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Chuan Holdings Limited

川 控 股 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1420)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Chuan Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**period under review**” or the “**Reporting Period**”) together with the comparative figures as follows:

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
	Note	2025 S\$'000 (Unaudited)	2024 S\$'000 (Unaudited)
Revenue	5	54,861	63,505
Cost of sales		<u>(45,078)</u>	<u>(56,572)</u>
		9,783	6,933
Rental income	5	6,467	876
Direct operating expenses		<u>(4,546)</u>	<u>(776)</u>
		1,921	100
Gross profit		11,704	7,033
Other income and gains	5	1,932	1,177
Administrative and other operating expenses		(4,148)	(3,881)
Other expenses		(269)	(368)
Finance costs	6	(1,007)	(365)
Share of result of joint venture		354	–
Share of losses of associates		<u>(276)</u>	<u>(370)</u>
Profit before income tax	7	8,290	3,226
Income tax expense	8	<u>(2,124)</u>	<u>(855)</u>
Net profit for the period attributable to owners of the Company		<u>6,166</u>	<u>2,371</u>
Other comprehensive income for the period			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Financial assets at fair value through other comprehensive income (“FVOCI”)			
– Fair value gains/(losses)		<u>8</u>	<u>(38)</u>
Other comprehensive income for the period, net of tax		<u>8</u>	<u>(38)</u>
Total comprehensive income for the period attributable to owners of the Company		<u><u>6,174</u></u>	<u><u>2,333</u></u>
Basic earnings per shares (cents)	10	<u><u>0.49</u></u>	<u><u>0.19</u></u>
Diluted earnings per shares (cents)	10	<u><u>0.46</u></u>	<u><u>0.18</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 S\$'000 (Unaudited)	31 December 2024 S\$'000 (Audited)
	<i>Note</i>		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	81,888	80,922
Investment property		1,256	1,262
Investment in associates and joint venture		20,440	19,460
Other assets		363	363
Deposits, prepayments and other receivables		534	620
Financial assets at fair value through profit or loss (“FVTPL”)		1,548	3,278
Financial assets at FVOCI		543	535
Total non-current assets		106,572	106,440
Current assets			
Financial assets at FVTPL		4,344	2,240
Inventories		1,554	1,638
Contract assets		26,055	28,292
Trade receivables	12	18,220	17,877
Deposits, prepayments and other receivables		5,644	2,314
Pledged deposits	13	1,290	1,290
Cash and cash equivalents	13	27,303	31,408
Total current assets		84,410	85,059
Total assets		190,982	191,499
Current liabilities			
Contract liabilities		12,851	14,793
Trade payables	14	5,977	6,761
Other payables, accruals and deposits received		8,814	10,843
Borrowings	15	4,754	5,369
Lease liabilities		5,059	9,894
Income tax payable		3,879	3,353
Total current liabilities		41,334	51,013

		30 June 2025	31 December 2024
	<i>Note</i>	S\$'000	S\$'000
		(Unaudited)	(Audited)
Net current assets		<u>43,076</u>	<u>34,046</u>
Total assets less current liabilities		<u>149,648</u>	<u>140,486</u>
Non-current liabilities			
Borrowings	15	29,776	32,164
Lease liabilities		10,130	4,674
Deferred tax liabilities		<u>420</u>	<u>500</u>
Total non-current liabilities		<u>40,326</u>	<u>37,338</u>
Total liabilities		<u>81,660</u>	<u>88,351</u>
Net assets		<u>109,322</u>	<u>103,148</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	17	2,154	2,154
Share premium		29,950	29,950
Reserves		<u>77,218</u>	<u>71,044</u>
Total equity		<u>109,322</u>	<u>103,148</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital S\$'000	Share premium S\$'000	Merger reserve S\$'000	Share option reserve S\$'000	Fair value reserve S\$'000	Retained profits S\$'000	Total S\$'000
At 1 January 2024	1,767	27,250	5,166	664	(42)	57,283	92,088
Transactions with owners:							
Issuance of shares	389	2,571	-	-	-	-	2,960
	2,156	29,821	5,166	664	(42)	57,283	95,048
Profit for the period	-	-	-	-	-	2,371	2,371
Other comprehensive income:							
Changes in fair value of financial assets at FVOCI	-	-	-	-	(38)	-	(38)
Total comprehensive (loss)/income for the period	-	-	-	-	(38)	2,371	2,333
At 30 June 2024 (unaudited)	<u>2,156</u>	<u>29,821</u>	<u>5,166</u>	<u>664</u>	<u>(80)</u>	<u>59,654</u>	<u>97,381</u>
At 1 January 2025	2,154	29,950	5,166	518	(64)	65,424	103,148
Profit for the period	-	-	-	-	-	6,166	6,166
Other comprehensive income:							
Changes in fair value of financial assets at FVOCI	-	-	-	-	8	-	8
Total comprehensive income for the period	-	-	-	-	8	6,166	6,174
At 30 June 2025 (unaudited)	<u>2,154</u>	<u>29,950</u>	<u>5,166</u>	<u>518</u>	<u>(56)</u>	<u>71,590</u>	<u>109,322</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	6,003	6,469
Income tax paid, net	(1,678)	(713)
Net cash flows generated from operating activities	4,325	5,756
Cash flows from investing activities		
Proceeds from disposals of property, plant and equipment	791	94
Purchases of property, plant and equipment	(2,468)	(876)
Purchases of financial assets at FVPTL	(53)	(378)
Proceeds from settlement of financial assets at FVTPL	450	—
Investment in associates and joint venture	(900)	(2,363)
Acquisition of assets through acquisition of subsidiary, net	—	(41,570)
Interest received	197	181
Dividend received	5	5
Net cash flows used in investing activities	(1,978)	(44,907)
Cash flows from financing activities		
Interest portion of the lease liabilities	(331)	(209)
Principal portion of the lease liabilities	(2,233)	(1,512)
Repayment of borrowings	(3,004)	(818)
Proceeds from borrowings	—	31,720
Repayment of sales loan	—	(4,000)
Issuance of promissory note	—	8,000
Proceeds from new shares	—	2,960
Interest paid	(695)	(66)
Net cash flows (used in)/generated from financing activities	(6,263)	36,075
Net decrease in cash and cash equivalents	(3,916)	(3,076)
Cash and cash equivalents at beginning of the period	31,408	30,105
Effect of foreign exchange rate changes, net	(189)	111
Cash and cash equivalents at end of the period	27,303	27,140
Analysis of balances of cash and cash equivalents		
Cash and bank balances	18,131	18,367
Time deposits with maturity less than three months	9,172	8,773
	27,303	27,140

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The Company is a limited liability company incorporated and domiciled in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the principal place of business of the Company in Singapore is located at 20 Senoko Drive, Singapore 758207.

The Company is an investment holding company. The Group is principally engaged in the provision of general building and construction services as well as property leasing and management operations in Singapore.

The condensed consolidated interim financial statements of the Group are unaudited, but have been reviewed by the audit committee (the “**Audit Committee**”) of the Board. The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 were approved and authorised for issue by the Board on 29 August 2025.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“**IAS 34**”) as well as with the applicable disclosures required under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

These condensed consolidated interim financial statements do not include the information and disclosures required in annual financial statements and should be read in conjunction with the annual financial statements of the Group for the financial year ended 31 December 2024.

These condensed consolidated interim financial statements are presented in Singapore Dollars (“S\$”) and all values in this announcement are rounded to the nearest thousand except when otherwise indicated.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the annual financial statements of the Group for the financial year ended 31 December 2024.

The Group has applied for the first-time the standards and amendments which are effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any other standards, interpretation or amendments that has been issued but is not yet effective.

The adoption of the above amendments has no material impact on the Group’s results and financial position for the current or prior periods. The Group has not early applied any new standards or interpretation that is not yet effective for the current accounting period.

4. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the Group determines its operating segments based on the reports reviewed by the executive Directors, being the chief operating decision-maker (“CODM”), that are used to make strategic decisions. These condensed consolidated interim financial statements which were reported to the CODM based on the following segments:

- (i) Provision of earthworks and related services, mainly include excavation, earth disposal, demolition and various earthwork ancillary services (collectively referred as “**Earthworks and ancillary services**”);
- (ii) Provision of general construction works, mainly include construction of new buildings and alteration and addition works (collectively referred as “**General construction works**”);
and

- (iii) Property leasing and management operations (collectively referred as “**Property investment**”).

Segment revenue and results

Segment revenue below represents revenue from external customers. There was no inter-segment revenue during the respective periods. Operating revenue, direct costs, gain on disposals of property, plant and equipment (including plant and machinery and motor vehicles), interest expenses on lease liabilities and provision for expected credit loss (“**ECL**”) on trade receivables and contract assets were allocated to different segments to assess corresponding performance.

The segment revenue and results, and the totals presented for the Group’s operating segments reconcile to the Group’s key financial figures as presented in the financial statements are as follows:

For the six months ended 30 June 2025 (unaudited)

	Earthworks and ancillary services S\$’000	General construction works S\$’000	Property investment S\$’000	Total S\$’000
Revenue from external customers	<u>46,107</u>	<u>8,754</u>	<u>6,467</u>	<u>61,328</u>
<i>Reconciliation:</i>				
Reportable segment results	9,593	307	1,184	11,084
Unallocated other income and gains				1,530
Corporate and other unallocated expenses				(4,402)
Share of results of associates and joint venture				<u>78</u>
Profit before income tax				<u>8,290</u>

For the six months ended 30 June 2024 (unaudited)

	Earthworks and ancillary services S\$'000	General construction works S\$'000	Property investment S\$'000	Total S\$'000
Revenue from external customers	<u>45,045</u>	<u>18,460</u>	<u>876</u>	<u>64,381</u>
<i>Reconciliation:</i>				
Reportable segment results	4,848	1,883	90	6,821
Unallocated other income and gains				812
Corporate and other unallocated expenses				(3,881)
Interest on borrowings				(156)
Share of results of associates				<u>(370)</u>
Profit before income tax				<u>3,226</u>

Corporate and other unallocated expenses mainly included Directors' emoluments, employee benefit expenses, depreciation of office equipment and other centralised administrative cost for the Group's headquarter.

Segment assets and liabilities

Reportable segment assets

The following is an analysis of the Group's segment assets by reportable and operating segment:

	As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
Earthworks and ancillary services	54,227	57,067
General construction works	12,120	9,672
Property investment	59,764	59,773
	<hr/>	<hr/>
Total	126,111	126,512
	<hr/> <hr/>	<hr/> <hr/>
<i>Additions to non-current segment assets:</i>		
Earthworks and ancillary services	5,407	10,151
General construction works	–	2
Property investment	1,134	61,878
	<hr/>	<hr/>
	6,541	72,031
	<hr/> <hr/>	<hr/> <hr/>

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
Reportable segment assets	126,111	126,512
Corporate and other unallocated assets	64,871	64,987
	<hr/>	<hr/>
Group assets	190,982	191,499
	<hr/> <hr/>	<hr/> <hr/>

Corporate and other unallocated assets mainly included cash and cash equivalents, investment in associates and financial assets at FVTPL.

Reportable segment liabilities

The following is an analysis of the Group's segment liabilities by reportable and operating segment:

	As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
Earthworks and ancillary services	28,420	30,177
General construction works	2,813	3,298
Property investment	37,243	39,443
Total	<u>68,476</u>	<u>72,918</u>

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
Reportable segment liabilities	68,476	72,918
Borrowings	–	657
Deferred tax liabilities	420	500
Corporate and other unallocated liabilities	12,764	14,276
Group liabilities	<u>81,660</u>	<u>88,351</u>

Corporate and other unallocated liabilities mainly included accruals for employee benefit expenses and payables of office operating expenses and utilities.

5. REVENUE, OTHER INCOME AND GAINS

- (a) Revenue, which is also the Group's turnover, represents the revenue from Earthworks and ancillary services, General construction works and Property investment. Revenue recognised from the principal activities during the respective periods is as follows:

	Six months ended 30 June	
	2025	2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customer and recognised over time:		
Earthworks and ancillary services	46,107	45,045
General construction works	8,754	18,460
Property investment	6,467	876
Total	61,328	64,381

Earthworks and ancillary services included revenue of S\$42,327,000 (30 June 2024: S\$42,568,000) from earthworks and S\$3,780,000 (30 June 2024: S\$2,477,000) from earthwork ancillary services.

- (b) Transaction price allocated to remaining performance obligations

As at 30 June 2025, the transaction price allocated to performance obligations that were unsatisfied (or partially unsatisfied) in relation to project works was S\$453,244,000 (30 June 2024: S\$326,459,000). The Directors expect that the unsatisfied performance obligations will be recognised as revenue from 1 to 5 years according to the contract period.

- (c) An analysis of the Group's other income and gains recognised during the respective periods is as follows:

	Six months ended 30 June	
	2025	2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Other income		
Management service income	229	219
Interest income from financial assets at amortised cost	200	147
Reversal of provision for ECL	11	271
Dividend income from financial assets at FVOCI	5	5
Sales of scrap materials and consumables	222	232
Government grants	35	11
Others	67	3
	<u>769</u>	<u>888</u>
Gains		
Gain on disposals of property, plant and equipment	391	94
Gain on settlement of financial assets at FVTPL	772	–
Fair value gain on financial assets at FVTPL	–	85
Net foreign exchange gain	–	110
	<u>1,163</u>	<u>289</u>
Total	<u><u>1,932</u></u>	<u><u>1,177</u></u>

6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Interest expenses for financial liabilities at amortised cost:		
– Interest on lease liabilities	331	209
– Interest on borrowings wholly repayable within five years	676	102
– Interest on promissory note	–	54
	<u>–</u>	<u>54</u>
Total	<u><u>1,007</u></u>	<u><u>365</u></u>

7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment *	5,228	3,130
Depreciation of investment property **	6	6
Employee benefit expenses (including Directors' remuneration):		
– Salaries, wages and bonuses	12,935	11,703
– Defined contribution retirement plan	504	416
– Other short-term benefits	1,853	1,856
Provision for ECL on contract assets	56	47
(Reversal of)/provision for ECL on trade receivables	(52)	50

* Depreciation of property, plant and equipment amounting to S\$4,996,000 (30 June 2024: S\$2,916,000) was included in direct costs and S\$232,000 (30 June 2024: S\$214,000) in administrative and other operating expenses.

** Depreciation of investment property was included in other operating expenses.

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Current tax – Singapore income tax		
Charge for the period	2,204	676
Deferred tax		
(Credit)/charge for the period	(80)	179
Income tax expense	2,124	855

Singapore income tax was provided at the rate of 17% on the estimated assessable profits for each of the financial periods. No provision for Hong Kong profits tax was made as the Group did not derive any assessable profits in Hong Kong for the six months ended 30 June 2025 and 2024.

9. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

10. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2025 is based on the profit for the period of S\$6,166,000 (30 June 2024: S\$2,371,000) and on the weighted average number of 1,263,427,200 (30 June 2024: 1,264,475,200) ordinary shares (the “**Shares**”) of HK\$0.01 each in the share capital of the Company in issue during the Reporting Period.

The calculation of diluted earnings per share for the six months ended 30 June 2025 is based on the profit for the period of S\$6,166,000 (30 June 2024: S\$2,371,000) and on the weighted average number of Shares adjusted for the effects of dilution from the Group’s share options of 1,342,651,200 (30 June 2024: 1,343,699,200).

11. PROPERTY, PLANT AND EQUIPMENT

	Properties leased for own use S\$'000	Construction in progress S\$'000	Solar panels S\$'000	Plant and machinery S\$'000	Furniture, fixtures and office equipment S\$'000	Motor vehicles S\$'000	Total S\$'000
Cost							
At 1 January 2024	–	–	–	28,390	4,345	42,661	75,396
Acquisition of subsidiary	61,876	–	–	–	26	–	61,902
Additions	–	389	–	2,739	599	6,969	10,696
Disposals	–	–	–	(1,633)	–	(4,947)	(6,580)
At 31 December 2024 and 1 January 2025	61,876	389	–	29,496	4,970	44,683	141,414
Additions	–	1,134	–	2,576	712	2,172	6,594
Transfer	–	(1,334)	1,334	–	–	–	–
Disposals	–	–	–	(1,003)	–	(2,117)	(3,120)
At 30 June 2025	<u>61,876</u>	<u>189</u>	<u>1,334</u>	<u>31,069</u>	<u>5,682</u>	<u>44,738</u>	<u>144,888</u>
Accumulated depreciation							
At 1 January 2024	–	–	–	20,311	2,194	36,071	58,576
Depreciation charge	2,250	–	–	2,675	781	2,638	8,344
Disposals	–	–	–	(1,626)	–	(4,802)	(6,428)
At 31 December 2024 and 1 January 2025	2,250	–	–	21,360	2,975	33,907	60,492
Depreciation charge	1,687	–	66	1,449	430	1,596	5,228
Disposals	–	–	–	(726)	–	(1,994)	(2,720)
At 30 June 2025	<u>3,937</u>	<u>–</u>	<u>66</u>	<u>22,083</u>	<u>3,405</u>	<u>33,509</u>	<u>63,000</u>
Net book value							
As 31 December 2024	<u>59,626</u>	<u>389</u>	<u>–</u>	<u>8,136</u>	<u>1,995</u>	<u>10,776</u>	<u>80,922</u>
At 30 June 2025	<u>57,939</u>	<u>189</u>	<u>1,268</u>	<u>8,986</u>	<u>2,277</u>	<u>11,229</u>	<u>81,888</u>

12. TRADE RECEIVABLES

		As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
	<i>Note</i>		
Trade receivables		19,345	18,806
Retention receivables		<u>117</u>	<u>365</u>
	(a)	19,462	19,171
Less: Provision for ECL on trade receivables and retention receivables		<u>(1,242)</u>	<u>(1,294)</u>
	(b)	<u><u>18,220</u></u>	<u><u>17,877</u></u>
Total trade receivables, net			
– Non-related parties		18,214	17,875
– Related parties	(c)	<u>6</u>	<u>2</u>
		<u><u>18,220</u></u>	<u><u>17,877</u></u>

Notes:

- (a) During the respective periods, the credit period granted to the Group's customers was generally within 30 (31 December 2024: 30) days from the invoice date of the relevant contract revenue. Some construction contracts stipulate that the customers withhold a portion of total contract sum (usually 5%) until a specified period (usually 1 year) after completion of the contract. The amount withheld is classified as retention receivables. Retention receivables are unsecured and interest-free.

- (b) Based on invoice date, the ageing analysis of the Group's trade receivables is as follows:

	As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
0 to 30 days	10,166	9,306
31 to 90 days	6,415	5,919
91 to 180 days	818	1,381
181 to 365 days	821	1,229
Over 365 days	—	42
	<u>18,220</u>	<u>17,877</u>
Retention receivables	<u>—</u>	<u>—</u>
	<u>18,220</u>	<u>17,877</u>

The ageing analysis of the Group's trade receivables that were not impaired is as follows:

	As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
Neither past due nor impaired	10,167	9,306
1 to 30 days past due	3,301	3,195
31 to 90 days past due	3,632	3,348
91 to 180 days past due	388	901
181 to 365 days past due	732	1,085
Over 365 days past due	—	42
	<u>18,220</u>	<u>17,877</u>
Retention receivables	<u>—</u>	<u>—</u>
	<u>18,220</u>	<u>17,877</u>

The Group's trade receivables that were neither past due nor impaired as at the reporting dates related to the customers who had no recent history of default. The Group's management considers that trade receivables that were past due but not impaired under review are of good credit quality. The Group does not hold any collateral in respect of trade receivables past due but not impaired.

The movement in the provision for ECL on trade receivables and retention receivables is as follows:

	As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
Balance at beginning of the period/year	1,294	1,175
Acquisition of subsidiary	–	43
(Reversal of)/provision for ECL, net	<u>(52)</u>	<u>76</u>
Balance at end of the period/year	<u><u>1,242</u></u>	<u><u>1,294</u></u>

- (c) The receivables from these related parties are unsecured, interest-free and repayable on demand. The trading transactions with these related parties are detailed in Note 19.

13. CASH AND CASH EQUIVALENTS

	As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
Cash and bank balances	19,421	28,875
Time deposits with an original maturity of less than three months	<u>9,172</u>	<u>3,823</u>
	28,593	32,698
Less: Pledged deposits (<i>Note</i>)	<u>(1,290)</u>	<u>(1,290)</u>
Cash and cash equivalents	<u><u>27,303</u></u>	<u><u>31,408</u></u>

The bank balances bear interest at floating rates based on daily bank deposits rates. Short term time deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates.

Note:

As at 30 June 2025 and 31 December 2024, pledged deposits were restricted bank balances to secure:

- (i) the guarantee arrangement and the issuance of performance bonds (*Note 20*); and
- (ii) the banking facilities including letter of credit, overdraft and bank guarantee amounting to S\$13,063,000 and S\$13,063,000 respectively.

14. TRADE PAYABLES

		As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
	<i>Note</i>		
Trade payables	<i>(a)</i>	5,552	6,167
Retention payables		425	594
		<u>5,977</u>	<u>6,761</u>
Total trade payables			
– Non-related parties		5,970	6,753
– Related parties	<i>(b)</i>	7	8
		<u>5,977</u>	<u>6,761</u>

Notes:

- (a) The Group's trade payables are non-interest bearing and generally have payment terms of 30 days.

(b) The trading transactions with these related parties are detailed in Note 19.

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

	As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
0 to 30 days	3,881	4,240
31 to 90 days	1,283	1,349
91 to 180 days	274	273
Over 180 days	539	899
	<u>5,977</u>	<u>6,761</u>

15. BORROWINGS

	As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
Current liabilities:		
Amounts payable within one year		
– Term loans	(a) <u>4,754</u>	<u>5,369</u>
Non-current liabilities:		
Amounts payable in the second year onwards		
– Term loans	(a) <u>29,776</u>	<u>32,164</u>
Total borrowings	<u>34,530</u>	<u>37,533</u>

Note:

- (a) The Group had obtained secured term loans to finance the Group's working capital and acquisition during the respective periods.

	As at 30 June 2025 %	As at 31 December 2024 %
Fixed interest rate of		
the secured term loans per annum	2%	2%
Floating interest rate of		
the secured term loans per annum	Singapore Overnight Rate Average in-arrears plus a margin of 1% to 1.88%	Singapore Overnight Rate Average in-arrears plus a margin of 1.35% to 1.45%

16. LEASES

As Lessor

Future minimum rental receivables under non-cancellable operating leases of the Group as at the reporting dates are as follows:

	As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
Within one year	7,964	6,930
Within the second to fifth years	417	203
	8,381	7,133

The Group leases its investment property under operating leases. The leases run for an initial period of 1 to 2 years. None of these leases includes any contingent rentals.

17. SHARE CAPITAL

	Number of shares	Amounts S\$'000
Authorised:		
Ordinary share HK\$0.01 each		
At 31 December 2024 (audited) and 30 June 2025 (unaudited)	<u>10,000,000,000</u>	<u>17,430</u>
Issued and fully paid:		
At 31 December 2024 (audited) and 30 June 2025 (unaudited)	<u>1,263,427,200</u>	<u>2,154</u>

18. COMMITMENTS

The Group had the following commitments as at the reporting dates:

	As at 30 June 2025 S\$'000 (Unaudited)	As at 31 December 2024 S\$'000 (Audited)
Contracted but not provided for, in respect of		
– Acquisition of property, plant and equipment	<u>2,140</u>	<u>2,125</u>

19. RELATED PARTY TRANSACTIONS

- (a) Save as disclosed elsewhere in the unaudited condensed consolidated interim financial statements, the Group had the following material related party transactions during the respective periods:

	Six months ended 30 June	
	2025	2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Construction contract work and earthwork ancillary services income received from related parties		
– Cheng Yap Construction Pte. Ltd. <i>(Note)</i>	10	–
– Chuan Lim – United E & P Joint Venture	112	102
	<u>122</u>	<u>102</u>
Rental income received from a related party		
– Cheng Yap Construction Pte. Ltd. <i>(Note)</i>	11	–
	<u>11</u>	<u>–</u>
Construction costs and related supporting service fees charged by related parties		
– Cheng Yap Construction Pte. Ltd. <i>(Note)</i>	24	25
– Hulett Construction (S) Pte. Ltd. <i>(Note)</i>	–	807
– Chuan Lim – BuildStar JV Pte. Ltd.	2,232	–
	<u>2,256</u>	<u>832</u>
Rental expenses charged by a related party		
– Hulett Construction (S) Pte. Ltd. <i>(Note)</i>	–	40
	<u>–</u>	<u>40</u>

Note:

These related party transactions constitute one-off and continuing connected transactions as defined in Chapter 14A of the Listing Rules.

All the transactions with the related parties were negotiated and carried out in the ordinary course of business and at terms agreed between the parties.

(b) Compensation of key management personnel

The remuneration of the Directors and other members of key management for the six months ended 30 June 2025 and 2024 are as follows:

	Six months ended 30 June	
	2025	2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	<u>1,651</u>	<u>1,211</u>

20. CONTINGENT LIABILITIES

Performance bonds provided for in the ordinary course of business

As at 30 June 2025, the Group had contingent liabilities in respect of performance bonds of construction contracts in its ordinary course of business of S\$3,631,000 (31 December 2024: S\$7,093,000). The guarantees in respect of performance bonds issued by banks were secured by pledged deposits (*Note 13*).

21. EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after 30 June 2025.

22. APPROVAL OF FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 were approved and authorised for issue by the Board on 29 August 2025.

BUSINESS REVIEW

The Board is pleased to present the interim results of the Group for the six months ended 30 June 2025, together with comparative figures for the previous period ended 30 June 2024.

Industry Review

The first half of 2025 was characterised by a marked deceleration in global economic growth, compelling several leading international organisations to downgrade their forecasts. This revisionist trend is largely attributed to a confluence of unabating trade frictions, a tightening of global financial conditions and a pervasive climate of policy uncertainty. Citing the adverse impacts of escalating tariff barriers, sluggish international trade and mounting macroeconomic risks, the World Bank has adjusted its global growth projection to 2.3% for 2025. In a similar vein, the United Nations has lowered its forecast to 2.4% - a notable reduction from 2.9% in 2024, pointing to weakened investment flows and compounded geopolitical strains. In aggregate, the subdued economic performance in the first half of 2025 reflects a challenging and uncertain global landscape, where persistent structural headwinds continue to impede robust growth.

The Singapore economy demonstrated notable resilience and robust expansion during the period under review, registering a year-on-year Gross Domestic Product growth of 4.3%. The expansion was principally buoyed by the strategic front-loading of trade activities in anticipation of forthcoming tariff implementations. The performance was underscored by a significant rebound in the second quarter, which recorded a year-on-year growth of 4.4%. In light of this performance, the Singapore's Ministry of Trade and Industry has upwardly revised its full-year economic growth forecast to range between 1.5% to 2.5%. Nevertheless, such economic buoyancy stands in contrast to a discernible cooling in the labour market. Employment growth decelerated sharply in the first quarter of 2025, with the creation of only 2,400 new jobs – a steep decline from the 7,700 added in the fourth quarter of 2024. A granular analysis reveals that resident employment saw a marginal increase of just 300, while the balance of 2,000 positions was filled by non-residents. While the labour market exhibits signs of moderation, Singapore's overall macroeconomic posture in the first half of 2025 remained exceptionally resilient, navigating external pressures with considerable strength.

Singapore's construction sector demonstrated exceptional dynamism and registered a period of vigorous expansion throughout the Reporting Period, buoyed by sustained momentum from both public- and private-sector projects. This was evidenced by a year-on-year output growth that accelerated from 4.9% in the first quarter to 6.0% in the second. The positive trajectory was further underscored by a significant 5.7% rebound on a seasonally adjusted quarter-on-quarter basis, decisively reversing the preceding quarter's contraction. This robust activity was substantively driven by tangible progress on a portfolio of nation-building megaprojects and a buoyant private development pipeline.

Notably, the government's accelerated delivery schedule for Built-To-Order flats, which aims to deliver over 50,000 new units between 2025 and 2027, provided a foundational layer of high-volume demand that sustained the sector's upward trajectory during the Reporting Period. Concurrently, the period under review was distinguished by a palpable shift towards advanced construction paradigms, heavily influenced by the national Green Plan 2030. This saw increased capital deployment into eco-friendly building solutions and the accelerating integration of digital technologies. The strategic pivot towards artificial intelligence ("AI"), the Internet of Things ("IoT") and other smart city solutions began to yield measurable gains in operational efficiency and project management across the industry. The confluence of sustained project execution, strong housing demand and a strategic pivot towards technological and sustainable innovation solidified the construction sector's role as a critical contributor to Singapore's overall economic resilience during the Reporting Period.

The Singaporean construction sector is undergoing a profound digital transformation, characterised by the accelerating integration of AI and related advanced technologies. This strategic pivot presents significant opportunities for foreign firms with expertise in smart city solutions, the IoT and AI-driven construction management, particularly as they can leverage robust government-supported innovation initiatives. While granular, Singapore-centric data on AI adoption for the first half of 2025 remains nascent in the public domain, broader research illuminates the transformative potential of these technologies. Generative AI, for instance, is recognised for its capacity to substantially enhance productivity across the project lifecycle, including in critical functions such as design, planning, contract analysis and project management. Moreover, specific case studies employing advanced frameworks like retrieval-augmented generation have demonstrated tangible efficiency gains, yielding improvements of 5-10% in output quality, relevance and reproducibility for firms that adopt bespoke AI models. As Singapore relentlessly pursues the modernisation of its built environment, the role of AI is poised to expand significantly, evolving from a niche application to a core component for enhancing operational efficiency, ensuring stringent cost control and solidifying the industry's competitive global positioning.

In response to the prevailing economic climate and the dynamic evolution of Singapore's construction sector, the Group has instituted a highly strategic and agile operational framework. This model, predicated on the vigilant surveillance of market trends and an inherent capacity for swift strategic recalibration, optimally positions the Group to mitigate potential adversities while capitalising on emergent opportunities. Such proactive posture is fundamental to the Group's sustained resilience and long-term growth trajectory, solidifying its position as an industry vanguard adept at navigating a rapidly transforming landscape with precision and foresight.

Overall Performance

With a distinguished legacy spanning over two decades, the Group is a leading and highly reputable earthworks contractor in Singapore. The Group is steadfastly dedicated to providing services of the highest calibre, characterised by punctuality, reliability and excellence. This commitment is deeply rooted in its core values of integrity and superlative craftsmanship. Furthermore, the Group places paramount importance on rigorous compliance with all safety and regulatory mandates, recognising them as integral and non-negotiable components of its operational framework.

Navigating a global economic landscape constrained by inflation and geopolitical uncertainty, the Group capitalised on the sustained momentum within Singapore's construction sector during the Reporting Period. The industry's resilient growth, fuelled by vigorous demand in key segments, provided a fertile ground for its strategic initiatives. The Group's strategic emphasis on securing large-scale infrastructure contracts and enhancing operational efficiency has yielded tangible results, as reflected in its resilient financial performance. This performance was well aligned with the sector's renewed growth trajectory during the Reporting Period.

The Group's financial results for the Reporting Period reflects the successful implementation of its strategy to prioritise higher-margin projects. This resulted in approximately a nominal 4.7% year-on-year decrease in revenue to approximately S\$61.3 million. This top-line moderation was more than offset by a significant expansion in profitability, with gross profit surging by approximately 66.4% year-on-year to approximately S\$11.7 million. Notably, net profit attributable to owners of the Company amounted to approximately S\$6.2 million, an approximately 1.6-fold year-on-year increase compared to the corresponding period last year, demonstrating a marked improvement in the quality of earnings and the efficacy of the Group's value-centric approach.

Harnessing its formidable reputation and proven expertise, and its strategic A2-grade contractor status for both civil engineering and general building under the Contractors Registration System of the Singapore's Building and Construction Authority ("**BCA**"), a key enabler for securing high-value contracts, the Group decisively reinforced its market ascendancy by securing 23 new projects during the Reporting Period, demonstrating its continued market leadership across public infrastructure, residential and industrial domains. This period of robust growth was headlined by a landmark strategic maneuver – the formation of the GUOLINK PARTNERSHIP, a pivotal joint venture with a distinguished leader in Singapore's earthworks sector for engagement in the project in relation to the monumental expansion of Changi Airport Terminal 5 – one of the most ambitious and nationally significant infrastructure projects in the nation's history. The formation of GUOLINK PARTNERSHIP represents a powerful convergence of complementary expertise, merging the Group's extensive project management capabilities with the partner's specialised proficiency in large-scale, complex earthworks. Underpinned by other keystone engagements, including the Johor Bahru-Singapore Rapid Transit System Link project and the Telok Blangah C1 project for the Singapore's Housing & Development Board ("**HDB**"), these accomplishments significantly enhance the Group's competitive posture, positioning itself to pursue a new echelon of prestigious, high-margin ventures.

Earthworks and Ancillary Services

The Earthworks and ancillary services segment continued its role as the principal contributor to the Group's revenue during the Reporting Period, contributing approximately 75.2% of its total revenue, which amounted to approximately S\$46.1 million, an increase from approximately S\$45.0 million during the same period last year. The increase was propelled by an accelerated rate of project completions, facilitated by the broader operational recovery within Singapore's construction industry.

During the Reporting Period, the Group was engaged in 84 ongoing Earthworks and ancillary services projects, including North-South Corridor Contract N105 project and the CR3018 - Earthwork at Tuas project for the Singapore's Land Transport Authority. The successful execution of these projects underscored the Group's technical mastery in navigating intricate infrastructure challenges. This proven performance was instrumental in securing 22 new projects during the Reporting Period, with a total contract value of approximately S\$55.0 million.

General Construction Works

The General construction works segment generated revenue of approximately S\$8.8 million during the Reporting Period, contrasted with approximately S\$18.5 million during the same period last year, a variance primarily attributable to the high volume of project completions in the previous year, many of which were non-recurring. The project-based nature of this segment inherently leads to revenue fluctuations contingent on the timing and scale of project completions.

The Group's strategy during the Reporting Period was a deliberate pivot towards value over volume. The Group intensified its focus on securing high-margin contracts, a disciplined approach that prioritises long-term profitability and strategic alignment over sheer project count. During the Reporting Period, the Group was engaged in 10 ongoing General construction works projects, such as the design and build upgrading projects to G32E for HDB, the Henderson and Jurong Pier Substation projects etc. Underscoring the success of this refined strategy, the Group was awarded a new project with contract value of S\$14.9 million during the Reporting Period, reinforcing its pipeline with high-quality contracts.

Property Investment

Subsequent to the acquisition of the entire equity interest in Hulett Construction (S) Pte. Ltd. (“**Hulett Construction**”), a company incorporated in Singapore with limited liability which is now an indirect wholly-owned subsidiary of the Company, (the “**Acquisition**”) in the preceding year, the Group further broadened its business portfolio within the Property investment segment. The property at 20 Senoko Drive, Singapore 758207 (the “**Property**”) has been strategically leveraged to generate substantial recurring rental income through the leasing of its surplus capacity. This segment delivered an exceptional performance during the Reporting Period, generating segmental revenue of approximately S\$6.5 million, an approximately 6.4 fold increase compared to the corresponding period last year.

The Property constitutes a cornerstone of the Group’s operational framework, seamlessly integrating corporate functions with a sophisticated infrastructure engineered for excellence. It provides a synergistic ecosystem encompassing advanced workforce accommodation, extensive logistics for heavy equipment deployment and purpose-built production environments. The strategic transition to full ownership has unlocked significant cost efficiencies and enhanced the Group’s agility, establishing a robust platform for future scaling and market leadership.

FINANCIAL REVIEW

Revenue and Gross Profit

	For six months ended 30 June 2025			For six months ended 30 June 2024		
	Revenue recognised S\$'000	Gross Profit S\$'000	Gross Profit margin	Revenue recognised S\$'000	Gross Profit S\$'000	Gross Profit margin
Earthworks and ancillary services	46,107	9,420	20.4%	45,045	5,151	11.4%
General construction works	8,754	363	4.1%	18,460	1,782	9.7%
Property investment	6,467	1,921	29.7%	876	100	11.4%
Total	61,328	11,704	19.1%	64,381	7,033	10.9%

For the six months ended 30 June 2025, the Group generated a total revenue of approximately S\$61.3 million, representing a modest downward adjustment of approximately S\$3.1 million, or approximately 4.7%, compared to the same period in 2024. This adjustment was primarily due to the completion of a smaller number of projects during the Reporting Period. Nonetheless, the Group remained strategically positioned for long-term growth, driven by its unwavering commitment to quality and profitability. Steady contributions from the Earthworks and ancillary services segment, coupled with the Property investment segment continuing to deliver positive returns, had strengthened overall revenue performance. These factors, combined with the Group's prudent financial management, resulted in a remarkable increase of approximately 66.4% in the Group's gross profit, reaching approximately S\$11.7 million (30 June 2024: approximately S\$7.0 million). Additionally, the gross profit margin saw a significant improvement, rising by approximately 8.2 percentage points to approximately 19.1% (30 June 2024: approximately 10.9%).

Earthworks and Ancillary Services

During the Reporting Period, the Earthworks and ancillary services segment maintained its position as the Group's primary revenue generator, contributing approximately 75.2% of the total revenue. The segmental revenue increased by approximately 2.4% year-on-year to approximately S\$46.1 million (30 June 2024: approximately S\$45.0 million), driven by strategic acquisition of profitable construction projects and successful execution of an increased number of government agencies' projects. The segmental gross profit surged approximately 82.9% to approximately S\$9.4 million (30 June 2024: approximately S\$5.2 million).

General Construction Works

Revenue in General construction works segment amounted to approximately S\$8.8 million for the Reporting Period (30 June 2024: approximately S\$18.5 million). This adjustment primarily reflects the completion of several significant projects in the previous corresponding period, many of which were non-recurring in nature. The segmental gross profit stood at approximately S\$0.4 million (30 June 2024: approximately S\$1.8 million).

Property Investment

During the Reporting Period, the Property investment segment made a substantial contribution of approximately S\$6.5 million (30 June 2024: approximately S\$0.9 million) to the Group's total revenue, underscoring the value creation of the Acquisition. Moreover, the segment recorded a robust gross profit of approximately S\$1.9 million (30 June 2024: approximately S\$0.1 million).

Other Income and Gains

For the six months ended 30 June 2025, other income and gains totalled approximately S\$1.9 million, representing an increase of S\$755,000 or approximately 64.1% compared to the same period in the previous year. While the Group recorded increase in gain on settlement of financial assets at FVTPL and gain on disposals of property, plant and equipment during the Reporting Period, these income and gains were counterbalanced by several factors, including reduced sales of scrap materials and consumables and the decrease in net foreign exchange gain.

Administrative and Other Operating Expenses

For the six months ended 30 June 2025, administrative and other operating expenses increased by approximately 6.9% to approximately S\$4.1 million (30 June 2024: approximately S\$3.9 million). This rise primarily stemmed from enhanced employee expenses and compensation packages, reflecting the Group's improved performance and aligning with the broader upward trend in labour costs across the country.

Other Expenses

Other expenses decreased to S\$269,000 for the six months ended 30 June 2025 (30 June 2024: S\$368,000), mainly due to the reversal of provision on trade receivables.

Finance Costs

Finance costs for the six months ended 30 June 2025 rose to approximately S\$1.0 million, up from S\$365,000 in the previous corresponding period. This increase was primarily driven by higher interest expenses on bank borrowings and lease liabilities, financing requirements for the Acquisition which was completed in May 2024 and increased capital expenditure for machinery acquisition to support both secured and potential large-scale development projects.

Share of Results of Associates and Joint Venture

During the Reporting Period, the Group's share of losses of associates amounted to S\$276,000 (30 June 2024: S\$370,000) and the Group's share of result of joint venture amounted to S\$354,000. The joint venture was formed in October 2024.

Income Tax Expense

Income tax expense for the six months ended 30 June 2025 amounted to approximately S\$2.1 million, compared to S\$855,000 in the previous corresponding period. This increase aligns with the Group's improved net profit for the period under review.

Net Profit for the Period and Net Profit Margin

The confluence of the aforementioned factors resulted in a significant increase in net profit attributable to owners of the Company. During the Reporting Period, the net profit rose by approximately S\$3.8 million to approximately S\$6.2 million, representing a substantial increase of approximately 160.1% from approximately S\$2.4 million in the corresponding period last year. Concurrently, the net profit margin improved by approximately 6.4 percentage points, reaching approximately 10.1% for the six months ended 30 June 2025 (30 June 2024: approximately 3.7%).

Liquidity, Financial Resources and Gearing Ratio

Liquidity

During the Reporting Period, the financial position of the Group remained sound and solid, supported by a working capital primarily financed by its internal generated funds as well as bank borrowings. As at 30 June 2025, cash and cash equivalents of the Group were approximately S\$27.3 million (31 December 2024: approximately S\$31.4 million).

The Group is dedicated to upholding a robust and healthy financial position by diligently monitoring its cash and cash equivalents to ensure they are adequate to support the Group's operations and minimise the impact of unforeseen cash flow variations.

Borrowings and Gearing Ratio

As at 30 June 2025, the Group had an aggregate of current and non-current bank borrowings and lease liabilities of approximately S\$49.7 million, a decrease from approximately S\$52.1 million as at 31 December 2024. As at 30 June 2025, the Group's gearing ratio was approximately 0.45 time (31 December 2024: approximately 0.51 time). Gearing ratio is calculated by dividing total borrowings (borrowings and lease liabilities) by total equity as at the end of the respective period.

Foreign Exchange Exposure

The Group predominantly conducts its operations in Singapore, with the majority of transactions denominated in Singapore Dollars.

The Group has no substantial foreign exchange risk due to limited foreign currency transactions other than the functional currency of respective entities. The Group regularly assesses and closely monitors this risk exposure in a timely manner.

Charges on Group's Assets

As at 30 June 2025, the Group's banking facilities were secured by the pledge of the Group's deposits of approximately S\$1.3 million (31 December 2024: approximately S\$1.3 million), while the Group's lease liabilities were secured by the charge over the leased assets with net book value of approximately S\$16.8 million (31 December 2024: approximately S\$15.3 million).

Contingent Liabilities

As at 30 June 2025, the Group had contingent liabilities in respect of performance bonds of construction contracts in its ordinary course of business in the amount of approximately S\$3.6 million, compared to approximately S\$7.1 million for the year ended 31 December 2024. The guarantees in respect of performance bonds issued by banks were secured by pledged deposits.

Capital Expenditure and Capital Commitments

For the six months ended 30 June 2025, the Group invested approximately S\$6.6 million (31 December 2024: approximately S\$10.7 million) in the purchase of property, plant and equipment and right-of-use assets, which was mainly funded by finance lease liabilities and working capital.

As at 30 June 2025, the Group's capital commitments in respect of acquisition of property, plant and equipment amounted to approximately S\$2.1 million (31 December 2024: approximately S\$2.1 million).

Significant Investments Held, Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures and Disclosable Transactions

Save as disclosed elsewhere in this announcement, during the Reporting Period and up to the date of this announcement, there has been no material change in the current information in relation to the significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures and disclosable transactions from the information as disclosed in the annual report of the Group for the financial year ended 31 December 2024 (the “**2024 Annual Report**”).

Connected Transactions

Save as disclosed elsewhere in this announcement, during the Reporting Period and up to the date of this announcement, there has been no material change in the current information in relation to the connected transactions from the information as disclosed in the 2024 Annual Report.

EMPLOYEE AND EMOLUMENT POLICY

As at 30 June 2025, the Group had 654 (31 December 2024: 610) employees, including foreign workers. The Group's total remuneration including the Directors' emoluments for the six months ended 30 June 2025 amounted to approximately S\$15.3 million (30 June 2024: approximately S\$14.0 million).

Employees of the Group are remunerated in accordance with their job duties and prevailing market trends. All employees are eligible for a discretionary bonus depending on their respective performance. The Group has also implemented a share option scheme (the “**Share Option Scheme**”) to acknowledge and incentivise the valuable contribution of the employees towards the Group's growth and advancement.

PROSPECTS

The global economic landscape in 2025 is poised for a period of tempered yet persistent growth, navigating through a complex confluence of countervailing forces. Geopolitical uncertainties and the delicate recalibration of monetary policies by central banks are expected to create a challenging environment. While advanced economies are projected to navigate a phase of subdued expansion, constrained by higher interest rates and fiscal consolidation measure, emerging markets are forecast to serve as the primary engine of global growth, propelled by resilient domestic consumption and robust investment cycles. Concurrently, profound structural megatrends, including accelerated digitalisation, the global energy transition and strategic supply chain diversification, will continue to fundamentally reconfigure the architecture of international trade and capital flows.

Against this global backdrop, Singapore's economy is projected to demonstrate its characteristic resilience, charting a course of steady expansion in 2025. This growth will be firmly anchored by robust domestic fundamentals and proactive structural reforms aimed at cementing its leadership in innovation, sustainability and digital transformation. Despite external vulnerabilities, such as global trade tensions and currency volatility, may exert pressure on its vital export-oriented sectors, the nation's growth momentum is expected to be underpinned by resilient consumer sentiment, strategic public-sector capital deployment and its enduring status as a premier regional nexus for capital, talent and innovation.

Within the broader context of Singapore's resilient national economy, the construction sector emerges as an indispensable pillar of growth, distinguished by its remarkable dynamism and forward momentum. The industry is underpinned by an exceptionally robust demand projected to reach a total value between S\$47 billion and S\$53 billion in 2025, reflecting a confluence of strategic public-sector investment and vigorous private-sector confidence. This powerful demand is propelled by a formidable pipeline of nation-building megaprojects, each designed to enhance Singapore's long-term competitiveness and quality of life. These include the monumental Changi Airport Terminal 5 development, which will cement the nation's status as a premier global aviation hub; the continued expansion of the iconic Marina Bay Sands integrated resort, a cornerstone of the tourism landscape; extensive public housing and urban renewal programmes that address core societal needs; and the strategic development of state-of-the-art biomedical hubs to anchor the high-value knowledge economy. Furthermore, the sector is undergoing a profound transformation, acting as a principal beneficiary and implementer of the government's Green Plan 2030. This national mandate is catalysing a paradigm shift away from traditional methods towards the adoption of sustainable, eco-friendly building materials and sophisticated, digitally-integrated construction methodologies, thereby ensuring the industry's future-readiness and alignment with global sustainability imperatives.

Amidst a highly favourable industry landscape, the Group is astutely positioned not merely to participate in but to decisively capitalise on the impending phase of sectoral growth, leveraging a sophisticated, dual-pronged strategy designed to fortify its competitive advantage and expand its market dominion. The first foundational cornerstone of this strategy is the Group's A2-grade contractor status under BCA, a critical competitive differentiator that transcends mere certification to function as a strategic gateway. This enhanced capability confers upon the Group the eligibility to contend for public-sector and infrastructure projects of a significantly augmented scale and heightened value, thereby unlocking an elite tier of the market previously beyond the Group's purview. This expansion of its addressable market horizon is instrumental in enhancing the Group's capacity to secure complex, longer-tenure contracts, which in turn fortifies the long-term visibility and stability of the Group's revenue streams and profit margins.

Complementing this enhanced tendering power is the Group's synergistic diversification into ancillary services, exemplified by the tender awarded by HDB for the operation of foreign worker dormitories. This initiative represents a masterstroke of strategic integration, further entrenching the Group within Singapore's critical public housing ecosystem while simultaneously augmenting its integrated value proposition by offering a holistic solution for workforce management—an essential component of seamless large-scale project execution. This move not only enhances operational efficiency, but also solidifies the Group's role as a trusted, indispensable partner to key public stakeholders. Collectively, these two strategic imperatives—an upgraded contracting capability and a synergistic expansion into essential services—constitute a formidable and resilient foundation, empowering the Group to consolidate its market leadership, seize high-potential growth opportunities, and ultimately deliver sustainable, superior value to the Company's shareholders (the “**Shareholders**”).

While the outlook for Singapore's construction industry is exceptionally buoyant, this robust growth trajectory is not without its inherent challenges, most notably a pronounced scarcity of high-calibre, skilled professionals and executive talent. This critical human capital deficit presents a principal strategic risk, with the potential to constrain project execution, escalate operational costs, and ultimately temper the sector's full growth potential. The Group remains steadfast in its commitment to navigating this complex operating environment. The Group has instituted a multifaceted and robust risk management framework, anchored in continuous market intelligence analysis to anticipate labour shifts, disciplined financial stewardship to ensure capital is strategically allocated, and comprehensive mitigation strategies designed to insulate its project pipeline from associated volatilities.

A cornerstone of the Group's proactive strategy is a significant investment in its people. The Group is enhancing its remuneration and benefits packages to create a compelling value proposition that not only attracts new talent, but also cultivates and retains the industry's foremost professionals. These strategic imperatives are not merely defensive measures; they are fundamental to safeguarding the Group's profitability, ensuring operational excellence and cementing the long-term viability and sustainable growth of the Group. By transforming a sectoral challenge into a competitive advantage, the Group aims to reinforce its position as an employer of choice and a leader in the industry.

Looking ahead, the Singapore construction market is set to continue its strong upward momentum, driven by the government's steadfast commitment to major infrastructure and urban development. This secular growth dynamic is further amplified by a confluence of sustained public-sector investment and vigorous private-sector confidence, which together forge a uniquely resilient and opportunity-laden ecosystem. Fortified by a deep reservoir of industry experience, a distinguished legacy of execution excellence and profound technical acumen, the Group is exceptionally positioned to not merely participate in, but to decisively lead this next phase of sectoral expansion. Its innate strategic agility allows the Group to anticipate market shifts, navigate fluid macroeconomic paradigms and pioneer innovative, value-engineered solutions, thereby cementing its distinct competitive advantage. The Group remains resolute in its conviction to leverage this formidable constellation of strengths, empowering itself to neutralise potential market headwinds, seize emergent, high-value opportunities, and drive the creation of sustainable, long-term value across the construction sector.

In a dynamic and evolving market landscape, the Group capitalises on its profound industry entrenchment and distinguished reputation. Its operational ethos is anchored by an unwavering commitment to the highest echelons of corporate ethics and executional excellence, a philosophy that ensures the meticulous and timely delivery of every project it undertakes. The Group's demonstrated agility and resilience are integral to its central strategy of maximising sustainable, long-term value for the Shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of good corporate governance in and adopted all of the code provisions (the “**Code Provision(s)**”) of the Corporate Governance Code (the “**CG Code**”) set out in Part 2 of Appendix C1 to the Listing Rules as its own code on corporate governance practices.

The Company had complied with all applicable Code Provisions throughout the Reporting Period.

The Board is aware that the Company shall comply with the CG Code and any deviation from the CG Code shall be carefully considered and disclosed in the interim and annual reports of the Group. The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance.

CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. All Directors, following specific enquiries made by the Company, have confirmed that they had complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the Reporting Period.

The Company has also adopted a written code of conduct on terms no less exacting than the Model Code for its relevant employees (including all employees of the Company and all directors and employees of the Company's subsidiaries who, because of their office or employment, are likely to possess inside information in relation to the Company or its securities, the “**Relevant Employees**”) in respect of their dealings in the Company's securities. All Relevant Employees are required to follow such code when dealing in the securities of the Company.

AUDIT COMMITTEE

The Audit Committee currently comprises all three independent non-executive Directors, namely Mr. Wong Ka Bo Jimmy (chairman), Mr. Wee Hian Eng Cyrus and Mr. Xu Fenglei.

At the request of the Audit Committee, Ernst & Young LLP (“**EY**”), the auditor of the Company, performed certain agreed-upon procedures on the Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 in accordance with International Standards on Related Services 4400 (Revised) *Agreed-Upon Procedures Engagements*.

The agreed-upon procedures were performed solely to assist the Audit Committee to review the interim results of the Group for the six months ended 30 June 2025. As the agreed-upon procedures does not constitute an assurance engagement in accordance with International Standards on Auditing or International Standards on Review Engagements, EY does not express any assurance on the interim results of the Group for the six months ended 30 June 2025.

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters, including the review of the interim results of the Group for the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Shares by the Company or any of its subsidiaries, and the Company did not hold any treasury shares (within the meaning of the Listing Rules), during the Reporting Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chuanholdingsltd.com). The interim report of the Group for the six months ended 30 June 2025 will be available on the aforesaid websites and despatched to the Shareholders in due course.

By order of the Board
Chuan Holdings Limited
Phang Yew Kiat
Chairman and Executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises Mr. Lim Kui Teng, Mr. Phang Yew Kiat, Mr. Bijay Joseph and Ms. Ong Sok Hun as executive Directors; and Mr. Wee Hian Eng Cyrus, Mr. Wong Ka Bo Jimmy and Mr. Xu Fenglei as independent non-executive Directors.