTES TO THE FINANCIAL INFORMATION OF GUTHRIE

2.1 General

Guthrie Engineering (S) Pte. Ltd. is a private limited liability company incorporated and domiciled in Singapore. The registered office and principal place of business of the Guthrie is 6 Aljunied Avenue 3, #04–00, Singapore 389932.

The principal activities of the Guthrie are the undertaking of engineering and industrial contracts and the provision of project management services and electrical works.

The immediate and ultimate holding company is Guthrie GTS Pte. Ltd., which is incorporated in the Republic of Singapore for the financial years ended 31 December 2023 and 2024 and the six months period from 1 January 2025 to 30 June 2025.

The financial statements are presented in Singapore Dollars ("**S$**"), which is also Guthrie's functional currency, and all values are rounded to the nearest thousand ("**S$'000**"), except when otherwise indicated.

2.2 Summary of significant accounting policies

The Financial Information of Guthrie has been prepared in accordance with the accounting policies set out in Note 4 of Section II of this Appendix.

The Financial Information of Guthrie excludes its wholly owned subsidiary, Guthrie FMC Pte Limited ("**Guthrie FMC**" or "**carved-out subsidiary**"). Guthrie FMC was incorporated in Singapore and was engaged in provision of property and facility management services. On 13 May 2025, Guthrie disposed its entire equity interest to its then holding company, Guthrie GTS Pte. Ltd., for a consideration of S$1,753,792, representing the investment cost of Guthrie FMC. In particular, the Financial Information of Guthrie excludes the investment cost of Guthrie FMC and related dividend income while retaining certain transactions with Guthrie FMC to the extent attributable to the operations of Guthrie.

2.3 Property, plant and equipment

	Building *S$'000*	**Plant, equipment, furniture and fittings** *S$'000*	**Motor vehicles** *S$'000*	**Total** *S$'000*
Cost				
At 1 January 2023	13,255	6,547	2,566	22,368
Additions	—	164	334	498
Disposals/write off	(11)	(1,264)	(549)	(1,824)
At 31 December 2023 and 1 January 2024	13,244	5,447	2,351	21,042
Additions	—	235	106	341
Disposals/write off	—	(2,101)	—	(2,101)
At 31 December 2024 and 1 January 2025	13,244	3,581	2,457	19,282
Additions	—	235	—	235
Disposals/write off	—	(240)	(86)	(326)
At 30 June 2025	13,244	3,576	2,371	19,191

	Building	Plant, equipment, furniture and fittings	Motor vehicles	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*
Accumulated depreciation				
At 1 January 2023	7,362	5,468	2,249	15,079
Depreciation charge	294	512	238	1,044
Disposals/write off	(11)	(1,261)	(549)	(1,821)
At 31 December 2023 and 1 January 2024	7,645	4,719	1,938	14,302
Depreciation charge	291	411	204	906
Disposals/write off	—	(2,101)	—	(2,101)
At 31 December 2024 and 1 January 2025	7,936	3,029	2,142	13,107
Depreciation charge	146	177	82	405
Disposals/write off	—	(239)	(86)	(325)
At 30 June 2025	8,082	2,967	2,138	13,187
Net book value				
At 31 December 2023	5,599	728	413	6,740
At 31 December 2024	5,308	552	315	6,175
At 30 June 2025	5,162	609	233	6,004

2.4 Investment in an associate

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Investment in an associate	3,699	3,495	3,216
At 1 January	—	3,699	3,495
Additions	4,052	—	—
Dividends received	(738)	—	—
Share of results of associate, net of tax	385	(204)	(279)
At 31 December/30 June	3,699	3,495	3,216

Management had assessed that there was no indicators of impairment during the financial years ended 31 December 2023 and 2024 and six months ended from 1 January 2025 to 30 June 2025

The details of the associate are as follows:

Name of associate	**Principal place of business**	**Principal activities**	**Direct equity holding**		
			31 December 2023	**31 December 2024**	**30 June 2025**
			%	*%*	*%*
Tek Guthrie Pte Ltd ("**Tek Guthrie**")	Singapore	Manufacturing of moulds, tools and dies and metal stamping	36.87	36.87	36.87

Guthrie is deemed to exercise significant influence by virtue of its representation on the board of Tek Guthrie.

The summarised financial information of the associate and a reconciliation of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	31 December 2023	**31 December 2024**	**30 June 2025**
	S$'000	*S$'000*	*S$'000*
Current assets	568	361	234
Non-current assets	10,887	10,247	9,644
Current liabilities	(62)	(5)	(62)
Non-current liabilities	(1,357)	(1,122)	(1,092)
Proportion of the Company's ownership	36.87%	36.87%	36.87%
Carrying value of the Company's interest in an associate	3,699	3,495	3,216

Summarised statement of comprehensive income

	Year Ended 31 December 2023	**Year Ended 31 December 2024**	**Six months ended 30 June 2025**
	S$'000	*S$'000*	*S$'000*
Revenue	6,887	3,473	2,175
Other income	259	615	6
Other expenses	(6,277)	(4,643)	(2,937)
Profit before tax	869	(555)	(756)

2.5 Inventories

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Finished goods — Goods in transit	—	6,600	13

	Year Ended 31 December 2023	Year Ended 31 December 2024	Six months ended 30 June 2025
	S$'000	*S$'000*	*S$'000*
Statement of comprehensive income:			
Inventories recognised as an expense in cost of sales	221	4	3
Inclusive of:			
Reversal of write down of inventories	—	7	—

The reversal of write down of inventories was made as the Company sold the inventory above the carrying amount.

2.6 Contract assets and liabilities

	1 January 2023	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*	*S$'000*
Contract assets				
— Accrued/unearned revenue	4,595	16,226	16,751	19,146
Contract liabilities				
— Advanced payment from customers	190	5,505	6,379	5,629

Contract assets primarily relate to the Guthrie's right to consideration for work completed but not yet billed at reporting date on construction contracts.

Contract liabilities primarily relate to the Guthrie's obligation to transfer goods or services to customers for which Guthrie has received advances from customers for construction contracts. The increase in contract liabilities was mainly due to consideration received in advance for unsatisfied performance obligations.

Significant changes in the contract assets are explained as follows:

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Contract assets reclassified to trade receivables	4,595	16,217	16,751

Significant changes in the contract liabilities are explained as follows:

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the financial year	190	3,213	6,373

Transaction price allocated to remaining performance obligation

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations	316,174	312,490	420,498

Management expects that the aggregate amount of the transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations as of 31 December 2023, 2024 and 30 June 2025 will be recognised as revenue as Guthrie continue to fulfil the performance obligations over the contract life up to 2043. The amount disclosed above does not include variable consideration which is subject to significant risk of reversal.

2.7 Trade and other receivables

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Non-current			
Retention receivables — third parties	4,561	11,154	5,277
Current			
Trade receivables			
— Third parties	30,300	16,848	12,473
Less: Allowance for expected credit losses			
— Third parties	(87)	(78)	(672)
	30,213	16,770	11,801
Retention receivables — third parties	14,200	6,873	10,835
Other receivables:			
— GST receivables, net	—	700	—
— Carved-out subsidiary	985	2,984	—
— Related company	18	26	21
	1,003	3,710	21
	45,416	27,353	22,657
Total current and non-current	49,977	38,507	27,934

The non-trade receivables from carved-out subsidiary and related company are unsecured, interest-free and repayable on demand. The other receivables are considered to be of low credit risk and subject to immaterial credit loss. Credit risk for these assets has not increased significantly since their initial recognition.

2.8 Other current assets

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Advance payments to suppliers	3,254	5,536	9,219
Deposits	853	859	844
Prepayments for operating expenses	103	95	90
	4,210	6,490	10,153

Advance payments to suppliers relate to the payments made in advance to subcontractors for the subcontractor works and payment for purchase of equipment for the project.

2.9 Cash and cash equivalents

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Cash at bank and on hand	11,902	6,549	7,043
Short-term bank deposits	1,642	2,543	405
	13,544	9,092	7,448

2.10 Share capital

Issued and fully paid ordinary shares

	2023		2024		2025	
	No. of shares	*S$'000*	*No. of shares*	*S$'000*	*No. of shares*	*S$'000*
At 1 January	35,000,000	35,000	39,000,000	39,000	39,000,000	39,000
Shares issued	4,000,000	4,000	—	—	7,798,493	7,798
At 31 December/ 30 June	39,000,000	39,000	39,000,000	39,000	46,798,493	46,798

On 10 April 2023, Guthrie issued 4,000,000 ordinary shares at S$1.00 per share for an aggregate consideration of S$4,000,000 ("**the Consideration**").

On 15 April 2025, Guthrie issued 4,000,000 ordinary shares at S$1.00 per share for an aggregate consideration of S$4,000,000 ("**the Consideration**").

On 16 May 2025, Guthrie issued 3,798,493 ordinary shares at S$1.00 per share for an aggregate consideration of S$3,798,493 ("**the Consideration**").

The Consideration from the issuances were fully paid or fully satisfied by way of offsetting the loan from immediate holding company for working capital purpose. The newly issued shares rank pari passu in all aspects with the existing issued shares.

2.11 Trade payables

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Trade payables to:			
— Non-related parties	27,604	23,945	17,556
Accruals for project costs	17,004	13,070	9,355
	44,608	37,015	26,911

2.12 Other payables and accrued liabilities

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Accruals for operating expenses	2,983	3,464	2,951
Other payables	2,211	1,622	1,991
Amounts due to immediate holding company	14	837	—
	5,208	5,923	4,942

The amounts due to immediate holding company are unsecured, interest-free and repayable within the next 12 months.

2.13 Loan from immediate holding company

The loan from immediate holding company is unsecured, interest free and repayable on demand.

Reconciliation of liabilities arising from financing activities

				Non-cash changes					
	1 January 2023	Proceeds from borrowings	Principal and interest payments	Addition during the year	Modification of lease liability	Interest expense	Capitalisation of loan into share capital	Net off against carved-out subsidiary	31 December 2023
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Borrowings	—	1,000	(1,005)	—	—	5	—	—	—
Loan from immediate holding company	8,000	—	(3,439)	—	—	—	(4,000)	—	561
Lease liabilities	6,068	—	(509)	129	463	255	—	—	6,406

				Non-cash changes					
	1 January 2024	Proceeds from borrowings	Principal and interest payments	Addition during the year	Modification of lease liability	Interest expense	Capitalisation of loan into share capital	Net off against carved-out subsidiary	31 December 2024
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Borrowings	—	2,000	(2,002)	—	—	2	—	—	—
Loan from immediate holding company	561	9,000	—	—	—	—	—	—	9,561
Lease liabilities	6,406	—	(818)	1,182	339	286	—	—	7,395

				Non-cash changes					
	1 January 2025	Proceeds from borrowings	Principal and interest payments	Addition during the period	Modification of lease liability	Interest expense	Capitalisation of loan into share capital	Net off against carved-out subsidiary	30 June 2025
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Loan from immediate holding company	9,561	—	(9)	—	—	—	(7,798)	(1,754)	—
Lease liabilities	7,395	—	(536)	359	—	150	—	—	7,368

2.14 Provisions

Provisions are recognised at the balance sheet date for expected warranty claims based on past experience with customers and are for projects that have been completed or closed.

Present obligations arising under onerous contracts where the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received under it are recognised as provisions.

Movements in provision for warranties and onerous contracts during the financial years/period are as follows:

	Provision for warranties	Provision for onerous contracts	Total
	S$'000	*S$'000*	*S$'000*
At 1 January 2023	1,429	1,544	2,973
Provision made	—	3,021	3,021
Provision write back	(1,429)	(7)	(1,436)
Provision utilised	—	(4,202)	(4,202)
At 31 December 2023 and 1 January 2024	—	356	356
Provision made	—	13,518	13,518
Provision utilised	—	(11,292)	(11,292)
At 31 December 2024, 1 January 2025 and 30 June 2025	—	2,582	2,582

2.15 Leases

Nature of Guthrie leasing activities — Company as a lessee

Leasehold land, leasehold properties and office equipment

Guthrie makes monthly lease payments for the leasehold land, leasehold properties and office equipment. The leasehold land is used for the purpose of Guthrie's operation.

Motor vehicles

Guthrie leases motor vehicles to render logistic services and plotting services for Guthrie's operation. The lease arrangements prohibit Guthrie from subleasing the motor vehicles to third parties.

There are no externally imposed covenants on these lease arrangements.

Equipment and vehicles

Guthrie leases vehicles and equipment to render logistic services and plotting services for Guthrie's operation. The lease arrangements prohibit Guthrie from subleasing the equipment to third parties.

Right-of-use assets

	Leasehold land	Leasehold properties	Office equipment	Motor vehicles	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Cost					
At 1 January 2023	6,730	—	87	—	6,817
Additions	—	—	43	86	129
Lease modification	463	—	—	—	463
At 31 December 2023 and 1 January 2024	7,193	—	130	86	7,409
Additions	—	1,085	—	97	1,182
Lease modification	339	—	—	—	339
At 31 December 2024 and 1 January 2025	7,532	1,085	130	183	8,930
Additions	—	191	—	168	359
At 30 June 2025	7,532	1,276	130	351	9,289
Accumulated depreciation					
At 1 January 2023	1,091	—	58	—	1,149
Depreciation charge	281	—	26	30	337
At 31 December 2023 and 1 January 2024	1,372	—	84	30	1,486
Depreciation charge	302	237	20	66	625
At 31 December 2024 and 1 January 2025	1,674	237	104	96	2,111
Depreciation charge	157	218	4	53	432
At 30 June 2025	1,831	455	108	149	2,543
Net book value					
At 31 December 2023	5,821	—	46	56	5,923
At 31 December 2024	5,858	848	26	87	6,819
At 30 June 2025	5,701	821	22	202	6,746

Lease liabilities

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
At 1 January	6,068	6,406	7,395
Additions	129	1,182	359
Lease modification	463	339	—
Interest expense	255	286	150
Lease payments			
— Principal portion	(254)	(532)	(386)
— Interest portion	(255)	(286)	(150)
At 31 December/30 June	6,406	7,395	7,368

The maturity analysis of lease liabilities as of the reporting date are as follows:

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Contractual undiscounted cash flows			
Within one financial year	531	905	1,090
After one financial year but within two financial years	493	885	899
After one financial year but within five financial years	1,419	1,606	1,500
More than five financial years	6,843	6,891	6,481
	9,286	10,287	9,970
Less: Future interest expense	(2,880)	(2,892)	(2,602)
Present value of lease liabilities	6,406	7,395	7,368

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Presented in consolidated statement of financial position			
Current	273	675	838
Non-current	6,133	6,720	6,530
	6,406	7,395	7,368

The following are the amounts recognised in profit or loss:

	Year ended 31 December 2023	Year ended 31 December 2024	Six months ended 30 June 2025
	S$'000	*S$'000*	*S$'000*
Depreciation on right-of-use assets	337	625	432
Interest expense on lease liabilities	255	286	150
Expenses relating to low value and short-term leases	184	117	—
	776	1,028	582

Rental of foreign worker dormitory, machineries and office equipment of Guthrie qualifies as low value or short-term leases. The election of short-term leases is made by class of underlying assets with similar nature and use in the Group's operations whereas the low-value lease exemption is made on lease-by-lease basis.

The total cash outflows for all leases including low value and short-term leases were S$693,000, S$935,000 and S$536,000 for the years ended 31 December 2023, 2024 and the six months period from 1 January 2025 to 30 June 2025, respectively.

As at 31 December 2023 and 2024 and 30 June 2025, the incremental borrowing rates applied was 4.08%. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The lease for a dormitory contains an extension period, for which the related lease payments had not been included in lease liabilities as Guthrie is not reasonably certain to exercise the extension option. Guthrie negotiates extension options to maximise operational flexibility in terms of managing the assets used in the Guthrie's operations. The majority of the extension options are exercisable by Guthrie and not by the lessor.

The currency profile of the lease liabilities as at the end of reporting period is Singapore dollar.

Nature of Guthrie's leasing activities — Company as an intermediate lessor

Sub-leases — classified as operating leases

Guthrie acts as an intermediate lessor under arrangements in which it sub-leases out part of its office spaces to its third parties for monthly lease payments. The sub-lease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as operating leases. Income from sub-leasing the office spaces recognised was S$401,000, S$574,000 and S$313,000 for the years ended 31 December 2023, 2024 and the six months period from 1 January 2025 to 30 June 2025.

Undiscounted lease payments to be received by Guthrie for its leases and sub-leases after the reporting date are as follows:

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Less than one year	381	574	386
One to two years	313	135	243
Two to three years	34	24	14
Total undiscounted lease payments	728	733	643

2.16 Revenue

	Year ended 31 December 2023	Year ended 31 December 2024	Six months ended 30 June 2025
	S$'000	*S$'000*	*S$'000*
Over time			
Construction contracts	148,425	152,493	46,249
Services rendered	15,392	20,129	12,938
At a point in time			
Sale of goods	103	39	5
	163,920	172,661	59,192

2.17 Other income

	Year Ended 31 December 2023	Year Ended 31 December 2024	Six months ended 30 June 2025
	S$'000	*S$'000*	*S$'000*
Rental income	401	574	313
Sundry income	172	398	75
Government grant income	173	138	63
Gain/(loss) on disposal of property, plant and equipment	23	—	—
Write back of inventory written off	—	7	—
Write back on financial assets	—	9	—
Foreign exchange gain, net	1	—	13
Interest income:			
— Fixed deposits	310	450	33
— Others	68	—	—
	1,148	1,576	497

2.18 Finance costs

	Year ended 31 December 2023	Year ended 31 December 2024	Six months ended 30 June 2025
	S$'000	*S$'000*	*S$'000*
Interest expense			
— Loan	5	2	—
— Lease liabilities	255	286	150
	260	288	150

2.19 Profit/(loss) before income tax

The following items have been included in arriving at profit/(loss before income tax:

	Notes	Year ended 31 December 2023 S$'000	Year ended 31 December 2024 S$'000	Six months ended 30 June 2025 S$'000
Purchases of inventory		221	4	3
Engineering contract costs		128,569	149,597	47,013
Depreciation of property, plant and equipment	*2.3*	1,044	906	405
Depreciation of right-of-use assets	*2.15*	337	625	432
Employee compensation				
— Wages, salaries and related employee benefits		19,952	21,007	11,048
— Employer's contribution to Central Provident Fund		1,502	1,600	812
Management fee expenses to immediate holding company		750	750	—
Rental expenses relating to short-term leases	*2.15*	184	117	—
Write back of provision for warranty	*2.14*	(1,429)	—	—
Provision for onerous contract	*2.14*	3,021	13,518	—
Gain/(loss) on disposal of property, plant and equipment		23	—	(1)
Foreign exchange (gain)/loss — net		(1)	9,022	—
Impairment losses/(write back) on financial assets		79	(9)	594
Write off trade receivables		—	6	—
Product development expenses		—	443	—
Professional fees		425	590	290
Other expenses		1,500	2,161	60

An amount of S$16,811,000, S$18,960,000 and S$10,411,000 included under Guthrie's wages and salaries has been classified as "cost of sales" in profit or loss, being the direct contract costs incurred by Guthrie for the years ended 31 December 2023, 2024 and the six months period from 1 January 2025 to 30 June 2025.

2.20 Income tax expense

	Year ended 31 December 2023 S$'000	Year ended 31 December 2024 S$'000	Six months ended 30 June 2025 S$'000
Current income tax:			
— Current year	—	—	—
— Deferred tax	—	66	—
	—	66	—

The tax expense on results differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Six months ended 30 June 2025
	S$'000	*S$'000*	*S$'000*
Profit/(loss) before income tax	8,975	(17,601)	(1,398)
Share of results of associate, net of tax	(385)	204	279
	8,590	(17,397)	(1,119)
Tax calculated at a tax rate of 17%	1,460	(2,957)	(190)
Adjustments:			
Non-deductible expenses	227	1,027	117
Income not subject to taxation	(307)	—	—
Unrecognised tax losses	—	1,995	—
Effect of partial tax exemption and tax relief	—	1	—
Utilisation of previously unrecognised:			
— Capital allowances	(53)	—	—
— Tax losses	(1,117)	—	—
Others	(210)	—	73
Income tax expense recognised in profit or loss	—	66	—

Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Deferred tax assets	66	—	—

The movement in the net deferred income tax account is as follows:

	31 December 2023	31 December 2024	30 June2025
	S$'000	*S$'000*	*S$'000*
At 1 January	66	66	—
Charged to profit or loss	—	(66)	—
At 31 December	66	—	—

The movement in deferred income tax assets and liabilities (prior to offsetting of balances) is as follows:

Deferred income tax liabilities

	Differences in depreciation	**Right-of-use assets**	**Total**
	S$'000	*S$'000*	*S$'000*
At 1 January 2023, 31 December 2023 and 1 January 2024	483	1,244	1,727
Charged/(credited) to profit or loss	(651)	259	(392)
At 31 December 2024 and 1 January 2025	(168)	1,503	1,335
Charged/(credit) to profit or loss	(11)	47	36
At 30 June 2025	(179)	1,550	1,371

Deferred tax assets

	Provisions	**Leased Liabilities**	**Total**
	S$'000	*S$'000*	*S$'000*
At 1 January 2023, 31 December 2023 and 1 January 2024	(529)	(1,264)	(1,793)
Charged/(credited) to profit or loss	466	(8)	458
At 31 December 2024 and 1 January 2025	(63)	(1,272)	(1,335)
Charged/(credited) to profit or loss	(48)	12	(36)
At 30 June 2025	(111)	(1,260)	(1,371)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. As at 31 December 2023, 2024 and 30 June 2025, Guthrie has unrecognised tax losses of S$41,684,000, S$55,914,000, S$33,606,000 and capital allowances of SNil, S2,628,000 and S$Nil, respectively, which can be carried forward and used to offset against future taxable income subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislations. These tax losses and capital allowances have no expiry date.

2.21 Dividend

The board of directors have proposed that a final tax-exempt dividend of 2.92 cents per share amounting to a total of S$1,365,000 to be paid for the financial year ended 31 December 2025. These dividends have not been recognised as a liability as at 31 December 2025 as it is subject to the approval of the shareholders at the Annual General Meeting.

2.22 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between Guthrie and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Year ended 31 December 2023	Year ended 31 December 2024	Six months ended 30 June 2025
	S$'000	*S$'000*	*S$'000*
Administrative fees paid to immediate holding company	3	3	—
Management fee expenses to immediate holding company	750	750	—
Service fee income from related companies	42	41	—
Sales to related party	178	159	—

(b) Key management personnel compensation

	Year ended 31 December 2023	Year ended 31 December 2024	Six months ended 30 June 2025
	S$'000	*S$'000*	*S$'000*
Salaries and other short-term employee benefits	752	924	203
Post-employment benefits — contribution to Central Provident Fund	35	33	8
	787	957	211

2.23 Contingent liabilities — unsecured

	31 December 2023	31 December 2024	30 June 2025
	S$'000	*S$'000*	*S$'000*
Guarantees given to financial institutions in connection with credit facilities granted to a subsidiary	4,227	4,883	—