HPC HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1742)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2025

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the "**Board**") of directors (the "**Directors**") of HPC Holdings Limited (the "**Company**") announces its unaudited consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 April 2025 (the "**Interim Period**") together with the comparative figures for the corresponding period in 2024 (the "**Previous Period**").

BUSINESS REVIEW

During the first half of 2025, Singapore's construction cost trends indicated that construction prices remained elevated due to persistent manpower constraints as reliance on foreign workers, fluctuating material costs of steel, concrete and mechanical/electrical components and bid competitiveness intensified, leading to tighter profit margins.

Given the current market headwinds and intense price competition, the Group has adopted a more cautious approach in its tender procedures and pricing strategy. Despite these challenges, the Group demonstrated resilience and secured four significant projects in the first half of 2025, reinforcing its strong industry positioning and diversified capabilities: (1) Mega Depot Warehouse Project awarded in February 2025; (2) Design & Build for A&A Works @NanoSpace (Process and Clean Rooms Building) awarded in February 2025; (3) Design & Build of Civil, Structural, Architectural & Site Management for STA Pharmaceutical Buildings (STA) awarded in March 2025; and (4) A&A Works & New Construction of a 3-Storey Building for T-Prep awarded in April 2025. These bring the Group's total value of new project awards for the financial year 2025 to S$481.81 million. Notably, the latest contract with JTC underscores the ongoing partnership, building on the successful completion of previous projects in 2018 and 2020. Despite a highly competitive bidding environment, the Group has maintained a strong order book, which stood at S$1,071 million as of 30 April 2025.

The Group has achieved significant milestones in project execution during the first half of 2025. There were three completed projects: (1) Pilot Mechanical Biological Treatment Plant achieved Temporary Occupation Permit (TOP) on 27 January 2025; (2) Tiong Nam Warehouse successfully obtained BCA TOP on 2 May 2025; and (3) Chasen Warehouse is currently in final stages with TOP expected in July 2025.

Current project portfolio consists of eleven ongoing projects, the Group maintains a robust pipeline of projects across multiple sectors: (1) 27IBP Commercial Office Building; (2) Loyang North Substation; (3) XDC Pharmaceutical Buildings; (4) MDIS College A&A Works; (5) Integrated Construction & Prefabrication Hub (Jurong Port); (6) Project Savour Food Factory; (7) Tampines Gain City Hub; (8) Mega Depot Warehouse; (9) Design & Build for A&A Works @NanoSpace; (10) Civil, Structural & Architectural Works for STA Pharmaceutical Buildings; and (11) A&A Works & New Construction of 3-Storey T-Prep Building.

The Group anticipates successful completion of three major projects: (1) XDC Pharmaceutical Buildings (XDC) by Q3 2025; (2) Loyang North Substation (JTC) by Q4 2025; and (3) 27IBP Commercial Office Building by Q4 2025.

FINANCIAL REVIEW

The Group's construction activities have recovered strongly during this Interim Period, mainly due to most of the new projects starting at the end of 2024, and most of the projects awarded before Covid-19 pandemic were completed in last year, therefore, the gross margin was gradually improved. Completion of one acquisition resulted in a gain on bargaining purchase as expected.

Revenue and Gross Profit

The Group's revenue increased by 35.43% from approximately S$86.86 million for the Previous Period to approximately S$117.63 million for the Interim Period. Revenue rebounded as certain major ongoing projects were started during the Interim Period, therefore, more construction activities were carried out during the Interim Period compared with the Previous Period.

As a result, the gross profit of the Group also increased from approximately S$3.22 million for the Previous Period to S$6.99 million for the Interim Period, representing an approximately 117.24% surge of profit. Meanwhile, due to completion of the Pre-Covid-19 projects as compared to the Previous Period, the gross profit margin of the Group's construction business whereby raised to 5.94% for the Interim Period compared with 3.70% for the Previous Period.

Other Operating Income

Other income of the Group for the Interim Period was approximately S$1.69 million, which was slightly higher than the Previous Period by approximately S$240 thousand.

Other Gain/Loss

The Group completed an acquisition during the Interim Period, detail reference can be made to the announcement of the Company dated 31 May 2024. Upon completion of the acquisition, the Group engaged an independent professional valuer to appraise the fair value of its asset, the fair value is approximately at its book value. Hence, the Group recorded an one-off gain through this acquisition.

Administrative Expenses

The administrative expenses of the Group recorded an increase of approximately S$869 thousand, mainly due to the depreciation from asset acquired.

Income Tax Expense

The Group's income tax expense was approximately S$410 thousand for this Interim Period, the effective interest rate is lower than the statutory rate due to utilization of deferred tax.

Profit after Tax

As a result of the combined effects mentioned above, the Group recorded a net profit after tax at approximately S$31.34 million for the Interim Period.

Dividends

The Company did not declare any dividend during the Interim Period and the Company does not recommend an interim dividend for the Interim Period.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

Liquidity

The Group's business operations depend on the sufficiency of working capital and effective cost management, in particular, competitive prices from subcontractors and suppliers as well as effective management of foreign workforce. The Group's primary uses of cash are payments to subcontractors, suppliers and manpower cost. The Group had been depending on its internally generated funds to fund its working capital needs in the past, however, with consistently lower interest rate in the current economy, the Group has started to gradually introduce low risk loan financing to the capital structure in order to achieve the optimum cost of capital. With proven track record in costs management coupled with the local regulation on construction works settlements, the Group is not expected to face any liquidity issues.

The current ratios (defined as total current assets divided by total current liabilities) of the Group were 1.63 and 1.66 as at 30 April 2025 and 31 October 2024, respectively.

Borrowings and Gearing

The Group's borrowings relate to term loans for land purchase and redevelopment of an industrial building on the land purchased on 7 Kung Chong Road of Singapore.

The gearing ratios (defined as total borrowings divided by total equity) of the Group were 12.32% and 20.91% as at 30 April 2025 and 31 October 2024 respectively and the decrease in gearing ratio was mainly due to the progressive repayment of the loan to finance the redevelopment project at 7 Kung Chong Road of Singapore.

Foreign Exchange Exposure

Most of the Group's income and expenditures are denominated in Singapore Dollars ("**S$**"), being the functional currency of the Group, hence, the Group does not have any material foreign exchange exposures except a few listing compliance transactions which are denominated in Hong Kong Dollars.

As the Group's normal operations' foreign exchange exposure is minimal, the Group does not use any hedging facilities. All foreign transactions are entered into at spot rate.

Mortgage or Charges on the Group's Assets

As at 30 April 2025, the acquired land was mortgaged to secure the Group's bank loan. Besides, one of the subsidiaries of the Company, HPC Builders Pte Ltd., was also charged to the same bank for the same project as additional security.

Contingent Liabilities and Financial Guarantees

The Group was involved in a few litigation cases related to workplace injuries which was normally insured with insurance. Therefore, the Group does not expect any material contingent liabilities in the foreseeable future.

As at 30 April 2025, saved as disclosed in the paragraph headed "Mortgage or Charges on the Group's Assets", there was no financial guarantee granted in favor of third party of the Group.

Capital Expenditure and Capital Commitments

For the Interim Period, the Group's incurred capital expenditures were mainly on the acquisition of some construction equipment and fixtures, and some addition and alteration works on the existing properties.

EVENT OCCURRING AFTER THE REPORTING PERIOD

There were no material subsequent events undertaken by the Group after the Reporting Period and up to the date of this announcement.

EMPLOYEE INFORMATION

As at 30 April 2025, the Group had 788 employees including foreign workers.

The employees of the Group are remunerated according to their job scope and responsibilities. The local employees are also entitled to discretionary bonus depending on their respective performance. The foreign workers are typically employed on an one-year basis depending on the period of their work permits and subject to renewal based on their performance and are remunerated according to their work skill levels.

Total staff costs including Directors' emoluments amounted to approximately S$14.1 million for the Interim Period (Previous Period: S$15.1 million).

Employees of the Group receive training depending on their department and the scope of works. Typically, the human resources department arranges for employees to attend trainings from time to time, especially relating to workplace health and safety.

PROSPECTS

The Building and Construction Authority (BCA) forecasts total construction demand to reach between S$47 billion and S$53 billion in nominal terms for 2025. When adjusted for inflation, the projected demand ranges from S$35 billion to S$39 billion in real terms, reflecting an increase of 0.3% to 11.7% as compared to pre-pandemic (2019) levels. This robust demand is driven by several large-scale developments, including Changi Airport Terminal 5 (T5) and the expansion of Marina Bay Sands Integrated Resort, as well as ongoing public housing projects and upgrading works. Additional key contributors include high-specification industrial buildings, educational and healthcare facility developments, mechanical and engineering (M&E) contracts for the Thomson-East Coast Line Extension (TEL) and Cross Island Line (CRL), infrastructure projects such as the Woodlands Checkpoint extension and Tuas Port development. (Refer to BCA| Construction Demand to Remain Strong For 2025| Thursday, 23 January 2025)

The sustained strength of Singapore's construction sector is supported by an impressive pipeline of large-scale developments across both public and private domains. Major projects expected to be awarded in 2025 will serve as key catalysts for industry growth like Changi Airport Terminal 5 (T5), Marina Bay Sands Expansion, Public Housing & Estate Upgrading, High-Specification Industrial Facilities, Educational & Healthcare Infrastructure, Mass Rapid Transit (MRT) Expansions, Woodlands Checkpoint Expansion and Tuas Port Development.

This diverse project pipeline ensures resilient demand across multiple construction segments, from civil engineering to specialized building works. The public sector remains the primary driver, while the private investments in hospitality, industrial and commercial developments provide balanced growth. Singapore's construction outlook for 2025 remains strong and well-diversified, supported by landmark projects that enhance infrastructure, economic competitiveness, and liveability. Contractors and consultants with expertise in large-scale civil works, smart buildings, and sustainable construction will find significant opportunities in the year ahead.

The Group is poised to achieve another significant milestone with the upcoming completion of three major projects in 2025, in order to reinforce our reputation as a trusted partner in process systems, cleanroom facilities, and pharmaceutical construction. These successes have positioned us favourably to secure future opportunities in these high-value sectors. To be deliver projects for XDC and STA, enhancing our credentials in pharmaceutical construction and new @NanoSpace process and cleanroom project for JTC, establishing a strong track record in precision engineering environments. These accomplishments unlock new tender opportunities and expand our presence in specialized construction segments across Singapore.

Strategically venturing into land optimization and development, collaborating with marketing agencies and maximizing location advantages. This initiative allows the Group to broaden our business model while capitalizing on Singapore's evolving real estate demands. Partnering with leading logistics property developers to deliver green-field warehouses with cold-room facilities. Rising demand for high-specification logistics space with now nearing full occupancy has created spillover demand, presenting further growth potential.

Despite a healthy order book, the Group continues to navigate margin pressures from elevated material costs, labour expenses, and intense industry competition. A disciplined tender strategy, prioritizing sustainable growth over aggressive bidding to maintain profitability. The management remains committed to selective project acquisition, focusing on higher-margin opportunities, operational excellence and ensuring resilience in volatile market conditions.

With a proven track record, diversified portfolio, and prudent financial management, the Group is well-positioned to thrive in Singapore's competitive construction landscape while exploring new avenues for long-term growth.

SHARE OPTION SCHEME

The Group has adopted a share option scheme pursuant to which the Company may grant options to eligible persons. The maximum number of shares which may be issued upon exercise of all options to be granted under the scheme and any other schemes of the Group shall not in aggregate exceed 160,000,000 shares, being 10% of the Company's shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**SEHK**") on 11 May 2018.

No share options were granted, exercised, cancelled, lapsed or outstanding for the Interim Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in the Appendix C3 of the Rules Governing the Listing of Securities on the SEHK (the "**Listing Rules**") as code of conduct regarding directors' securities transactions. Having made specific enquiry, all Directors have confirmed that they have complied with the Model Code throughout the Interim Period.

CORPORATE GOVERNANCE

The Company is committed to fulfilling its responsibilities to the shareholders of the Company ("**Shareholders**") and protecting and enhancing the Shareholders' value through good corporate governance. The Directors recognize the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

The Company has adopted and complied with all the mandatory disclosure requirements and the applicable code provisions as set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules during the Interim Period with the exception of code provision C.2.1.

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive shall be separated and shall not be performed by the same individual. Mr. Wang Yingde currently holds both positions. Throughout the business history, Mr. Wang Yingde has held the key leadership position of the Group and has been deeply involved in the formulation of corporate strategies and management of business and operations of the Group. Taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Directors (including independent non-executive Directors) consider that Mr. Wang Yingde is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and the Shareholders as a whole.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established on 19 April 2018 with written terms of reference in compliance with the CG Code. The written terms of reference of the Audit Committee was further updated on 15 December 2023 and are published on the respective websites of the SEHK and the Company. Currently, it comprised of three independent non-executive Directors, namely, Mr. Leung Wai Yip (Chairman), Mr. Gng Hoon Liang and Ms. Chen Liping.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control procedures and financial reporting matters including the review of the Group's unaudited interim condensed consolidated financial statements for the Interim Period. The Audit Committee is of the view that the unaudited interim consolidated financial statements for the Interim Period have been prepared in accordance with the applicable standards, the Listing Rules and the statutory provisions and sufficient disclosures have been made.

The Company's auditor, McMillan Woods (Hong Kong) CPA limited, has reviewed the unaudited interim financial information of the Group for the Interim Period in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Interim Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any).

As at 30 April 2025, the Company did not hold any treasury shares.

DISCLOSURE ON THE WEBSITES OF THE SEHK AND THE COMPANY

This announcement is published on the website of the SEHK (*http://www.hkexnews.hk*) and on the website of the Company (*http://www.hpc.sg*).

By Order of the Board
HPC Holdings Limited
Wang Yingde
Chairman & Chief Executive Officer

Singapore, 30 June 2025

As at the date of this announcement, the Board comprises Mr. Wang Yingde and Mr. Shi Jianhua as executive Directors; and Mr. Leung Wai Yip, Mr. Gng Hoon Liang and Ms. Chen Liping as independent non-executive Directors.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Ended 30 April 2025

		Six months ended 30 April	
		2025	2024
	Notes	***$'000***	*$'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**117,632**	86,859
Cost of sales		**(110,646)**	(83,643)
Gross profit		**6,986**	3,216
Other operating income	*4*	**1,696**	1,459
Administrative expenses		**(4,449)**	(3,580)
Other income, net		**–**	187
Other gain/loss	*4*	**27,351**	–
Finance income		**451**	449
Finance costs		**(283)**	(376)
Profit before tax	*5*	**31,752**	1,355
Income tax (expense)/credit	*6*	**(410)**	(711)
Profit for the period, representing total comprehensive income for the period		**31,342**	644
Total comprehensive income attributable to:			
Owners of the Company		**31,380**	644
Non-controlling interests		**(38)**	–
		31,342	644
Earnings per share for profit attributable to owners of the Company			
– Basic (expressed in Singapore cents per share)	*7*	**1.96**	0.04
– Diluted (expressed in Singapore cents per share)	*7*	**1.96**	0.04

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 April 2025

		Group	
	Notes	**30 April 2025** **$'000** **(Unaudited)**	31 October 2024 *$'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	**76,704**	34,028
Deferred tax assets	*3*	**5,931**	5,979
Retention receivables	*10*	**–**	5,836
		82,635	45,843
Current assets			
Trade receivables	*10*	**25,782**	27,540
Other receivables, deposits and prepayments	*11*	**8,384**	6,796
Contract assets	*12*	**50,676**	31,411
Investment in marketable securities	*13*	**956**	975
Bank deposit		**–**	2,126
Cash and cash equivalents	*14*	**51,902**	43,711
		137,700	112,559
Total assets		**220,335**	158,402
EQUITY AND LIABILITIES			
Current liabilities			
Trade and retention payables	*15*	**59,391**	44,060
Other payables and accruals	*15*	**5,055**	6,675
Provisions	*17*	**5,679**	6,551
Contract liabilities	*12*	**11,974**	8,499
Lease liabilities	*16*	**–**	91
Borrowings	*18*	**1,334**	1,334
Current income tax payable		**914**	689
		84,347	67,899
Net current assets		**53,353**	44,660

	Notes	Group 30 April 2025 $'000 (Unaudited)	31 October 2024 $'000 (Audited)
Non-current liabilities			
Retention payables	*15*	**2,182**	1,590
Other payables		**1,120**	–
Lease liabilities	*16*	**–**	60
Borrowings	*18*	**12,372**	13,040
		15,674	14,690
Total liabilities		**100,021**	82,589
Equity attributable to owners of the Company			
Share capital	*19*	**2,725**	2,725
Share premium	*19*	**69,777**	69,777
Capital reserves	*20*	**(30,614)**	(30,624)
Retained profits		**65,315**	33,935
		107,203	75,813
Non-controlling interests		**13,111**	–
Total equity		**120,314**	75,813
Total equity and liabilities		**220,335**	158,402

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Six Months Ended 30 April 2025

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserves	Retained profits	Total		
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Group							
At 1 November 2023 (audited)	2,725	69,777	(26,972)	42,420	87,950	(436)	87,514
Profit for the period, representing total comprehensive income for the period	–	–	–	644	644	–	644
Acquisition of non-controlling interests	–	–	(3,216)	(436)	(3,652)	436	(3,216)
At 30 April 2024 (unaudited)	2,725	69,777	(30,188)	42,628	84,942	–	84,942
At 1 November 2024 (audited)	**2,725**	**69,777**	**(30,624)**	**33,935**	**75,813**	**–**	**75,813**
Profit for the period, representing total comprehensive income for the period	**–**	**–**	**–**	**31,380**	**31,380**	**(38)**	**31,342**
Reclassification:	**–**	**–**	**10**	**–**	**10**	**–**	**10**
Acquisition of subsidiary:	**–**	**–**	**–**	**–**	**–**	**13,149**	**13,149**
At 30 April 2025 (unaudited)	**2,725**	**69,777**	**(30,614)**	**65,315**	**107,203**	**13,111**	**120,314**

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Six Months Ended 30 April 2025

	Six months ended 30 April	
	2025	2024
	$'000	*$'000*
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit/(loss) before tax	**31,752**	1,355
Adjustments for:		
Depreciation of property, plant and equipment	**1,818**	936
Depreciation of investment properties	**–**	–
Gain on disposal of property, plant and equipment	**–**	(102)
Fair value (gain)/loss on investment in marketable securities	**18**	(88)
Gain/loss on other investments	**(27,381)**	–
Net unrealised foreign exchange loss	**8**	1
Interest expense	**283**	376
Interest income	**(452)**	(449)
Government grant	**(45)**	(33)
Provision for onerous contracts	**(872)**	(3,489)
Impairment loss on financial assets	**–**	–
Operating cash flows before changes in working capital	**5,129**	(1,493)
Changes in working capital:		
– Net decrease/(increase) in contract balances	**(16,452)**	398
– (Increase)/decrease in trade receivables	**(11,842)**	12,028
– Increase in other receivables, deposits and prepayments	**(8,826)**	333
– Increase/(decrease) in trade and retention payable	**43,964**	(7,477)
– Decrease in other payables and accruals	**(2,400)**	(3,739)
Cash generated from operations	**9,573**	50
Interest paid	**(283)**	(376)
Interest received	**452**	449
Income tax paid	**(136)**	(1,183)
Government grants	**45**	33
Net cash generated from/(used in) operating activities	**9,651**	(1,027)

	Six months ended 30 April	
	2025	2024
	$'000	*$'000*
	(Unaudited)	(Unaudited)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**–**	102
Purchase of property, plant and equipment	**(394)**	(6)
Investment in marketable securities	**–**	–
Acquisition of equity interest	**(3,485)**	(3,216)
Net cash used in investing activities	**(3,879)**	(3,120)
Cash flows from financing activities		
Net (repayment of)/proceeds from bank borrowings	**(667)**	(667)
Net Borrowing	**1,119**	–
Repayment of lease liabilities	**(151)**	(48)
Net cash generated from/(used in) financing activities	**301**	(715)
Net increase/(decrease) in cash and cash equivalents	**6,073**	(4,862)
Effect of exchange rate changes on cash and cash equivalents	**(8)**	(9)
Cash and cash equivalents at beginning of the period	**45,837**	47,330
Cash and cash equivalents at end of the period	**51,902**	42,467

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 April 2025

1. CORPORATE INFORMATION

HPC Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 13 October 2016 as an exempted company with limited liability under the Companies Law of the Cayman Islands and is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at 7 Kung Chong Road, HPC BUILDING, Level 6, Singapore 159144.

The principal activity of the Company is investment holding. During the financial period, the Company's subsidiaries were principally engaged in the following principal activities:

(i) General contractors;

(ii) Engineering design and consultancy services; and

(iii) Investment holding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group for the six months ended 30 April 2025 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("**IAS 34**").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 October 2024.

The interim condensed consolidated financial statements are presented in Singapore dollars ($) and all values are rounded to the nearest thousand ($'000) except when otherwise indicated.

2.2 New standards, interpretations and amendment adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 October 2024, except for the adoption of new standards effective as of 1 November 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

For the current period, the Group has applied all the new and revised International Financial Reporting Standard ("**IFRSs**") as well as amendments to and interpretation of IFRSs that are relevant to its operations and effective for the financial periods beginning on or after 1 November 2024. These applications do not have a material impact on the interim condensed consolidated financial statements of the Group.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to IAS 21: *Lack of Exchangeability*	1 January 2025
Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Available for optional adoption/ effective date deferred indefinitely

The directors expect that the adoption of the standards above will have no material impact on the condensed consolidated financial statements in the year of initial application.

3. SEGMENT INFORMATION

The executive directors are the Group's chief operating decision-makers. Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions, allocate resources and assess performance. The executive directors consider the business from business segment perspective.

The Group is organised into two reportable segments, namely:

(a) General building construction: Relates to the design and build projects of warehouses and other industrial or commercial buildings; and

(b) Civil engineering: Relates to the construction of public infrastructures such as train stations, tunnel, railway and express way.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the Group's executive directors. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of segments relative to other entities that operate within these industries.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. There are no transfers between operating segments included in segment revenue, expenses and results.

Capital expenditure comprises additions to property, plant and equipment. Group financing (including finance costs), income taxes and investment properties are managed on a group basis and are not allocated to operating segments.

The segment information provided to the Group's executive directors for the reportable segments for the six months ended 30 April 2025 and 30 April 2024 are as follows:

	General building construction *$'000*	Civil engineering *$'000*	Total *$'000*
Six months ended 30 April 2025 (Unaudited)			
Total segment revenue to external customers	**113,193**	**4,439**	**117,632**
Gross profit	**6,817**	**169**	**6,986**
Segment assets	**71,854**	**4,604**	**76,458**
Segment liabilities	**75,471**	**3,755**	**79,226**
Six months ended 30 April 2024 (Unaudited)			
Total segment revenue to external customers	79,907	6,592	86,859
Gross profit	2,904	312	3,216
Segment assets	69,034	5,666	74,700
Segment liabilities	46,972	3,482	50,454

Reconciliations

(i) *Segment profits*

A reconciliation of gross profit to profit before income tax is as follows:

	Six months ended 30 April	
	2025	2024
	$'000	*$'000*
	(Unaudited)	(Unaudited)
Gross profit for reportable segments	**6,986**	3,216
Other operating income	**1,696**	1,459
Other gain/loss	**27,351**	187
Administrative expenses	**(4,449)**	(3,580)
Finance income	**451**	449
Finance costs	**(283)**	(376)
Profit before tax	**31,752**	1,355

(ii) Segment assets

The amounts reported to the executive directors with respect to total assets are measured in a manner consistent with that of the consolidated financial statements as at 31 October 2024. Segment assets exclude unallocated head office assets and non-construction assets as these assets are managed on a group basis.

Segment assets are reconciled to total assets as follows:

	30 April 2025 *$'000* **(Unaudited)**	31 October 2024 *$'000* (Audited)
Segment assets for reportable segments	**76,458**	64,787
Unallocated:		
Property, plant and equipment	**76,704**	34,028
Deferred tax assets	**5,931**	5,979
Other receivables, deposits and prepayments	**8,384**	6,796
Cash and cash equivalents	**51,902**	45,837
Investment in marketable securities	**956**	975
	220,335	158,402

(iii) Segment liabilities

The amounts reported to the executive directors with respect to total liabilities are measured in a manner consistent with that of the consolidated financial statements as at 31 October 2024. Segment liabilities exclude unallocated head office liabilities as these liabilities are managed on a group basis.

Segment liabilities are reconciled to total liabilities as follows:

	30 April 2025 *$'000* **(Unaudited)**	31 October 2024 *$'000* (Audited)
Segment liabilities for reportable segments	**79,226**	60,700
Unallocated:		
Lease liabilities	**–**	151
Other payables and accruals	**6,175**	6,675
Borrowings	**13,706**	14,374
Current income tax payable	**914**	689
	100,021	82,589

All of the Group's activities are carried out in Singapore and all of the Group's assets are located in Singapore. Accordingly, no analysis by geographical basis is presented.

4. REVENUE, OTHER OPERATING INCOME AND OTHER GAIN/LOSS

	Six months ended 30 April	
	2025	2024
	$'000	*$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Construction contract revenue	**117,632**	86,859

Revenue from contracts with customers are derived from Singapore and are recognised over time.

Disaggregation of revenue

	Six months ended 30 April	
	2025	2024
	$'000	*$'000*
	(Unaudited)	(Unaudited)
By project sector		
Public sector	**16,213**	31,280
Private sector	**101,419**	55,579
	117,632	86,859

	Six months ended 30 April	
	2025	2024
	$'000	*$'000*
	(Unaudited)	(Unaudited)
Government grants*	**45**	33
Sales of scrap materials	**63**	214
Others	**1,588**	1,212
Other operating income	**1,696**	1,459

* Government grants were received by certain subsidiaries in connection with employment of Singaporean employee under Wages Credit Scheme (WCS) & some leave benefits. There were no unfulfilled conditions or contingencies relating to these grants.

Gain through acquisition of subsidiary

Recognised amounts of identifiable assets acquired and liabilities assumed	At Fair Value
Property, plant and equipment	**44,100**
Total Assets:	**44,100**
Trade and other Payable	**272**
Total Liabilities:	**272**
Total Identifiable Net Asset	**43,828**
Consideration Transferred for the business	**(3,298)**
Gain on Bargain Purchase -100%	**40,530**
NCI	**13,149**
Gain on Bargain Purchase (P&L)	**27,381**
Other operating gain/loss	**(30)**
Total Gain/Loss	**27,351**

5. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Six months ended 30 April	
	2025	2024
	$'000	*$'000*
	(Unaudited)	(Unaudited)
Auditors' remuneration:		
– auditor of the Company	**–**	85
Materials, sub-contractors and other construction costs	**98,656**	70,834
Depreciation of property, plant and equipment	**1,818**	936
Employee compensation	**14,090**	15,134
Operating lease rentals*	**(109)**	(88)
Entertainment and transportation	**121**	137
Professional fees	**184**	185
Impairment losses on financial assets	**–**	–
Fair value loss/(gain) on investment on marketable securities	**18**	(88)
Fair value loss/(gain) on investment on private equity	**(27,381)**	–

* Operating lease rentals relate to rental income arising from short-term lease entered into by the Group for its office premise.

6. INCOME TAX EXPENSE/(CREDIT)

Major components of income tax expense/(credit)

The major components of income tax expense/(credit) for the six months ended 30 April 2025 and 30 April 2024 are:

	Six months ended 30 April	
	2025	2024
	$'000	*$'000*
	(Unaudited)	(Unaudited)
Current income tax	**362**	167
Deferred income tax	**48**	547
Over provision in respect of previous years	**–**	(3)
Income tax expense/(credit) recognised in profit or loss	**410**	711

Singapore profits tax has been provided on the estimated assessable profits arising in Singapore at a rate of 17% in 2025. No provision for profits tax has been made in other countries/jurisdictions in which the Group operates as the Group did not generate any assessable profits arising in other countries/jurisdictions during the six months ended 30 April 2025 and 30 April 2024.

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The diluted earnings per share are the same as the basic earnings per share as there are no dilutive potential ordinary share.

	Six months ended 30 April	
	2025	2024
	$'000	*$'000*
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	**31,380**	644

	No. of shares	
	30 April 2025	30 April 2024
Weighted average number of ordinary shares on issue applicable to basic and diluted earnings per share (in thousands)	**1,600,000**	1,600,000
Basic and diluted earnings per share (cents)	**1.96**	0.04

8. DIVIDENDS

No dividends were declared during the six months ended 30 April 2025 and 30 April 2024.

9. PROPERTY, PLANT AND EQUIPMENT

	Computers *$'000*	**Furniture and fittings** *$'000*	**Motor vehicles** *$'000*	**Plant and equipment** *$'000*	**Leasehold improvements** *$'000*	**Leasehold land and building under construction** *$'000*	**Leasehold land and building** *$'000*	**Total** *$'000*
(Audited)								
Cost:								
At 1 November 2024	**1,422**	**2,284**	**2,178**	**2,545**	**62**	**513**	**34,363**	**43,367**
Additions	**93**	**19**	**–**	**151**	**–**	**131**	**–**	**394**
Disposals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Addition through acquisition of subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**44,100**	**44,100**
At 30 April 2025	**1,515**	**2,303**	**2,178**	**2,696**	**62**	**644**	**78,463**	**87,861**
Accumulated depreciation:								
At 1 November 2024	**1,291**	**1,459**	**1,497**	**2,317**	**61**	**–**	**2,714**	**9,339**
Depreciation for the period	**40**	**223**	**80**	**59**	**–**	**22**	**1,394**	**1,818**
Disposals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transfer	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
At 30 April 2025	**1,331**	**1,682**	**1,577**	**2,376**	**61**	**22**	**4,108**	**11,157**
Net carrying amount:								
At 30 April 2025	**184**	**621**	**601**	**320**	**1**	**622**	**74,355**	**76,704**

	Computers *$'000*	Furniture and fittings *$'000*	Motor vehicles *$'000*	Plant and equipment *$'000*	Leasehold improvements *$'000*	Leasehold land and building under construction *$'000*	Leasehold land and building *$'000*	Total *$'000*
(Unaudited)								
Cost:								
At 1 November 2023	1,284	1,440	2,179	2,288	60	5,852	28,566	41,669
Additions	107	277	117	55	–	78	(628)	6
Disposals	–	–	–	–	–	–	–	–
Transfer	–	490	–	–	–	–	(490)	–
At 30 April 2024	1,391	2,207	2,296	2,343	60	5,930	27,448	41,675
Accumulated depreciation:								
At 1 November 2023	1,214	990	1,460	2,253	60	48	1,545	7,570
Depreciation for the period	44	238	75	24	–	148	407	936
Disposals	–	–	–	–	–	–	–	–
Transfer	–	–	–	–	–	–	–	–
At 30 April 2024	1,258	1,228	1,535	2,277	60	196	1,952	8,506
Net carrying amount:								
At 30 April 2024	133	979	761	66	–	5,734	25,496	33,169

Capitalisation of borrowing costs

The Group's leasehold land and building include borrowing costs arising from bank loan borrowed specifically for the purpose of the construction of the leasehold building. During the six months ended 30 April 2025, no borrowing costs capitalised as the building was completed on January 2023. The rate used to determine the amount of borrowing costs eligible for capitalisation was 4.6% to 5.6% per annum, which is the effective interest rate of the specific borrowing (Note 18).

Assets pledged as security

The Group's leasehold land and building with a carrying amount of $23,984,000 (31 October 2024: $24,395,000) are mortgaged to secure the Group's bank loan.

10. TRADE RECEIVABLES

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
Current		
– Trade receivables	**45,207**	52,801
Bad debt	**(19,425)**	(19,425)
	25,782	33,376

* Included in trade receivables is retention receivables of $729,480 and $8,820,800 as at 30 April 2025 and 31 October 2024 respectively. Retention receivables will be settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion, the expiry of the defect liability period or a pre-agreed time period.

The carrying amounts of current trade receivables approximate their fair values.

Trade receivables

Trade receivables are non-interest bearing and are generally on 35 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The ageing analysis of the trade receivables, based on invoice date, is as follows:

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
– Less than 3 months	**17,937**	18,647
– 3 to 6 months	**2,320**	3,764
– Over 6 months to 1 year	**3,246**	595
– More than 1 year	**1,549**	1,549
	25,052	24,555

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Except for the bad debt of $19,425,000 (31 October 2024: $19,425,000), which was previously classified as provision and turned into bad debt eventually, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable. The Group did not hold any collateral over these balances.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $13,889,000 (31 October 2024: $11,068,000) as at 30 April 2024 that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period are as follows:

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
Trade receivables past due but not impaired:		
– Past due less than 3 months	**6,838**	2,966
– Past due 3 to 6 months	**2,467**	2,995
– Past due more than 6 months to 1 year	**2,500**	595
– Past due more than 1 year	**2,084**	4,512
	13,889	11,068

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
Deposits	**4,990**	4,775
Prepayments	**273**	280
Other receivables		
– Related parties	**346**	91
– Non-related parties	**2,775**	1,650
	8,384	6,796

Deposits include deposits paid in respect of office leases and tenders as well as those in connection with professional services and construction projects. Prepayments mostly relate to workers accommodation.

Other receivables mainly due to a short-term loan receivable, and relate to employee loans, our employee loans which are interest free are approved by directors. The loans are only granted to employees (excluding directors and senior management) who have worked for more than 5 years, have good performance record and are willing to maintain a long working relationship with the Group.

12. CONTRACT ASSETS/LIABILITIES

Information about contract assets and contract liabilities from contracts with customers are disclosed as follows:

	30 April 2025	31 October 2024	1 November 2023
	$'000	*$'000*	*$'000*
	(Unaudited)	(Audited)	(Audited)
Construction contracts:			
Trade receivables	**25,782**	33,376	40,525
Contract assets	**50,676**	31,411	50,607
Contract liabilities	**11,974**	8,499	4,914

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

Included within contract assets and contract liabilities is an amount of $34,047,000 (31 October 2024: $26,234,000) which relate to amounts withheld (up to 5% of the contract sum) under contractual terms from amount receivables from customers as the construction work progresses. The monies are generally released from the customers upon the certification of completion of work and/or finalisation of contract accounts, which is typically 12 to 18 months after the physical completion of the project. As these amounts are expected to be realised in the normal operating cycle, they are classified as current asset.

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 from construction contracts. Contract liabilities are recognised as revenue as the Group performs under the contract.

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

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
Contract asset reclassified to receivables	**(13,601)**	(33,537)
Right to consideration for work completed but not yet billed	**32,866**	(14,341)

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

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
Revenue recognised that was included in the contract liability balance at the beginning of the period/year	**2,185**	2,303
Advance received from customers	**(5,660)**	(5,888)

(iii) Unsatisfied performance obligations

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 30 April 2025 and 31 October 2024		
Construction contracts		
Within one year	**221,655**	247,449
More than one year	**849,502**	448,300
	1,071,157	695,749

The amount disclosed above does not include variable consideration which is subject to significant risk of reversal.

13. INVESTMENT IN MARKETABLE SECURITIES

The investment in marketable securities, which are made up of investments in listed equity shares, is measured at fair value through profit or loss. Fair values of these equity shares are determined by reference to published price quotations in an active market.

14. CASH AND CASH EQUIVALENTS

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
Cash at banks	**21,123**	23,016
Short-term bank deposits	**30,779**	20,695
Cash and cash equivalents in the consolidated statement of cash flows	**51,902**	43,711
Bank deposit	**–**	2,126
	51,902	45,837

The carrying amounts of cash and cash equivalents denominated in United States Dollars and Hong Kong Dollars amounted to $344,000 (31 October 2024: $380,000) and $278,000 (31 October 2024: $144,000), respectively. The remaining balances are denominated in Singapore Dollars.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of not more than three months depending on the immediate cash requirement of the Group and earn interests at respective short-term deposit rates.

15. TRADE AND RETENTION PAYABLES AND OTHER PAYABLES

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
Current		
Trade payables	**37,006**	15,514
Retention payables	**18,612**	18,726
Accrued construction costs	**3,773**	9,820
	59,391	44,060
Deposits	**211**	207
Accrued expenses	**350**	2,205
Goods and services tax payables	**1,049**	1,121
Other payables	**3,445**	3,142
Total other payables and accruals	**5,055**	6,675
Non-current		
Retention payables	**2,182**	1,590
Total other payables	**7,237**	8,265

The carrying amounts of current trade, retention and other payables approximate their fair values.

The ageing analysis of the trade payables, based on invoice date, is as follows:

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
– Less than 3 months	**36,040**	15,095
– 3 to 6 months	**641**	161
– Over 6 months to 1 year	**163**	193
– More than 1 year	**162**	65
	37,006	15,514

The average credit period granted by the contractors and suppliers approximate 35 days.

Retention payables were not yet past due as at 30 April 2025 and 31 October 2024 and will be settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion, the expiry of the defect liability period or a pre-agreed time period.

16. LEASES

Before 30 April 2025, the Group has lease contracts relating to land and motor vehicles, but all lease contracts relating to motor vehicles were completed during the year. The Group also has certain leases of office premise with lease term of 12 months or less. The Group applies the "short-term lease" recognition exemptions for these leases.

Carrying amount of right-of-use assets classified within property, plant and equipment

	Motor vehicles *$'000*	**Leasehold land** *$'000*	**Total** *$'000*
(Unaudited)			
As at 1 November 2024	**490**	**18,715**	**19,205**
Lease completion	**(490)**	**–**	**(490)**
Depreciation	**–**	**(387)**	**(387)**
As at 30 April 2024	**–**	**18,328**	**18,328**
(Audited)			
As at 1 November 2023	597	19,472	20,069
Depreciation	(107)	(757)	(864)
As at 31 October 2024	490	18,715	19,205

Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 18.

Amounts recognised in statement of comprehensive income

	30 April 2025 ***$'000*** **(Unaudited)**	31 October 2024 *$'000* (Audited)
Depreciation of right-of-use assets	**387**	864
Interest expense on lease liabilities	**3**	15
Expenses relating to short term leases (included in other expenses)	**–**	3
	390	882

17. PROVISIONS

Provision for onerous contracts

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
Balance at beginning	**6,551**	5,884
(Utilised) during the period/year	**(872)**	667
	5,679	6,551

During the period, the Group utilised $872,000 (31 October 2024: provided $667,000) for the unavoidable costs of fulfilling certain fixed price construction contracts with customers that were in excess of the economic benefits expected to be received under the contracts. The provision for the onerous contracts is expected to be utilised by the end of the contract terms.

The above provision has not been discounted as the effect of discounting is not significant.

18. BORROWINGS

	Maturity	**30 April 2025**	31 October 2024
		$'000	*$'000*
		(Unaudited)	(Audited)
Current			
SGD bank loan	2035	**1,334**	1,334
Non-current			
SGD bank loan	2035	**12,372**	13,040

SGD bank loan

The loan which matures on 2035 is repayable over 180 monthly instalments commencing on 10 June 2019 and the effective interest rates for the loans ranged from 3.37% to 4.45% (31 October 2024: 4.26% to 5.35%).

The loan is secured by first mortgage over certain property (Note 9) of the Group, corporate guarantee provided by a wholly-owned subsidiary of the Group, HPC Builders Pte. Ltd. and personal guarantees provided by the executive directors of the Group.

The loan includes a financial covenant which requires the Group to maintain a security margin, defined as a percentage of outstanding borrowings over gross development value of the secured property, of less than 80% upon the Group obtaining Temporary Occupation Permit on the secured property.

Changes in liabilities arising from financing activities

	1 November 2023 *$'000*	Cash inflows *$'000*	Cash outflows *$'000*	Others* *$'000*	30 April 2024 *$'000*
(Unaudited)					
Borrowings					
– Current	1,334	–	(667)	667	1,334
– Non-current	14,374	–	–	(667)	13,707
Lease liabilities					
– Current	93	–	(48)	46	91
– Non-current	151	–	–	(46)	105
Amount owing to shareholders (non-current)	2,524	–	–	–	2,524
	18,476	–	(715)	–	17,761

* Others pertains to reclassification between current and non-current during the period

	1 November 2024 ***$'000***	**Cash inflows** ***$'000***	**Cash outflows** ***$'000***	**Others*** ***$'000***	**30 April 2025** ***$'000***
(Unaudited)					
Borrowings					
– Current	**1,334**	**–**	**(667)**	**667**	**1,334**
– Non-current	**13,040**	**–**	**–**	**(667)**	**12,373**
Lease liabilities					
– Current	**91**	**–**	**(91)**	**–**	**–**
– Non-current	**60**	**–**	**(60)**	**–**	**–**
Amount owing to non-controlling	**–**	**–**	**–**	**–**	**–**
	14,525	**–**	**(818)**	**–**	**13,707**

* Others pertains to reclassification between current and non-current and termination of leases during the period

19. SHARE CAPITAL AND SHARE PREMIUM

Authorised ordinary shares

	Number of shares *'000*	**Share capital** *HK$'000*
As at 31 October 2024 and 30 April 2025	**10,000,000**	**100,000**

Ordinary shares

	Number of shares issued and fully paid *'000*	Share capital *$'000*	Share premium *$'000*
As at 31 October 2024 and 30 April 2025	**1,600,000**	**2,725**	**69,777**

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (except treasury shares, if any) carry one vote per share without restrictions. According to the constitutional document of the Company, the par value of each share is HK$0.01.

20. CAPITAL RESERVES

Capital reserves of the Group includes:

– Capital contribution by a shareholder arising from the acquisition of a subsidiary, DHC Construction Pte. Ltd. during the financial year ended 31 October 2017;

– The difference between the consideration paid for the acquisition of HPC Builders Pte. Ltd. ("**HPCB**") and the share capital of HPCB arising from the reorganisation exercise undertaken by the Group during the financial year ended 31 October 2017; and

– Additional investment to acquire the remaining 49% equity interest of a subsidiary.

21. RELATED PARTY DISCLOSURES

There are no material related party transactions apart from those disclosed elsewhere in the condensed consolidated financial statements.

22. FAIR VALUE OF ASSETS AND LIABILITIES

Trade receivables (Note 10), other receivables and deposits (Note 11), investment in marketable securities (Note 13), cash and cash equivalents (Note 14), trade and retentions payable (current) (Note 15), and other payables and accruals (current) (Note 15)

The carrying amounts of the above financial assets and liabilities are reasonable approximation of their fair values due to their short maturities.

Borrowings (Note 18)

The carrying amounts of the above financial assets and liabilities are reasonable approximation of their fair values as the interest rate approximates the market interest rate prevailing at the financial period end.

Trade payables (non-current) (Note 15), and other payables (non-current) (Note 15)

The carrying amounts of these financial liabilities are reasonable approximations of their fair values as the present value differential is not significant.

Financial instruments by category

The aggregate carrying amounts of financial assets and financial liabilities at amortised cost are as follows:

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
Financial assets at amortised cost	**86,068**	85,729
Financial liabilities at amortised cost	**81,454**	65,578

The following table provides the fair value measurement hierarchy of the Group's financial asset as at 30 April 2025 and 31 October 2024:

	30 April 2025	31 October 2024
	$'000	*$'000*
	(Unaudited)	(Audited)
Financial assets measured at fair value		
Quoted equity investments		
Investment in marketable securities		
(Level 1 – quoted prices in active markets)	**956**	975

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities. Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

23. AUTHORISATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR ISSUE

The condensed consolidated financial statements for the six months ended 30 April 2025 were authorised for issue by the Board of Directors on 30 June 2025.