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BENG SOON MACHINERY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1987)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Beng Soon Machinery Holdings Limited (the “**Company**”) announces the consolidated annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 together with the relevant comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025	2024
		S\$	S\$
Revenue	4	37,148,579	33,483,486
Cost of sales and services rendered		<u>(25,769,339)</u>	<u>(22,851,650)</u>
Gross profit		11,379,240	10,631,836
Other income	5	259,416	348,010
Other gains — net	5	213,687	370,051
Provision for allowance for expected credit losses (“ECL”) of trade receivables		(29,185)	(159,431)
Selling and distribution expenses		(475,602)	(279,433)
Administrative expenses		<u>(10,133,210)</u>	<u>(9,827,356)</u>
Profit from operations		1,214,346	1,083,677
Finance costs		<u>(321,862)</u>	<u>(304,526)</u>
Profit before tax	6	892,484	779,151
Income tax expense	7	<u>(640,781)</u>	<u>(430,908)</u>
Profit for the year		<u>251,703</u>	<u>348,243</u>

	<i>Notes</i>	2025 S\$	2024 S\$
Profit for the year attributable to owners of the Company		<u>251,703</u>	<u>348,243</u>
Other comprehensive loss, net of income tax Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation on foreign operations		(20,656)	(62,699)
Realisation of exchange difference upon deregistration of subsidiaries		<u>–</u>	<u>11,511</u>
		<u>(20,656)</u>	<u>(51,188)</u>
Total comprehensive income for the year		<u>231,047</u>	<u>297,055</u>
Total comprehensive income for the year attributable to owners of the Company		<u>231,047</u>	<u>297,055</u>
Earnings per share (expressed in S\$ cent)			
Basic and diluted	8	<u>0.03</u>	<u>0.03</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 S\$	2024 S\$
Assets			
Non-current assets			
Property, plant and equipment		11,546,636	12,397,091
Right-of-use assets		11,241,103	10,030,649
Investment property		1,832,640	1,876,800
Financial asset at fair value through profit or loss (“FVTPL”)		<u>183,024</u>	<u>187,766</u>
		<u>24,803,403</u>	<u>24,492,306</u>
Current assets			
Contract related assets and costs		13,162,972	13,064,006
Deposits paid to customers		1,834	53,576
Trade receivables	<i>10</i>	5,087,796	4,349,959
Deposits, prepayments and other receivables	<i>11</i>	300,747	245,794
Cash and cash equivalents		<u>14,253,908</u>	<u>14,061,636</u>
		<u>32,807,257</u>	<u>31,774,971</u>
Total assets		<u><u>57,610,660</u></u>	<u><u>56,267,277</u></u>
Equity attributable to owners of the Company			
Share capital	<i>13</i>	1,742,159	1,742,159
Other reserves		21,617,994	21,638,650
Retained profits		<u>17,254,423</u>	<u>17,002,720</u>
Total equity		<u><u>40,614,576</u></u>	<u><u>40,383,529</u></u>

	<i>Notes</i>	2025 S\$	2024 S\$
Liabilities			
Non-current liabilities			
Lease liabilities		9,219,795	9,618,934
Deferred tax liabilities		790,904	817,693
		<u>10,010,699</u>	<u>10,436,627</u>
Current liabilities			
Trade and other payables	<i>12</i>	3,644,878	3,243,108
Current tax liabilities		700,905	541,799
Lease liabilities		2,639,602	1,662,214
		<u>6,985,385</u>	<u>5,447,121</u>
Total liabilities		<u>16,996,084</u>	<u>15,883,748</u>
Total equity and liabilities		<u>57,610,660</u>	<u>56,267,277</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Beng Soon Machinery Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 6 April 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands and listed (the “**Listing**”) on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 November 2019 (the “**Listing Date**”). The address of the Company’s registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is 21 Tuas South Street 7 Singapore 637111.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of demolition services, sale of inventories and leasing of machinery in Singapore.

2. BASIS OF PREPARATION

The Group’s consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards which include International Financial Reporting Standards (“**IFRS**”), International Accounting Standards (“**IASs**”) and Interpretations promulgated by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance (Cap 622). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

(a) Application of new and amendments to IFRS Accounting Standards

The Group has applied the amendments to IAS 21 and IFRS 1 of Lack of Exchangeability as issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and amendments to IFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the Group has not applied any new and amendments to IFRS Accounting Standards that have been issued but are not yet effective for the financial year ended 31 December 2025. The Group’s assessment of the impact of these new and amended IFRS Accounting Standards most relevant to the Group are set out below.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7 — Amendments to the Classification and Measurement of Financial Instruments	<i>1 January 2026</i>
Amendments to IFRS 9 and IFRS 7 — Contracts Referencing Nature — dependent Electricity	<i>1 January 2026</i>
Annual Improvements to IFRS Accounting Standards — Volume 11	<i>1 January 2026</i>
IFRS 18 — Presentation and Disclosure in Financial Statements	<i>1 January 2027</i>
Amendments to ISA 21 — Translation to a Hyperinflationary Presentation Currency	<i>1 January 2027</i>
Amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<i>To be determined</i>

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, and amendments to standards are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the new and amendments to IFRS Accounting Standards mentioned below:

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will replace IAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, 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 present and disclose financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (“MPMs”) are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of IFRS 18, with respect to the structure of the Group's statement of loss, the statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Group disclosed certain MPMs in its results announcements and the annual report. Under IFRS 18, this will likely require additional disclosure for the MPMs within the notes to the financial statements.
- The statement of cash flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

***Amendments to the Classification and Measurement of Financial Instruments —
Amendments to IFRS 9 and IFRS 7***

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (“FVOCI”).

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

3. SEGMENT INFORMATION

The CODM has been identified as the executive directors of the Group who reviews the Group's internal reporting in order to assess performance and allocate resources.

The CODM assesses the performance based on a measure of profit for the year and considers all businesses to be included in a single operating segment.

The Group is principally engaged in the provision of demolition services and leasing of machinery in Singapore. Information reported to CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Majority of the Group's activities are carried out in Singapore and majority of the Group's assets and liabilities are located in Singapore. Accordingly, there is no analysis by geographical basis.

Revenue is derived from external project owners in Singapore. During the year ended 31 December 2025, there were 3 project owners (2024: 4 project owners), which individually contributed over 10% of the Group's total revenue. The revenue generated from the demolishing sites from each of these project owners during the financial year are summarised below:

	2025	2024
	S\$	S\$
Customer 1	8,539,000	9,634,258
Customer 2	7,272,260	—*
Customer 3	3,722,428	N/A
Customer 4	—*	6,834,041
Customer 5	—*	5,065,503
Customer 6	—*	3,992,697
	<u><u> </u></u>	<u><u> </u></u>

* Revenue from these customers did not exceed 10% of the total revenue of the Group in respective year.

The above represents revenue generated from the demolition sites of relevant project owners in which proceeds are received from project owners as net contract sum, salvage materials buyers from disposal of salvage materials and earth providers from handling earth disposal to the demolition sites.

In terms of proceeds from salvage materials buyers, proceeds from 2 salvage materials buyers (2024: 2 salvage materials buyers) contributed over 10% of the Group's revenue during the year ended 31 December 2025. The proceeds received/receivable from these salvage material buyers are summarised below:

	2025	2024
	S\$	S\$
Salvage material buyer 1	5,498,944	10,915,869
Salvage material buyer 2	3,806,664	—*
Salvage material buyer 3	—*	4,181,530
	<u><u> </u></u>	<u><u> </u></u>

* Revenue from these customers did not exceed 10% of the total revenue of the Group in respective year.

4. REVENUE

	2025	2024
	S\$	S\$
Revenue from contracts with customers		
Revenue recognised from provision of demolition services	35,867,008	31,591,125
Others	1,281,571	1,892,361
	<u> </u>	<u> </u>
Total revenue	37,148,579	33,483,486
	<u> </u>	<u> </u>

5. OTHER INCOME AND OTHER GAINS — NET

	2025	2024
	S\$	S\$
Other income:		
Interest income	194,764	292,300
Government grants (<i>Note</i>)	16,652	7,710
Rental income from investment property	48,000	48,000
	<u> </u>	<u> </u>
Total other income	259,416	348,010
	<u> </u>	<u> </u>
Other gains/(losses) — net:		
Gain on deregistration of subsidiaries	–	124,666
Gain on disposals of property, plant and equipment	222,833	230,405
Currency exchange (losses)/gains — net	(4,404)	3,499
Fair value (loss)/gain on financial assets at FVTPL	(4,742)	11,481
	<u> </u>	<u> </u>
Total other gains — net	213,687	370,051
	<u> </u>	<u> </u>

Note:

Government grants mainly comprised the following subsidies granted to the Group by the Singapore government authorities:

	2025	2024
	S\$	S\$
CPF Transition Offset	2,621	3,956
Senior Employment Credit	1,911	956
Productivity Solutions Grant	9,300	–
Others	2,820	2,798
	<u> </u>	<u> </u>
	16,652	7,710
	<u> </u>	<u> </u>

The Group does not have unfulfilled conditions and other contingencies attaching to the government grants.

6. PROFIT BEFORE TAX

The Group's profit before tax is stated after charging the followings:

	2025	2024
	S\$	S\$
Employee benefits expenses, included directors' emoluments	12,115,964	10,814,259
Depreciation	4,311,867	4,133,680
Auditor's remuneration		
— Audit services	117,913	136,428
Expenses relating to short-term leases (included in cost of sales and services rendered)	748,467	657,438
Expenses relating to short-term leases (included in administrative expenses)	6,390	5,000
	<u>6,390</u>	<u>5,000</u>

7. INCOME TAX EXPENSE

Singapore corporate tax expense has been provided for at the rate of 17% (2024: 17%) on the estimated assessable profit for the years ended 31 December 2025 and 2024.

No provision for Hong Kong Profits Tax is required as the Group has no assessable profits for the years ended 31 December 2025 and 2024.

The amount of income tax expense charged to the consolidated statement of profit or loss represents:

	2025	2024
	S\$	S\$
Current tax — Singapore		
Provision for the year	646,698	541,799
Under provision in prior years	20,872	—
	<u>667,570</u>	<u>541,799</u>
Deferred tax — Singapore	(26,789)	(110,891)
	<u>640,781</u>	<u>430,908</u>

8. EARNINGS PER SHARE

The basic earnings per share is calculated on the profit attributable to owners of the Company by the weighted average number of shares in issue.

	2025	2024
Profit attributable to owners of the Company (<i>S\$</i>)	251,703	348,243
Weighted average number of shares in issue	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Basic earnings per share (<i>S\$ cent</i>)	<u>0.03</u>	<u>0.03</u>

For the years ended 31 December 2025 and 2024, diluted earnings per share is equal to basic earnings per share as there was no dilutive potential share outstanding.

9. DIVIDENDS

No dividends were paid or declared by the Company for the years ended 31 December 2025 and 2024. The Board has not recommended the payment of a final dividend for the year ended 31 December 2025.

The Board has, however, recommended the payment of a special dividend of HK\$0.015 (equivalent to approximately S\$0.0025) per share. The proposed special dividend is recommended in view of the Group's healthy cash position and accumulated retained earnings, and is intended as a one-off return to shareholders.

The proposed special dividend is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting (the "AGM").

10. TRADE RECEIVABLES

	2025 <i>S\$</i>	2024 <i>S\$</i>
Trade receivables from third parties	5,453,258	4,452,676
Less: allowance for ECLs of trade receivables	<u>(571,733)</u>	<u>(542,548)</u>
	4,881,525	3,910,128
Retentions	<u>206,271</u>	<u>439,831</u>
	<u>5,087,796</u>	<u>4,349,959</u>

The Group normally grants credit terms of 30 days (2024: 30 days). The Group does not hold any collateral as security.

The aging analysis of the trade receivables, based on invoice date, net of allowance, are as follows:

	2025 S\$	2024 S\$
Below 30 days	4,054,501	3,142,811
31–60 days	412,337	331,582
61–90 days	406,908	394,650
91–120 days	7,779	41,085
	<u>4,881,525</u>	<u>3,910,128</u>

11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 S\$	2024 S\$
Deposits paid to third parties	163,090	90,930
Prepayments	63,158	151,626
Other receivables	74,499	3,238
	<u>300,747</u>	<u>245,794</u>

12. TRADE AND OTHER PAYABLES

	2025 S\$	2024 S\$
Trade payables	2,436,323	1,874,765
Accrued expenses	924,400	829,362
Other payables	284,155	538,981
	<u>3,644,878</u>	<u>3,243,108</u>

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

	2025 S\$	2024 S\$
Up to 30 days	1,880,220	1,159,905
31–60 days	491,333	564,361
61–90 days	62,366	131,113
91–120 days	2,404	19,386
	<u>2,436,323</u>	<u>1,874,765</u>

13. SHARE CAPITAL

The movements of the share capital are as follows:

	Number of shares	Share capital HK\$
Authorised: Ordinary shares at HK\$0.01 each		
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>10,000,000,000</u>	<u>100,000,000</u>
	Number of shares	Share capital S\$
Issued and fully paid: Ordinary share at HK\$0.01 each		
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>1,000,000,000</u>	<u>1,742,159</u>

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL OVERVIEW AND BUSINESS REVIEW

The Group is an established and leading demolition services provider in Singapore and has been running the demolition business in Singapore for more than 30 years in both the public and private sectors. The Group is principally engaged in the demolition of various types of buildings and structures, including power stations, chemical plants, high rise commercial and residential properties, bridges and marine structures in Singapore. To a lesser extent, the Group also leases and sells demolition machinery.

This growth was driven by robust demand in Singapore, complemented by an increase in project commitments. These factors collectively enhanced the Group's revenue, operational scope, and financial outcomes during the period. Amid global uncertainties, management's strategic oversight ensured the gross profit margin held steady, reaching 30.6% for the year ended 31 December 2025 ("FY2025"), compared with 31.8% for the year ended 31 December 2024 ("FY2024"). This stability reflects the Group's dedication to operational excellence and financial resilience in a challenging market.

During FY2025, the Group secured 27 demolition projects for different types of buildings, including residential blocks and factory buildings in Singapore and completed 20 demolition projects. The Group's outstanding projects secured in FY2025 are progressing on schedule with an expected total revenue of approximately S\$10.2 million.

OUTLOOK AND PROSPECTS

Singapore's economy continued to demonstrate resilience in 2025, supported by stable domestic demand and improved external trade conditions. According to the Ministry of Trade and Industry ("MTI"), Singapore's gross domestic product ("GDP") grew by approximately 5.0% in 2025. Looking ahead, MTI forecasts that Singapore's GDP growth for 2026 will range between 2.0% and 4.0%, reflecting continued economic stability despite uncertainties in the global economic environment.

According to the Building and Construction Authority ("BCA"), construction demand in Singapore is expected to remain robust in the coming years. Total construction demand in 2026 is projected to range between S\$47 billion and S\$53 billion, supported by ongoing public sector infrastructure projects and private sector redevelopment initiatives. Major projects, including public housing developments, transport infrastructure upgrades and the Changi Airport Terminal 5 development, are expected to continue driving construction activities.

Against this backdrop, Singapore's demolition industry is expected to maintain steady demand as redevelopment activities continue across residential, commercial and industrial sectors. Urban renewal initiatives and the replacement of ageing buildings are expected to generate further opportunities for demolition services.

The Group remains confident in its ability to navigate the evolving market environment. By leveraging its industry experience, operational efficiency and disciplined project management, the Group aims to maintain its competitiveness in Singapore's demolition sector while sustaining stable financial performance.

Looking forward, while global economic uncertainties may continue to present challenges, the Group believes that Singapore's stable economic outlook and continued construction demand will provide a supportive environment for its operations. The Group will continue to focus on its core demolition business while exploring opportunities to enhance operational efficiency and strengthen its market position, with the aim of delivering sustainable value to its shareholders.

FINANCIAL REVIEW

Revenue

During FY2025, the revenue of the Group was mainly derived from the provision of demolition and related value-added services to the Group's project owners (the "Contract Revenue"). The Contract Revenue comprised of (i) the net contract sum from the project owners; (ii) the proceeds for the services provided for the disposal of salvage materials removed from the demolition sites to salvage materials buyers; and (iii) the proceeds from earth providers for depositing earth at the demolition sites for landfilling purpose. During FY2025, the Group's total revenue increased by approximately S\$3.7 million or 10.9% from approximately S\$33.5 million in FY2024 to approximately S\$37.2 million in FY2025. The increase was mainly due to increase in number of projects undertaken and completed during the year.

The following table sets forth the breakdown of revenue by source for FY2025 and FY2024 respectively:

	FY2025 <i>S\$'000</i>	FY2024 <i>S\$'000</i>
Net contract sum	20,863	12,725
Proceeds from disposal of salvage materials	13,622	18,395
Earth depositing proceeds	1,382	471
Others	1,282	1,892
	37,149	33,483

Cost of sales and services rendered

The Group's cost of sales and services rendered for FY2025 amounted to approximately S\$25.8 million, representing an increase of approximately S\$2.9 million or 12.8% from approximately S\$22.9 million in FY2024. The cost of sales mainly comprised of (i) direct labour costs; (ii) depreciation of the Group's machinery and equipment; (iii) raw materials, consumables and other overheads; and (iv) subcontractor charges. The increase in the cost of sales and services rendered of the Group in FY2025 was mainly due to the increase in the various project activities work.

Gross profit and gross profit margin

The Group's gross profit increased by approximately S\$0.8 million or 7.0%, from a gross profit of approximately S\$10.6 million for FY2024 to a gross profit of approximately S\$11.4 million for FY2025. The Group's gross profit margin was approximately 30.6% and 31.8% for FY2025 and FY2024, respectively. The Group maintains its pricing discipline and gross profit through operational efficiency and cost control, even when the market changes.

Administrative expenses

The Group's administrative expenses for FY2025 amounted to approximately S\$10.1 million, representing an increase of approximately S\$0.3 million or 3.1% from approximately S\$9.8 million in FY2024. The administrative expenses primarily consisted of (i) staff costs; (ii) depreciation costs in respect of the Group's property, plant and equipment and right-of-use assets; and (iii) legal and professional fees. The increase in FY2025 was mainly due to the increase in staff costs and depreciation of right-to-use assets.

Other income and other gains

During FY2025, the Group's other income and other gains combined amounted to approximately S\$0.5 million representing a decrease of approximately S\$0.2 million or 34.1% from approximately S\$0.7 million in FY2024. The decrease primarily resulted from a decrease of approximately S\$0.1 million in interest income during FY2025 and no gain generated on deregistration of subsidiary for FY2025.

Finance costs

During FY2025, finance costs incurred by the Group was approximately S\$0.3 million, remained relatively stable as compared to FY2024.

Income tax

During FY2025, the Group's income tax expense amounted to approximately S\$0.6 million, representing an increase of approximately S\$0.2 million or 48.7% from approximately S\$0.4 million in FY2024. The income tax expense mainly represented current income tax in Singapore. This increase was mainly attributable to higher taxable profits and a decrease in the deferred tax credit recognised during the year, resulting in a higher overall tax charge.

Profit attributable to the owners of the Company

As a result of the foregoing, profit attributable to equity holders of the Company amounted to approximately S\$0.3 million for both years. There was earnings per share of approximately S\$0.03 cents for FY2025 as compared to earnings per share of approximately S\$0.03 cents for FY2024.

Capital structure, liquidity and financial resources

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its debt and equity balance. The capital structure of the Group consists of debt, which includes obligations under leases liabilities, net of bank deposits, bank balances, cash and equity attributable to the owners of the Group, comprising share capital and reserves. There has been no change in the capital structure of the Group since Listing. The Group has a solid financial position and continues to maintain a strong and steady cash inflow from internal generated funds.

The Group adopts a prudent cash and financial management policy. The Group's cash, mainly denominated in Singapore dollars, are generally deposited with certain financial institutions.

As at 31 December 2025, the Group had net current assets of approximately S\$25.8 million as compared to approximately S\$26.3 million as at 31 December 2024, representing a decrease of approximately S\$0.5 million or 1.9%. The decrease was mainly due to the increase in current lease liabilities. As at 31 December 2025, the Group had cash and cash equivalents of approximately S\$14.3 million as compared to approximately S\$14.1 million as at 31 December 2024. The increase of cash and cash equivalents as at 31 December 2025 was mainly due to more cash generated from operating activities. The Board considers the level of cash balances reasonable and would enable the Company to take on suitable business opportunities in a very competitive and efficient manner.

As at 31 December 2025,

- a. the total amount of the issued share capital of the Company was HK\$10,000,000, divided into 1,000,000,000 shares of HK\$0.01 per share. There were no movements in the Company's share capital during FY2025.
- b. the leasehold land and building of the Group with carrying amounts of approximately S\$3.8 million and S\$4.2 million were mortgaged to licensed banks as security for credit facilities granted to the Group for FY2025 and FY2024 respectively.
- c. the Group had lease liabilities of approximately S\$11.9 million (FY2024: approximately S\$11.3 million).
- d. the Group's total equity attributable to equity holders of the Company amounted to approximately S\$40.6 million as compared to approximately S\$40.4 million as at 31 December 2024. The capital of the Company mainly comprises share capital and reserves.

Gearing ratio

The gearing ratio (calculated by dividing the obligations under lease liabilities by total equity and then multiplied by 100%) increased from 27.9% as at 31 December 2024 to 29.2% as at 31 December 2025. This resulted mainly from an increase in lease liabilities.

Treasury policies

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. The Group's bank borrowings are all denominated in S\$ and have been arranged on a fixed or mix of fixed and floating rate basis. It is the Group's policy not to enter into derivative transactions for speculative purposes. The Directors will continue to follow a prudent policy in managing the Group's cash and maintaining a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

Contingent liabilities

As at 31 December 2025, the Group had no significant contingent liabilities or outstanding litigation (2024: Nil).

Capital commitment

As at 31 December 2025, the Group did not have capital commitments for the purchase of property, plant and equipment (2024: Nil).

Material acquisitions and disposals of subsidiaries and affiliated companies

As at 31 December 2025, the Group did not have plans for material acquisitions or disposals of subsidiaries or associates.

Future plans for material investments or capital assets

As at 31 December 2025, the Group did not have specific plans for material investments or capital assets in the coming year.

Employee information and remuneration policy

As at 31 December 2025, the Group had a total of 137 employees, 6 more than the same time in 2024. All of the Directors and employees are located in Singapore and Hong Kong. The remuneration offered to employees generally includes salaries and bonus and are determined with reference to market norms and individual employees' performance, qualifications and role. The Company has adopted a share option scheme under which options may be granted to Directors and eligible employees as in incentive.

The remuneration, bonuses and other compensation payable of the Directors are determined by the Remuneration Committee, having regard to the Company's operating results, responsibilities and individual performance of Directors.

Significant investment held

As at 31 December 2025, save as disclosed in this announcement, there were no material investments held by the Group.

Charge of the Group's assets

As at 31 December 2025, the leasehold land and building of the Group with carrying amounts of approximately S\$3.8 million (2024: approximately S\$4.2 million) were mortgaged to licensed banks as security for credit facilities granted to the Group.

Foreign currency exposure

The Group operates in Singapore and most of its income and expenditures are denominated in Singapore Dollar ("S\$"), being the functional currency of the Company. The Group has exposure to foreign exchange risk as a result of cash and cash equivalents, trade receivables, deposits, prepayments and other receivables, trade and other payables denominated in the United States dollar and Hong Kong dollar. As at 31 December 2025, should S\$ be strengthened/weakened by 4% against those currencies, with all other variables held constant, the impact on the Group's post tax profit and the equity would have been approximately S\$2,000 (2024: approximately S\$1,000) lower/higher for the year ended 31 December 2025 as a result of foreign exchange losses/gains.

EVENTS AFTER THE REPORTING PERIOD

There was no material subsequent events undertaken by the Company or the Group after 31 December 2025 and up to the date of this announcement.

USE OF PROCEEDS FROM LISTING

On the Listing Date, the issued shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). A total of 250,000,000 ordinary shares were issued to the public at a price of HK\$0.5 per share for net proceeds of approximately HK\$77.5 million after the deduction of related listing expenses. At the end of FY2025, these proceeds have been utilised in accordance with the proposed allocation set out in the Prospectus.

Set out below are details of the allocation of the net proceeds, which was fully utilised:

Use of Net Proceeds	Intended amount of use of proceeds <i>HK\$'000</i>	Approximate Unused Net Proceeds as at 31 December 2024 <i>HK\$'000</i>	Approximate Amount of Net Proceeds utilised during FY2025 <i>HK\$'000</i>	Approximate Unused Net Proceeds as at 31 December 2025 <i>HK\$'000</i>
Enhancing the machinery fleet by acquiring excavators with different capacities including one unit of 48.5-metre high-reach excavator and attachments to excavators	51,200	10,988	10,988	–
Repaying the bank borrowing bearing interest rate at approximately 2.9% per annum and maturing in 2019, the proceeds from borrowing were used as working capital	13,500	–	–	–
Expanding the labour force by recruiting additional staff, including project management and project execution staff	9,100	–	–	–
Engagement of professional consultant to review the internal management systems for the purpose of the registration for B1 grade under the CW02 “Civil Engineering” workhead	2,200	668	668	–
Group’s general working capital	1,500	–	–	–

As at 31 December 2025, all the amount of the net proceeds were fully utilised. Since 2020, COVID-19 pandemic had imposed negative impact to the overall business environment in Singapore and the correspondent strictly enforced lockdown had led to uncertain economic and market conditions. In such circumstances, the Company has taken a responsible and prudent view to implement the business strategies which lead to the delay in using the Net Proceeds. Nevertheless, the Group has endeavored to adhere to the implementation plan for the use of the Net Proceeds as disclosed in the Prospectus, and has been monitoring the market conditions in Singapore and making assessments from time to time on the right timing to utilise the Net Proceeds.

SHARE OPTION SCHEME

The Company has conditionally approved and adopted the share option scheme (the “**Share Option Scheme**”) on 15 October 2019 (the “**Adoption Date**”) which shall remain in force for a period of ten years commencing on the Adoption Date and expire at the close of business on the business day immediately preceding the tenth anniversary thereof. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group (the “**Eligible Persons**”) and to promote the success of the business of the Group.

The principal terms of the Share Option Scheme are summarized in Appendix V to the Prospectus. Subject to the provisions of the Share Option Scheme, the Board may grant options at any time from time to time within a period of ten years from the Adoption Date. The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not, in aggregate, exceed 10% of the total number of Shares in issue as at the Listing Date (the “**Scheme Limit**”), unless approved by its shareholders pursuant to the paragraph below.

The Company may seek separate approval of the shareholders in a general meeting for refreshing the Scheme Limit provided that such limit as refreshed shall not exceed 10% of the total number of Shares in issue as of the date of the approval of the refreshed limit. Options previously granted under the Share Option Scheme or any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit.

The total number of Shares issued and to be issued upon exercise of options granted to any Eligible Persons (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in any issue.

Save as determined by the Board and provided in the offer of the grant of the relevant options, there is no performance target which must be achieved before any of the options can be exercised.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.00.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme and there was no share option outstanding as at 31 December 2025.

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

During FY2025, no purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries.

MODEL CODE OF CONDUCT OF DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code to the Listing Rules as its own code of conduct regarding Directors' transactions in securities of the Company. Having made specific enquiries with the Directors, all the Directors confirm that they have complied with the required standard set out in the Model Code during FY2025.

CORPORATE GOVERNANCE

The Company is committed to fulfilling its responsibilities to the Company's shareholders (the "**Shareholders**") and protecting and enhancing Shareholders' value through good corporate governance.

The Board recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company has adopted the principles and all relevant code provisions as set out under the Corporate Governance Code (the "**CG code**") contained in Appendix C1 to the Listing Rules.

To the best of the knowledge of the Board, the Company has complied with the CG code during the FY2025 with the exception from code provision C.2.1 as explained below. The Board will periodically review on the Company's corporate governance functions and will continuously improve the Company's corporate governance practices by assessing their effectiveness with evolving standards to meet changing circumstances and needs.

DEVIATION FROM C.2.1 OF THE CG CODE

Under paragraph C.2.1 of Appendix C1 to the Listing Rules, the roles of chairman and chief executive officer of a company should be separate and should not be performed by the same individual. Mr. Tan is currently the Chairman of the Board and the chief executive officer of the Group and primarily responsible for the day-to-day management of the Group's business. In view of the fact that Mr. Tan has been operating and managing our Group since its establishment, our Board believes it is in the best interests of our Group to have Mr. Tan take up both roles of effective management and business development. The Directors consider that vesting the roles of the chairman of the Board and chief executive officer in the same person facilitates the execution of the Group's business strategies and decision making, and maximises the effectiveness of the Group's operation. The Directors also believe that the presence of three Independent Non-Executive Directors ("**INEDs**") provides added independence to the Board, and that the Board is appropriately structured to maintain the balance of power and to provide sufficient checks to protect the interests of the Company and its Shareholders. The Directors shall review the structure from time to time and consider an adjustment should it become appropriate.

The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises three executive Directors (including Mr. Tan), and three INEDs and therefore has a fairly strong independence element in its composition.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the CG code. The Audit Committee consists of three INEDs, namely Mr. Leung Yau Wan John, Mr. Wee Chorng Kien and Mr. Leung Kee Wai. The chairman of the Audit Committee, Mr. Leung Yau Wan John, possesses the appropriate professional qualifications and financial expertise for the purposes of compliance with the requirements of Rule 3.21 of the Listing Rules.

The Audit Committee has reviewed the draft consolidated results of the Group for the year ended 31 December 2025 and of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made. The Audit Committee has also reviewed the effectiveness of the internal control system of the Group and considered the system to be effective and adequate.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY THE INDEPENDENT AUDITOR

The figures in respect of the Group's draft consolidated statement of financial position, draft consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group's independent auditor, McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountants of Hong Kong ("**McMillan Woods**") to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by McMillan Woods in this respect did not constitute an assurance engagement in accordance with the International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements and consequently, no assurance has been expressed by McMillan Woods on this preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 11 May 2026 to Friday, 15 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. Shareholders of the Company are reminded to ensure all properly executed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 pm on Friday, 8 May 2026. The shareholders whose names appear on the register of members of the Company on Friday, 15 May 2026 are entitled to attend and vote at the Annual General Meeting.

PUBLICATION ON THE COMPANY AND STOCK EXCHANGE’S WEBSITES

This annual results announcement is published on the websites of the Company (www.bsm.com.sg) and the Stock Exchange (www.hkexnews.hk), respectively. The annual report of the Company for FY2025 will be despatched to shareholders of the Company and available on the same websites in due course.

By Order of the Board
BENG SOON MACHINERY HOLDINGS LIMITED
TAN CHEE BENG
Chairman and Chief Executive Officer

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises six Directors namely Mr. Tan Chee Beng (Chairman and Chief Executive Officer), Ms. Tang Ling Ling and Mr. Tan Wei Leong as Executive Director; and Mr. Wee Chorng Kien, Mr. Leung Yau Wan John and Mr. Leung Kee Wai as Independent Non-executive Directors.