



KHOON GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)


Stock Code : 924

2025/26
INTERIM REPORT

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In the event of any inconsistencies between the English and Chinese text in this interim report, the English text shall prevail.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Tseung Choi Wing Queenie
(appointed on 4 November 2025)

Mr. Ang Jui Khoon
(resigned on 4 November 2025)

Mr. Ang Kok Kwang
(resigned on 4 November 2025)

Independent Non-Executive Directors

Mr. Fok Wai Hung

Mr. So Chi Kai

Ms. Fang Lihua Ruby *(appointed on 4 November 2025
and resigned on 5 January 2026)*

AUDIT COMMITTEE

Mr. So Chi Kai *(Chairman)*

Mr. Fok Wai Hung

Ms. Fang Lihua Ruby *(appointed on 4 November 2025
and resigned on 5 January 2026)*

REMUNERATION COMMITTEE

Mr. Fok Wai Hung *(Chairman)*

Mr. So Chi Kai

Ms. Fang Lihua Ruby *(appointed on 4 November 2025
and resigned on 5 January 2026)*

NOMINATION COMMITTEE

Mr. Fok Wai Hung *(Chairman)*

Mr. So Chi Kai

Ms. Fang Lihua Ruby *(appointed on 4 November 2025
and resigned on 5 January 2026)*

COMPANY SECRETARY

Ms. Fu Yuen Hung

AUTHORISED REPRESENTATIVES

Ms. Tseung Choi Wing Queenie
(appointed on 4 November 2025)

Mr. Ang Kok Kwang
(resigned on 4 November 2025)

Ms. Fu Yuen Hung

REGISTERED OFFICE

Floor 4, Willow House
Cricket Square
Grand Cayman KY1-9010
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 812, 8/F, 68 Kimberley Road
Tsim Sha Tsui, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Campbells Corporate Services Limited
Floor 4, Willow House
Cricket Square
Grand Cayman KY1-9010
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point, Hong Kong

COMPANY'S WEBSITE

www.khoongroup.com

STOCK CODE

924

The board (the “Board”) of directors (the “Directors”) of Khoon Group Limited (the “Company”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the six months ended 31 December 2025 together with comparative figures for the corresponding period in 2024 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Note	Six months ended 31 December	
		2025 (Unaudited) S\$	2024 (Unaudited) S\$
Revenue	6	17,571,003	44,185,932
Cost of services		(18,357,783)	(41,189,381)
Gross (loss)/profit		(786,780)	2,996,551
Other income	7a	160,979	292,387
Other gains and losses	7b	86,641	37,099
Impairment losses on financial assets and contract assets	7c	(18,740,180)	(486,434)
Administrative expenses		(2,246,060)	(2,409,377)
Finance costs	8	(8,600)	(14,232)
(Loss)/profit before tax		(21,534,000)	415,994
Income tax expense	9	–	(258,549)
(Loss)/profit for the period	10	(21,534,000)	157,445
Other comprehensive loss:			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange difference on translating foreign operation		(48,276)	(37,255)
Other comprehensive loss for the period, net of tax		(48,276)	(37,255)
Total comprehensive (loss)/income for the period attributable to owners of the Company		(21,582,276)	120,190
(Loss)/earnings per share (S\$ cents)	12	(2.15)	0.02

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	210,790	108,938
Right-of-use assets	14	143,176	556,429
Deposits	16	23,268	97,218
		377,234	762,585
Current assets			
Trade receivables	15	1,124,475	7,493,166
Other receivables, deposits and prepayments	16	1,667,697	971,155
Contract assets	17	14,773,288	28,845,345
Bank balances and cash	18	7,291,322	9,952,245
		24,856,782	47,261,911
Current liabilities			
Trade and other payables	19	12,146,037	12,571,551
Contract liabilities	17	60,200	258,746
Lease liabilities	20	139,354	357,237
Amounts due to directors		10,230	160,000
Income tax payable		195,273	212,248
		12,551,094	13,559,782
Net current assets		12,305,688	33,702,129
Total assets less current liabilities		12,682,922	34,464,714
Non-current liabilities			
Lease liabilities	20	10,472	209,988
		10,472	209,988
Net assets		12,672,450	34,254,726
EQUITY			
Capital and reserves			
Share capital	21	1,742,143	1,742,143
Share premium		31,669,457	31,669,457
Merger reserve		(11,417,891)	(11,417,891)
Exchange reserve		128,424	176,700
Accumulated (losses)/profits		(9,449,683)	12,084,317
Equity attributable to owners of the Company		12,672,450	34,254,726

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Share capital S\$	Share premium (Note a) S\$	Merger reserve (Note b) S\$	Exchange reserve (Note c) S\$	Accumulated profits/(loss) S\$	Total S\$
At 1 July 2025 (audited)	1,742,143	31,669,457	(11,417,891)	176,700	12,084,317	34,254,726
Loss for the period	–	–	–	–	(21,534,000)	(21,534,000)
Other comprehensive loss	–	–	–	(48,276)	–	(48,276)
Total comprehensive loss for the period	–	–	–	(48,276)	(21,534,000)	(21,582,276)
At 31 December 2025 (unaudited)	1,742,143	31,669,457	(11,417,891)	128,424	(9,449,683)	12,672,450

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Share capital S\$	Share premium (Note a) S\$	Merger reserve (Note b) S\$	Exchange reserve (Note c) S\$	Accumulated profits S\$	Total S\$
At 1 July 2024 (audited)	1,742,143	31,669,457	(11,417,891)	(13,150)	14,193,479	36,174,038
Profit for the period	–	–	–	–	157,445	157,445
Other comprehensive loss	–	–	–	(37,255)	–	(37,255)
Total comprehensive income for the period	–	–	–	(37,255)	157,445	120,190
At 31 December 2024 (unaudited)	1,742,143	31,669,457	(11,417,891)	(50,405)	14,350,924	36,294,228

Notes:

- Share premium represents the excess of share issue over the par value.
- Merger reserve represents the difference between the cost of acquisition pursuant to the Group reorganisation in prior financial year and the total value of share capital of the entities acquired.
- Exchange reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations to the Group's presentation currency (i.e. Singapore dollar) which are recognised directly in other comprehensive income and accumulated in the exchange reserve.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Six months ended 31 December	
	2025	2024
	(Unaudited)	(Unaudited)
	S\$	S\$
Operating activities		
(Loss)/profit before tax	(21,534,000)	415,994
Adjustments for:		
Impairment losses on financial assets	–	63,822
Impairment losses on contract assets	18,740,180	422,612
Depreciation of property, plant and equipment	44,287	43,917
Depreciation of right-of-use assets	221,024	219,573
Exchange gain	(86,640)	(37,099)
Finance costs	8,600	14,232
Bank interest income	(25,772)	(68,389)
Operating cash flows before movements in working capital	(2,632,321)	1,074,662
Decrease in trade receivables	6,368,691	2,472,058
Increase in other receivables, deposits and prepayments	(622,592)	(209,131)
Increase in bank balances under review	(7,154,482)	–
(Increase)/decrease in contract assets	(4,668,123)	348,966
Decrease in trade and other payables	(451,977)	(3,110,940)
(Decrease)/increase in amounts due to directors	(149,770)	52
Decrease in contract liabilities	(198,546)	(39,035)
Cash (used in)/generated from operations	(9,509,120)	536,632
Tax paid	(16,975)	(152,815)
Net cash (used in)/from operating activities	(9,526,095)	383,817
Investing activities		
Bank interest received	25,772	51,470
Purchase of property, plant and equipment	(146,099)	(16,570)
Net cash (used in)/from investing activities	(120,327)	34,900
Financing activities		
Repayment of lease liabilities	(196,000)	(221,983)
Interest paid	(8,600)	(14,232)
Net cash used in financing activities	(204,600)	(236,215)
Net (decrease)/increase in cash and cash equivalents	(9,851,022)	182,502
Cash and cash equivalents at beginning of period	9,952,245	7,065,336
Effect of foreign exchange rate change	35,618	23,388
Cash and cash equivalents at end of period (Note)	136,841	7,271,226

Note:

Please refer to Note 18 for details.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

1 GENERAL

Khoon Group Limited (the “Company”) was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 24 July 2018 and its registered office is located at Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) on 18 September 2018 and the principal place of business in Hong Kong is Unit 812, 8/F, 68 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 5 July 2019.

The Company is a subsidiary of Southern Heritage Limited (“Southern Heritage”), which was incorporated in the British Virgin Islands (the “BVI”), and is the Company’s ultimate holding company. Southern Heritage is wholly-owned by Mr. Chen Zhi. Mr. Chen Zhi is the controlling shareholder of Khoon Group Limited and its subsidiaries (the “Controlling Shareholder”).

The Company is an investment holding company and the principal activities of its operating subsidiary, Khoon Engineering Contractor Pte. Ltd. (“Khoon Engineering”), which was incorporated in Singapore, are the provision of electrical engineering services.

The interim condensed consolidated financial statements are presented in Singapore Dollars (“S\$”), which is also the functional currency of the Company.

The interim condensed consolidated financial statements are approved by the Board of Directors of the Company on 27 February 2026.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 30 June 2025.

3 ADOPTION OF NEW AND REVISED STANDARDS

New and amended IFRS Accounting Standards that are effective for the current period

In the current period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time for the current period’s financial information.

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability
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Their adoption has not had any material impact on the disclosures or on the amounts reported in these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

3 ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and revised IFRS Accounting Standards issued but not yet effective

At the date of authorisation of these interim condensed consolidated financial statements, the Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 July 2024, which are relevant to the Group:

		Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments of the Classification and Measurement of Financial Instruments	1 January 2026
Annual improvements	Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB

In April 2024, the IASB issued IFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group presents and discloses financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The management is currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Except as mentioned above, the directors of the Company anticipates that the application of the above new and amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial position and performance as well as disclosures in the foreseeable future.

4 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The interim condensed consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards issued by the IASB.

In addition, the interim condensed consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the applicable disclosures required by the Companies Ordinance.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

5 USE OF ESTIMATES AND JUDGEMENTS

In the preparation of the Group's interim condensed consolidated financial information, management is required to make estimates, judgements and assumptions about the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods, if the revision affects both current and future periods. The estimates and underlying assumptions which have significant impact on that interim condensed consolidated financial information are the same as that of the consolidated financial information for the year ended 30 June 2025.

6 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from provision of electrical engineering services being recognised over time, mainly comprising of (i) assisting to obtain statutory approvals; (ii) customisation and/or installation of electrical systems; and (iii) testing and commissioning by the Group to external customers. It also represents the revenue from contracts with customers.

Information is reported to the executive directors of the Company, being the chief operating decision makers ("CODMs") of the Group, for the purposes of resource allocation and performance assessment. No other analysis of the Group's result nor assets and liabilities is regularly provided to the CODMs for review and the CODMs review the overall results and financial performance of the Group as a whole. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 Operating Segments.

An analysis of the Group's revenue for the six months ended 31 December 2025 and 2024 is as follows:

	For the six months ended 31 December	
	2025	2024
	(Unaudited)	(Unaudited)
	S\$	S\$
Contract revenue from provision of electrical engineering services, recognised over time	17,571,003	44,185,932

All the Group's services are rendered directly with the customers. Contracts with the Group's customers are agreed on fixed-price basis with project duration ranging from 6 months to 53 months (six months ended 31 December 2024: 6 months to 58 months).

Included in the Group's revenue for the six months ended 31 December 2025 is S\$17,193,004 (six months ended 31 December 2024: S\$44,161,409) derived from provision of electrical engineering services to customers in the public sector. The other remaining revenue is derived from provision of electrical engineering services to the customers in private sector.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

6 REVENUE AND SEGMENT INFORMATION (continued)

Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially satisfied) as at the end of the reporting period.

	For the six months ended 31 December	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
Provision of electrical engineering services:		
— Within one year	25,792,604	65,704,534
— More than one year but not more than two years	21,509,234	19,785,890
— More than two years but not more than five years	15,479,389	12,010,754
	62,781,227	97,501,178

Based on the information available to the Group at the end of the reporting period, the management of the Group expects the transaction price allocated to the unsatisfied (or partially satisfied) contracts as at 31 December 2024 and 2025 will be recognised as revenue during the years ended/ending 30 June 2025 to 2029.

Information about the major customers

The revenue from customers individually contributing over 10% of the total revenue of the Group during the reporting period are as follows:

	For the six months ended 31 December	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
Customer I	5,764,543	6,065,083
Customer II	3,046,044	7,546,737
Customer III	N/A*	7,529,635

* The revenue from the customer did not contribute 10% or more of the total revenue of the Group during the respective reporting period.

Geographical information

(a) Revenue from external customers

The Group principally operates in Singapore, which is also the place of domicile. Revenue derived from Singapore represents 100% of the total revenue for the six months ended 31 December 2025 (six months ended 31 December 2024: 100%) based on the location of services delivered.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

6 REVENUE AND SEGMENT INFORMATION (continued)

Geographical information (continued)

(b) Non-current assets

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Singapore	253,750	567,607
Hong Kong	123,484	194,978
	377,234	762,585

7 a. OTHER INCOME

	For the six months ended 31 December 2025 (Unaudited) S\$	2024 (Unaudited) S\$
Sales of scrap materials	125,491	–
Bank interest income	25,772	68,389
Government grants (note)	4,112	169,367
Training income	3,168	–
Others	2,436	54,631
	160,979	292,387

Note: All government grants are compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

7 b. OTHER GAINS AND (LOSSES)

	For the six months ended 31 December 2025 (Unaudited) S\$	2024 (Unaudited) S\$
Exchange gain, net	86,641	37,099

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

7 c. IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	For the six months ended 31 December	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
Impairment losses recognised on:		
Trade receivables (note 15)	–	63,822
Contract assets (note 17)	18,740,180	422,612
	18,740,180	486,434

8 FINANCE COSTS

	For the six months ended 31 December	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
Interest on lease liabilities	8,600	14,232

9 INCOME TAX EXPENSE

	For the six months ended 31 December	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
Tax expense comprises:		
Current tax:		
— Singapore corporate income tax ("CIT")	–	258,549

Tax charges on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

CIT is calculated at 17% of the estimated assessable profit. Singapore incorporated companies can also enjoy 75% tax exemption on the first S\$10,000 of normal chargeable income and a further 50% tax exemption on the next S\$190,000 of normal chargeable income for both the six months ended 31 December 2025 and 2024.

No income tax arising from BVI and Hong Kong has been recognised as those subsidiaries incorporated in BVI and Hong Kong had no assessable profits for both periods.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

9 INCOME TAX EXPENSE (continued)

The reconciliation between the income tax expenses and the product of profit/(loss) before tax multiplied by CIT rate is as follows:

	For the six months ended 31 December	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
(Loss)/profit before tax	(21,534,000)	415,994
Tax at applicable tax rate of 17%	(3,660,780)	70,719
Tax effect of expenses not deductible for tax purpose	216,066	203,926
Effect of tax concessions and partial tax exemptions	–	(17,425)
Tax effect of temporary difference not recognised	3,444,714	1,329
Income tax expense	–	258,549

10 (LOSS)/PROFIT FOR THE PERIOD

(Loss)/profit for the period has been arrived at after charging:

	For the six months ended 31 December	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
Depreciation of property, plant and equipment	44,287	43,917
Depreciation of right-of-use assets	221,024	219,573
Impairment losses on trade receivables	–	63,822
Impairment losses on contract assets	18,740,180	422,612
Directors' remuneration	293,973	368,603
Other staff costs:		
— Salaries and other benefits	3,339,434	4,088,047
— Contributions to Central Provident Fund ("CPF") and Mandatory Provident Fund ("MPF")	116,167	136,990
Total staff costs	3,749,574	4,593,640
Cost of materials recognised as cost of services	10,329,627	20,609,261
Subcontractor costs recognised as cost of services	4,602,479	16,163,814

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

11 DIVIDENDS

No dividend has been declared by the Company or any Group entities during the six months ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

12 (LOSS)/EARNINGS PER SHARE

The calculation of (loss)/earnings per share is based on the following:

	For the six months ended 31 December	
	2025	2024
	(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to owners of the Company (\$\$)	(21,534,000)	157,445
Weighted average number of ordinary shares in issue	1,000,000,000	1,000,000,000
Basic and diluted (loss)/earnings per share (\$\$ cents)	(2.15)	0.02

The calculation of basic loss/earnings per share for the six months ended 31 December 2025 and 2024 is based on the loss/profit for the period attributable to owners of the Company and the weighted average number of shares in issue.

Diluted loss/earnings per share is the same as the basic loss/earnings per share because the Group has no dilutive securities that are convertible into shares during the six months ended 31 December 2025 and 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

13 PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Computers	Office equipment	Motor vehicles	Furniture and fittings	Total
	S\$	S\$	S\$	S\$	S\$	S\$
Cost:						
At 1 July 2024	560,198	312,583	65,248	1,076,843	38,752	2,053,624
Additions	72,130	37,608	–	–	–	109,738
Written off	(26,162)	(184,615)	(65,248)	–	(38,752)	(314,777)
Exchange adjustments	–	(294)	–	–	–	(294)
At 30 June 2025	606,166	165,282	–	1,076,843	–	1,848,291
Additions	141,427	4,672	–	–	–	146,099
Exchange adjustments	–	92	–	–	–	92
At 31 December 2025	747,593	170,046	–	1,076,843	–	1,994,482
Accumulated depreciation:						
At 1 July 2024	553,061	295,122	65,248	1,013,760	38,752	1,965,943
Charge for the year	4,818	37,381	–	46,167	–	88,366
Written off	(26,162)	(184,615)	(65,248)	–	(38,752)	(314,777)
Exchange adjustments	–	(179)	–	–	–	(179)
At 30 June 2025	531,717	147,709	–	1,059,927	–	1,739,353
Charge for the period	17,617	16,919	–	9,751	–	44,287
Exchange adjustments	–	52	–	–	–	52
At 31 December 2025	549,334	164,680	–	1,069,678	–	1,783,692
Carrying amounts:						
At 30 June 2025	74,449	17,573	–	16,916	–	108,938
At 31 December 2025	198,259	5,366	–	7,165	–	210,790

The above items of property, plant and equipment are depreciated on a straight-line basis at the following useful lives:

Plant and machinery	5 years
Computers	1 year
Office equipment	1 year
Motor vehicles	5 years
Furniture and fittings	5 years

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

14 RIGHT-OF-USE ASSETS (GROUP AS A LESSEE)

	Dormitories S\$	Office S\$	Office equipment S\$	Total S\$
Cost:				
At 1 July 2024	344,259	690,516	10,706	1,045,481
Additions	–	284,080	–	284,080
Termination of lease	–	(239,435)	–	(239,435)
Exchange adjustments	–	(26,400)	–	(26,400)
At 30 June 2025	344,259	708,761	10,706	1,063,726
Additions	–	–	9,861	9,861
Termination of lease	(185,107)	(335,695)	–	(520,802)
Exchange adjustments	–	5,739	–	5,739
At 31 December 2025	159,152	378,805	20,567	558,524
Accumulated depreciation:				
At 1 July 2024	59,602	251,488	2,676	313,766
Charge for the year	185,352	254,809	2,141	442,302
Termination of lease	–	(239,435)	–	(239,435)
Exchange adjustments	–	(9,336)	–	(9,336)
At 30 June 2025	244,954	257,526	4,817	507,297
Charge for the period	92,676	126,949	1,399	221,024
Termination of lease	(185,107)	(130,468)	–	(315,575)
Exchange adjustments	–	2,602	–	2,602
At 31 December 2025	152,523	256,609	6,216	415,348
Carrying amounts:				
At 30 June 2025	99,305	451,235	5,889	556,429
At 31 December 2025	6,629	122,196	14,350	143,176

The Group leases several assets including staff dormitories, office and office equipment. The lease terms are as follows:

Dormitories	2 years
Office	2.6 years
Office equipment	5 years

The Group has no options to purchase any of its leased assets at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

The maturity analysis of lease liabilities is presented in Note 20.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

14 RIGHT-OF-USE ASSETS (GROUP AS A LESSEE) (continued)

Amounts recognised in profit or loss

	For the six months ended 31 December	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
Depreciation expense on right-of use assets	221,024	221,753
Interest expense on lease liabilities	8,600	14,232
Expense relating to short-term leases	270,802	100,800

As at 31 December 2025, the Group is committed to S\$Nil (30 June 2025: S\$Nil) for short-term leases.

The total cash outflow for leases during the six months ended 31 December 2025 amounts to S\$475,402 (six months ended 31 December 2024: S\$337,015).

15 TRADE RECEIVABLES

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Trade receivables	2,094,466	8,463,157
Less: Allowance for impairment losses	(969,991)	(969,991)
	1,124,475	7,493,166

The carrying amount of the Group's trade receivables is denominated in S\$.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

15 TRADE RECEIVABLES (continued)

The Group grants credit term of typically 30 to 35 days from invoice date for trade receivables to all customers for the six months ended 31 December 2025 (year ended 30 June 2025: 30 to 35 days). The following is an aging analysis of trade receivables, net of allowance for impairment losses, presented based on the invoice date which approximated the revenue recognition date at the end of each reporting period:

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Within 30 days	94,104	4,610,462
31 days to 60 days	–	1,500,931
61 days to 90 days	241,612	556,129
91 days to 120 days	62,203	168,542
More than 120 days	726,556	657,102
	1,124,475	7,493,166

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit limit to each customer on individual basis. Limits attributed to customers are reviewed when necessary. The majority of the Group's trade receivables that are neither past due nor impaired have good credit quality with reference to respective settlement history.

The Group does not charge interest or hold any collateral over these balances.

The Group applies the simplified approach to provide impairment loss measured as expected credit losses ("ECL") prescribed by IFRS 9.

The ECL of trade receivables are measured using a provision matrix by reference to past default experience and current past due exposure of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast direction of conditions at the reporting date. There has been no changes in the estimation techniques or significant assumption made during the current reporting period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

15 TRADE RECEIVABLES (continued)

The following table details the risk profile of trade receivables from contracts with customers based on the Group's historical credit loss experience and the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimate of future economic conditions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Trade receivables — days past due						Total
	Not past due	≤ 30 days	31 to 60 days	61 to 90 days	91 to 120 days	> 120 days	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
As at 31 December 2025 (Unaudited)							
Estimated total gross carrying amount at default	95,647	–	242,544	62,383	–	1,693,892	2,094,466
Lifetime ECL	(1,543)	–	(932)	(180)	–	(967,336)	(969,991)
							1,124,475
As at 30 June 2025 (Audited)							
Estimated total gross carrying amount at default	4,626,114	1,505,854	559,855	171,348	333,225	1,266,761	8,463,157
Lifetime ECL	(15,652)	(4,923)	(3,726)	(2,806)	(23,679)	(919,205)	(969,991)
							7,493,166

The table below shows the movement in the loss allowance that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9:

	Six months ended 31 December 2025 (Unaudited) S\$	Year ended 30 June 2025 (Audited) S\$
Balance at beginning of the reporting period	969,991	784,032
Impairment losses recognised for the period	–	185,959
Balance at end of the reporting period	969,991	969,991

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

16 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Current		
Deposits (Note)	402,711	330,387
Prepayments	194,808	149,726
Goods and Services Tax ("GST") receivable	531,913	–
Others (Note)	538,265	491,042
	1,667,697	971,155
Non-current		
Deposits (Note)	23,268	97,218
	1,690,965	1,068,373

Note: The management considered the ECL for deposits and others to be insignificant as at 31 December 2025 and 30 June 2025.

17 CONTRACT ASSETS/LIABILITIES

The following is the analysis of the contract assets and contract liabilities balances for financial reporting purpose:

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Contract assets	35,459,285	30,791,162
Less: Allowance for impairment loss	(20,685,997)	(1,945,817)
	14,773,288	28,845,345
Contract liabilities	(60,200)	(258,746)
	14,713,088	28,586,599

Contract assets (retention receivables) and contract liabilities arising from the same contract are presented on a net basis above. In the analysis below, these contract assets (retention receivables) and contract liabilities are presented on a gross basis, with the effect of the grossing up being S\$17,108 as at 31 December 2025 (30 June 2025: S\$84,021).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

17 CONTRACT ASSETS/LIABILITIES (continued)

Contract assets

The Group's contract assets are analysed as follows:

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Retention receivables	12,537,377	12,584,486
Others (Note)	22,939,016	18,290,697
Less: Allowance for impairment losses	(20,685,997)	(1,945,817)
	14,790,396	28,929,366

Note: Others represent the revenue not yet billed to the customers, for which the Group has completed the relevant services under such contracts but yet to be certified by architects, surveyors or other representatives appointed by the customers.

The amounts represent the Group's rights to considerations from customers for the provision of electrical engineering services, which arise when: (i) the Group completed the relevant services under such contracts and pending formal certification by the customers; and (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months (defect liability period) after completion of the relevant works. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

Changes of contract assets were mainly due to changes in: (1) the amount of retention receivables (generally at a certain percentage of total contract sum) in accordance with the number of ongoing and completed contracts under the defect liability period; and (2) the size and number of contract works that the relevant services were completed but yet to be certified by architects, surveyors or other representatives appointed by the customers at the end of each reporting period.

The Group's contract assets include retention receivables to be settled, based on the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, at the end of the reporting period. The balances are classified as current as they are expected to be received within the Group's normal operating cycle.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation for the loss rates for contract assets except for a customer who failed to settle unbilled work in progress, leading to individual ECL assessment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

17 CONTRACT ASSETS/LIABILITIES (continued)

Contract assets (continued)

The following table details the risk profile of amount due from customers based on the Group's historical credit loss experience and the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimate of future economic conditions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Estimated total gross carrying amount at default		
— amount not past due	35,459,285	30,791,162
Lifetime ECL	(20,685,997)	(1,945,817)
	14,773,288	28,845,345

The table below shows the movement in the loss allowance that has been recognised for contract assets in accordance with the simplified approach set out in IFRS 9:

	Six months ended 31 December 2025 (Unaudited) S\$	Year ended 30 June 2025 (Audited) S\$
Balance at beginning of the reporting period	1,945,817	182,399
Impairment losses recognised for the period	18,740,180	1,763,418
Balance at end of the reporting period	20,685,997	1,945,817

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

17 CONTRACT ASSETS/LIABILITIES (continued)

Contract liabilities

The contract liabilities represent the Group's obligation to transfer services to customers for which the Group has received consideration in advance (or an amount of consideration is due) from the customers according to the progressive billing arrangement stated in the contracts. Contract liabilities as at 31 December 2025 and 30 June 2025 mainly relate to advances received from customers.

The Group's contract liabilities are analysed as follows:

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Contract liabilities	77,308	342,767

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	Six months ended 31 December 2025 (Unaudited) S\$	Year ended 30 June 2025 (Audited) S\$
Revenue recognised that was included in the contract liabilities balance at the beginning of the reporting period	342,767	143,048

None of the revenue recognised during the period relates to performance obligations that were satisfied in prior periods.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

18 BANK BALANCES AND CASH

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Cash at banks	–	9,916,773
Cash on hand	136,840	35,472
Cash and cash equivalents in the consolidated statement of cash flows	136,840	9,952,245
Bank balances under review (Note)	7,154,482	–
	7,291,322	9,952,245

As at 31 December 2025, bank balances and cash were interest-free. As at 30 June 2025, there were time deposit of S\$1,950,015 with tenure of three months carrying fixed interest rate of 2.0% per annum, bank balances of S\$6,576,202 that carried effective interest rate ranging from 0.25% to 1.52% per annum and the remaining bank balances and cash were interest-free.

Note: As at 31 December 2025, bank balances of approximately S\$7.2 million were maintained in accounts subject to reviews and certain regulatory restrictions imposed by the relevant institutions. Consequently, banking services for these accounts, including fund transfers and withdrawals, have been temporarily suspended. As a result, the bank balances of approximately S\$7.2 million are excluded from cash and cash equivalents for the purpose of the consolidated statement of cash flows.

19 TRADE AND OTHER PAYABLES

Trade and other payables comprise the following:

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Trade payables	8,586,165	6,628,767
Trade accruals	602,387	1,602,276
Retention payables (Note)	2,058,810	3,485,416
	11,247,362	11,716,459
Other payables		
Payroll, CPF and MPF payables	201,528	368,731
GST payables	–	288,235
Audit fee payable	16,600	–
Accrued audit fees	85,000	166,000
Others	595,547	32,126
	12,146,037	12,571,551

Note: The retention payables to subcontractors are interest-free and payable after the completion of maintenance period or in accordance with the terms specified in the relevant contracts for a period of generally 12 months after completion of the relevant works. The balance is classified as current as they are within the Group's normal operating cycle.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

19 TRADE AND OTHER PAYABLES (continued)

The following is an aging analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Within 30 days	773,314	2,840,879
31 days to 60 days	97,979	2,919,793
61 days to 90 days	3,396,063	521,149
91 days to 120 days	2,604,319	84,993
Over 120 days	1,714,490	261,953
	8,586,165	6,628,767

The credit period on purchases from suppliers and subcontractors is 30 to 90 days during the reporting period (year ended 30 June 2025: 30 to 90 days) or payable upon delivery.

The carrying amounts of trade payables are denominated in S\$.

20 LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Within one year	142,370	370,699	139,354	357,237
More than one year, but not exceeding two years	4,380	165,169	4,166	162,068
More than two years, but not exceeding five years	6,520	48,246	6,306	47,920
	153,270	584,114	149,826	567,225
Less: Future finance charges	(3,444)	(16,889)	N/A	N/A
Present value of lease obligations	149,826	567,225	149,826	567,225
Less: Amount due for settlement within 12 months (shown under current liabilities)			(139,354)	(357,237)
Amount due for settlement after 12 months (shown under non-current liabilities)			10,472	209,988

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

20 LEASE LIABILITIES (continued)

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance function.

The above represents leases for certain staff dormitories, office and office equipment of the Group. As at 31 December 2025, the weighted average incremental borrowing rate was 5.38% (30 June 2025: 3.55%) per annum.

The Group's lease does not contain variable lease payments and accordingly no expense relating to variable lease payments is included in the measurement of lease liabilities.

Certain leases of the Group contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. These extension options are exercisable by the Group and not by the lessor.

21 SHARE CAPITAL

	Number of ordinary shares	Par value HK\$	Share capital HK\$
Authorised share capital of the Company:			
At 1 July 2024, 30 June 2025, 1 July 2025 and 31 December 2025	1,500,000,000	0.01	15,000,000
		Number of ordinary shares	Share capital S\$
Issued and fully paid share capital of the Company:			
At 1 July 2024, 30 June 2025, 1 July 2025 and 31 December 2025		1,000,000,000	1,742,143

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

22 RELATED PARTY BALANCES AND TRANSACTIONS

Apart from disclosure within the consolidated financial statements, the Group did not enter into transactions with related parties during the six months ended 31 December 2025 and 2024.

(a) Related party balances

As at 31 December 2025, the amounts due to directors of S\$10,230 (30 June 2025: S\$160,000) in nature of directors' fee payable, are unsecured, interest free and repayable on demand.

(b) Compensation of key management personnel

The remuneration of the executive directors and the personnel who are considered as key management of the Group, for the six months ended 31 December 2025 and 2024 were as follows:

	For the six months ended 31 December	
	2025	2024
	(Unaudited)	(Unaudited)
	S\$	S\$
Short term benefits	482,670	562,575
Post-employment benefits	26,424	30,804
Total compensation	509,094	593,379

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is a mechanical and electrical engineering contractor in Singapore specialised in providing electrical engineering solutions and its scope of services comprises (i) customisation and/or installation of electrical systems; (ii) assisting to obtain statutory approvals; and (iii) testing and commissioning. The Group has been established for over 30 years and our services are essential for ensuring the functionality and connectedness of the electrical systems as well as their compliance with the prescribed designs and statutory requirements. Our electrical engineering services are widely required in new building developments, redevelopment, additions and alterations (“A&A”) works and upgrading projects, which involve residential, commercial and industrial buildings.

During the six months ended 31 December 2025, our Group’s revenue decreased by approximately 60.2% to approximately S\$17.6 million as compared to approximately S\$44.2 million for the six months ended 31 December 2024. Our Group’s gross loss was approximately \$0.8 million for the six months ended 31 December 2025, as compared to gross profit of approximately S\$3.0 million for the six months ended 31 December 2024. The gross loss was primarily attributable to the increase in copper price materially as well as the novation and termination of certain projects for the six months ended 31 December 2025. Our group’s net loss after tax was approximately S\$21.5 million, as compared to net profit of approximately S\$0.2 million for the six months ended 31 December 2024. The change from net profit for the six months ended 31 December 2024 to net loss after tax for the six months ended 31 December 2025 was mainly due to the increase in copper price and the recognition of impairment losses on contract assets for the current reporting period.

The Board has reviewed the status of the Group’s projects as at 31 December 2025 and noted that some projects counted in the contract value had already been novated or terminated. The effect of these novations and terminations has now been reflected in this interim report. The impairment losses on contract assets of approximately S\$18.7 million remained unchanged.

As at 31 December 2025, we had 18 ongoing projects with a notional or estimated contract value of approximately S\$97.1 million, of which approximately S\$29.8 million had been recognised as revenue in prior periods, approximately S\$4.4 million had been recognised as revenue during the six months ended 31 December 2025 and the remaining balance will be recognised as our revenue in accordance with the stage of completion. For the revenue of approximately S\$17.6 million for the six months ended 31 December 2025, apart from the revenue of approximately S\$4.4 million contributed from our on-going projects, the remaining revenue of approximately S\$13.2 million is mainly attributed to projects which have been novated or terminated during the reporting period.

By referring to the announcement on 15 October 2025, both Mr. Chen and the Company were added to the Specially Designated Nationals and Blocked Persons List by the U.S. Department of the Treasury’s Office of Foreign Assets Control (the “List”), pursuant to a U.S. executive order which authorises sanctions including, among other things, the blocking of property of named persons and prohibiting any dealings in such blocked property.

Due to the ripple effect of the sanctions imposed on the Company, certain bank accounts of the Group are subject to review and restrictions. The banking services in relation to these accounts are temporarily suspended. The Group will make its best endeavours to apply for the release of funds from our bank accounts. In addition, some customers have terminated their cooperation with the Group. The Group has also terminated some projects due to capacity constraints.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

	For the six months ended 31 December		
	2025 S\$ million	2024 S\$ million	Change %
Revenue	17.6	44.2	-60.2
Gross (loss)/profit	(0.8)	3.0	N/A
Gross (loss)/profit margin	(4.5)%	6.8%	N/A
Net (loss)/profit	(21.5)	0.2	N/A

Revenue

The Group's principal operating activities are the provision of electrical engineering services for both public and private sector projects. Our electrical engineering services are widely required in new building developments, redevelopment, A&A and upgrading projects, which involve residential, commercial and industrial buildings.

	For the six months ended 31 December					
	2025			2024		
	Number of projects with revenue contribution	Revenue S\$ million	% of total revenue	Number of projects with revenue contribution	Revenue S\$ million	% of total revenue
Public sector projects	35	17.2	97.8	50	44.2	100
Private sector projects	2	0.4	2.2	4	-*	-
Total	37	17.6	100	54	44.2	100

* denote less than S\$0.1 million

The Group's overall revenue decreased by approximately S\$26.6 million or approximately 60.2% from approximately S\$44.2 million for the six months ended 31 December 2024 to approximately S\$17.6 million for the six months ended 31 December 2025. The decrease is mainly due to the ripple effect of the sanctions imposed on the Company.

Cost of Services

The Group's cost of services decreased by approximately S\$22.8 million or approximately 55.4% from approximately S\$41.2 million for the six months ended 31 December 2024 to approximately S\$18.4 million for the six months ended 31 December 2025. The decrease resulted from the novation and termination of certain contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross (loss)/profit and gross (loss)/profit Margin

	For the six months ended 31 December			2024		
	2025			2024		
	Revenue S\$ million	Gross profit/(loss) S\$ million	Gross profit/(loss) margin %	Revenue S\$ million	Gross profit/(loss) S\$ million	Gross profit margin %
Public sector projects	17.2	(0.8)	(4.8)	44.2	3.8	8.5
Private sector projects	0.4	–*	8.0	–*	(0.8)	N/A
Total	17.6	(0.8)	(4.5)	44.2	3.0	6.8

* denote less than S\$0.1 million

The gross loss of the Group for the six months ended 31 December 2025 amounted to approximately S\$0.8 million and the gross profit of the Group for the six months ended 31 December 2024 amounted approximately S\$3.0 million. The Group's gross loss margin for the six months ended 31 December 2025 was approximately 4.5% and the gross profit margin for the six months ended 31 December 2024 was approximately 6.8%.

The change was mainly due to the increase in copper price, as well as the novation and termination of certain projects, resulting in gross loss margin for the Group's projects.

Other income

Other income mainly included income from (i) interest income from banks, (ii) government grants, (iii) training income and (iv) sales of scrap materials. During the six months ended 31 December 2025, other income amounted to approximately S\$0.2 million (six months ended 31 December 2024: approximately S\$0.3 million). The decrease in other income was mainly due to the increase in government grants for the six months ended 31 December 2025. The decrease was mitigated by the income from the sales of scrap materials in the six months ended 31 December 2025.

Other gains and losses

During the six months ended 31 December 2025, other gains amounted to approximately S\$87,000 (six months ended 31 December 2024: gain of approximately S\$37,000). The increase in other gains for the reporting period was mainly due to the strengthening of HK\$ currency against S\$.

Impairment Losses on Financial Assets and Contract Assets

There was an allowance of impairment losses of approximately S\$18.7 million during the six months ended 31 December 2025 as compared to an allowance of impairment losses of approximately S\$0.5 million during the six months ended 31 December 2024. The difference was mainly due to additional allowance being provided for impairment losses on contract assets arising from the expected credit losses assessment.

The impairment losses relates to 11 projects (the "Projects") of the Group. After the Company was added to the List, the customers involved in the Projects negotiated with the Group to terminate or novate the Projects. As at 31 December 2025, the contracts in relation to 6 projects had been novated, while the remaining 5 projects had been terminated.

At 31 December 2025, the contract assets, which included unbilled revenue and retention monies, related to the Projects amounted to approximately S\$18.7 million. Since the Projects were either novated or terminated, the Group had no rights to claim the unbilled revenue or retention monies from the customers or the substituting subcontractors. Accordingly, the Group recognised full impairment losses of S\$18.7 million on the unbilled revenue and retention monies for the six months ended 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

The Directors and the management have reviewed and discussed the nature and circumstances giving rise to the recognition of impairment losses. Based on the information available at the material time, and considering the legal effect of the novation and termination agreements of the Projects, the Board considered that the impairment was a fair and reasonable reflection of the Company's financial position.

Administrative Expenses

Administrative expenses of the Group for the six months ended 31 December 2025 amounted to approximately S\$2.2 million which represents a decrease of approximately S\$0.2 million as compared with approximately S\$2.4 million for the six months ended 31 December 2024, mainly due to the decrease in staff costs for the six months ended 31 December 2025.

Finance Costs

Finance costs for the six months ended 31 December 2025 were approximately S\$9,000, which decreased by approximately S\$5,000 as compared with that of the six months ended 31 December 2024 of approximately S\$14,000. The decrease represented the three leases for ended in the six months ended 31 December 2025 which gave rise to lower in finance costs.

Income Tax Expense

The Group's income tax expense was S\$Nil for the six months ended 31 December 2025 and the expense for the six months ended 31 December 2024 was approximately S\$0.3 million. Such decrease was due to no assessable profit for the six months ended 31 December 2025.

(Loss)/profit for the period

Loss for the six months ended 31 December 2025 amounted approximately S\$21.5 million (six months ended 31 December 2024: net profit of approximately S\$0.2 million). The change was mainly due to the recognition of impairment losses on contract assets.

Trade Receivables

As at 31 December 2025, the Group had trade receivables of approximately S\$1.1 million, as compared with trade receivables of approximately S\$7.5 million as at 30 June 2025.

Contract Assets (excluding retention receivables)

As at 31 December 2025, the Group had contract assets (excluding retention receivables) of approximately S\$2.3 million, as compared with contract assets (excluding retention receivables) of approximately S\$16.3 million as at 30 June 2025.

As part of the normal business and common industry practice, the certification and billing process for work in progress may take some time (between 6 months to 1 year) as additional time is required to perform additional procedures for verifying the functionality of certain electrical engineering works performed by the Group. Consultants may also require longer period to certify the site preparation works carried out by the Group and to approve the materials procured from suppliers during the preliminary stage of the projects.

Interim Dividend

The Board did not recommend a payment of an interim dividend for the six months ended 31 December 2025 (six months ended 31 December 2024: S\$Nil).

Liquidity, Financial Resources and Capital Structure

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 5 July 2019 by way of the share offer (the "Share Offer") and there has been no change in capital structure of the Group since then. The Company's capital comprises ordinary shares and capital reserves. The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of its cash and cash equivalents, cash flows generated operations and net proceeds from the Share Offer.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group adopts a prudent cash and financial management policy. The Group's cash, mainly denominated in S\$ and HK\$, are generally deposited with certain reputable financial institutions.

As at 31 December 2025, the Group had total cash and bank balances of approximately S\$7.3 million, as compared with bank balances and cash of approximately S\$10.0 million as at 30 June 2025. The Group did not have any bank borrowings as at 31 December 2025 and 30 June 2025. Approximately \$7.2 million of the Group's cash balances were maintained in bank accounts subject to reviews or certain regulatory restrictions imposed by the relevant institutions. Consequently, banking services for these accounts, including fund transfers and withdrawals, have been temporarily suspended. The Group is in active negotiation with the relevant institutions in order to lift the restrictions and is exploring various alternative banking arrangements to support its working capital needs.

Pledge of Assets

As at 31 December 2025, the Group had approximately S\$Nil (as at 30 June 2025: S\$74,000) of pledged bank deposits as part of the collateral for performance guarantees in favour of the Group's customers.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy financial position throughout the period. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Foreign exchange risk

The Group mainly operates in Singapore. Most of the operating transactions and revenue were settled in S\$ and the Group's assets and liabilities are primarily denominated in S\$. However, the Group has certain bank balances denominated in HK\$ amounting to approximately S\$1.5 million as at 31 December 2025 which may expose the Group to foreign currency risk. The Group does not expect the risk could materially affect the Group's results of operations, and therefore no hedging instrument has been employed. The Group manages the risk by closely monitoring the movement of the foreign currency rate and will take appropriate measures to deal with the foreign exchange exposure if necessary.

Gearing Ratio

Gearing ratio is calculated by dividing all borrowings by total equity at the period-end date and expressed as a percentage. The gearing ratio of the Group as at 31 December 2025 was Nil (as at 30 June 2025: Nil).

Significant Investment, Material Acquisitions and Disposal of Subsidiaries and Associated Companies or Joint Ventures

There were no significant investment held, material acquisitions or disposals of subsidiaries and associated companies or joint ventures by the Group during the six months ended 31 December 2025.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the Company's prospectus dated 20 June 2019 ("Prospectus"), the Group did not have other future plans for material investments or capital assets as at 31 December 2025.

Employees and Remuneration Policy

As at 31 December 2025, the Group had a total of 8 employees (31 December 2024: 217 employees), including executive Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes during the six months ended 31 December 2025 amounted to approximately S\$3.7 million (six months ended 31 December 2024: S\$4.6 million). The decrease in headcount primarily reflected the Group's adjustment of its manpower resources in response to the

MANAGEMENT DISCUSSION AND ANALYSIS

current scale of operations. The Group continues to rely on external subcontractors for site works and will adjust its workforce and subcontracting arrangements in line with its business needs. The Directors consider that, notwithstanding the reduced headcount, the Group has sufficient personnel and subcontractor support to fulfil its existing contractual obligations. In order to attract and retain high quality staff and to enable smooth operation within the Group, the remuneration policy and package of the Group's employees are periodically reviewed. The salary and benefit levels of the employees of the Group are competitive (with reference to market conditions and individual qualifications and experience). The Group provides adequate job training to the employees to equip them with practical knowledge and skills. Apart from central provident fund, mandatory provident fund and job training programs, salaries increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance and market situation. The emoluments of the Directors have been reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

Contingent Liabilities

(i) **Performance bonds**

As at 31 December 2025, the Group had performance bonds of approximately S\$0.4 million (30 June 2025: S\$1.9 million) given by an insurance company in favour of the Group's customers as security for the due performance and observance of our Group's obligations under the contracts entered into between the Group and the customers. The performance guarantees will be released upon completion of the contracts.

(ii) **Dispute**

The Group is a respondent in an arbitration (the "Arbitration") with a customer in relation to the disputes of a subcontract agreement.

In 2023, the customer failed to make payment of work performed and completed by the Group and the parties engaged in an adjudication in the Singapore Mediation Centre to resolve the dispute. An adjudication determination was issued in favour of the Group and the customer settled the adjudicated amount payable to the Group. In July 2025, the customer commenced the Arbitration against the Group for a claim in the aggregate amount of approximately S\$13.8 million, including but not limited to liquidated damages and the costs of remediation work (the "Claim").

The Group intends to contest the Claim and make a counter-claim against the customer, and the Group has already consulted and instructed a legal counsel to act for it in the Arbitration. It is the Directors' assessment, based on the previous favourable adjudication determination and progress certification conducted during the provision of services, that the Claim is of little merit; and the legal counsel has advised that as the Arbitration is at an early stage, it is difficult for the board to predict the final outcome with certainty.

Capital Expenditures and Capital Commitments

During the six months ended 31 December 2025, the Group acquired items of property, plant and equipment of approximately S\$146,000 (year ended 30 June 2025: approximately S\$110,000).

As at 31 December 2025, the Group had no material capital commitments.

EVENTS AFTER THE REPORTING PERIOD

As of the latest practical date, 7 projects of the Group were novated after 31 December 2025, with a notional or estimated contract value of approximately S\$55.7 million, as certain bank accounts of the Group were temporarily suspended. After the novation of the projects, we had 11 projects on hand with a notional or estimated contract value of approximately S\$41.4 million.

Except as described aforesaid, there were no significant events affecting the Group which have occurred after 31 December 2025 and up to the date of this report.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares

Name of shareholder	Nature of interest	Number of Shares held	Percentage of issued share capital
Southern Heritage Limited ("Southern Heritage") (Note)	Beneficial owner	550,000,000	55.00%
Mr. Chen Zhi (Note)	Interest in controlled corporation	550,000,000	55.00%

Note: Southern Heritage holds directly the Shares. Southern Heritage is legally and beneficially wholly-owned by Mr. Chen Zhi. Accordingly, by virtue of the SFO, Mr. Chen Zhi is deemed to be interested in the 550,000,000 Shares held by Southern Heritage.

Save as disclosed above, as at 31 December 2025, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

CHANGE IN DIRECTORS' INFORMATION

On 30 December 2025, Mr. Fok Wai Hung, the INED, was appointed as independent non-executive director of China Kangda Food Company Limited (Stock Code: 834), the shares of which are primary listed on the Main Board of the Stock Exchange and secondary listed in the Main Board of the Singapore Exchange Securities Trading Limited.

On 29 September 2025, Mr. So Chi Kai, the INED, was appointed as independent non-executive director of Changsha Broad Homes Industrial Group Co., Ltd. (Stock Code: 2163), the shares of which is listed on the Main Board of the Stock Exchange.

OTHER INFORMATION

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as the codes of conduct regarding securities transactions by Directors and relevant employees of the Group. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding the Directors’ securities transactions during the six months ended 31 December 2025.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the “Share Option Scheme”) on 10 June 2019. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 10 June 2019, and there is no outstanding share option as at 31 December 2025.

The following is a summary of the terms of the Share Option Scheme:

(a) Purpose

The purpose of the Share Option Scheme is to provide incentives or rewards to scheme participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest.

(b) Participants

As per existing terms of the Share Option Scheme, participants of the scheme may be any employee, non-executive director, supplier, customer and shareholders of any member of the Group or any invested entity, any person or entity that provides research, development or other technological support, adviser or consultant to the Group or any invested entity, and any other participants who have contributed or may contribute to the development and growth of the Group.

(c) Total number of shares available for issue

- (i) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other schemes must not, in aggregate, exceed 100,000,000 Shares, representing 10% of the Shares in issue as at the listing date.
- (ii) Notwithstanding the foregoing, the Company must not grant any options if the aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company, would exceed 30% of the Shares in issue from time to time.
- (iii) As at the date of this interim report, 100,000,000 Shares were available for issue under the Share Option Scheme, representing approximately 10% of the total issued share capital of the Company as at that date.

(d) Maximum entitlement of each participant

No participant shall be granted option(s) which if exercised in full would result in the total number of Shares already issued and issuable under all the options granted to him in any 12-month period exceeding 1% of the total number of Shares in issue.

Unless approved by Shareholders in a general meeting, the amount of Shares which can be awarded to a substantial Shareholder or an INED or their respective associates in the Share Option Scheme in the 12-month period up to and including the date of such grant for any particular aforementioned person in aggregate, is at maximum 0.1% of the Shares in issue and having an aggregate value, based on the closing price of the Shares at the date of each grant, of a maximum of HK\$5.0 million.

OTHER INFORMATION

(e) Option period

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined by the Board absolutely, provided that such period shall not be more than ten years from the date upon which the option is deemed to be granted and accepted in accordance with the Share Option Scheme.

(f) Vesting period of the options granted

The Board may, at its discretion, determine the minimum period for which the option has to be held before the option can be exercised.

(g) Consideration on acceptance of the option

Upon acceptance of an offer for grant of option(s), the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

(h) Basis of determining the exercise price of option granted

The subscription price for the Shares subject to any particular option(s) shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option(s) but in any case the relevant subscription price shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the option(s), which must be a business day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the grant of the option(s); and
- (iii) the nominal value of a Share.

(i) Remaining life of the Share Option Scheme

The Share Option Scheme will be valid and effective for a period commencing on 10 June 2019 and ending on the tenth anniversary of such date, and will expire on 10 June 2029.

100,000,000 options were available for grant under the scheme mandate limit at the beginning and the end of the reporting period.

OTHER INFORMATION

CORPORATE GOVERNANCE

During the six months ended 31 December 2025, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 to the Listing Rules and periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code, except for the deviation from code provisions C1.7, C.2.1 and B.3.5 of the CG Code as described below.

Under code provision C.1.7, the Company should arrange appropriate insurance cover in respect of legal action against its directors. Directors and officers liability insurance of the Company expired on 5 January 2026. The company is making its best endeavours to identify appropriate insurers to arrange such insurance.

Under code provision C.2.1, the role of chairman and chief executive officer should be performed by different individuals. The Company has not appointed a chairman and a chief executive officer separately since November 2025 as such roles and functions have been performed by the executive Director and independent non-executive Directors collectively. The Board believes that this arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company’s objectives effectively and efficiently in response to the changing environment. The Board will continuously assess whether any changes are necessary.

Under code provision B.3.5, issuers should appoint at least one director of a different gender to the nomination committee. Following the resignation of Ms. Fang Lihua Ruby, the nomination committee of the Board comprises two independent non-executive Directors, namely Mr. Fok Wai Hung and Mr. So Chi Kai. The Board is making its best endeavours to identify suitable candidate to fill the vacancy as soon as practicable and in any event within three months from the date of resignation of Ms. Fang Lihua Ruby to meet the above requirement. The Company will make further announcement(s) as and when appropriate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES OR SALE OF TREASURY SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities or sold any of its treasury shares during the six months ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The interim results of the Group for the six months ended 31 December 2025 have not been audited or reviewed by the independent auditors of the Company. The audit committee of the Company has reviewed the Group’s unaudited condensed consolidated results for the six months ended 31 December 2025 and discussed with the management of the Company on the accounting principles and practices adopted by the Group with no disagreement by the audit committee of the Company.

By order of the Board of
Khoon Group Limited
Tseung Choi Wing Queenie
Executive Director

Hong Kong, 27 February 2026