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KWAN YONG HOLDINGS LIMITED

光榮建築控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9998)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2026

The board (the “**Board**”) of directors (the “**Directors**”) of Kwan Yong Holdings Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 30 June 2026, together with the comparative figures for the year ended 30 June 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial year ended 30 June 2026

		2026	2025
	<i>Note</i>	SGD'000	<i>SGD'000</i>
Revenue	4	222,494	239,918
Cost of sales		<u>(188,596)</u>	<u>(215,293)</u>
Gross profit		33,898	24,625
Other income and gain	5	2,325	2,513
Administrative expenses		(11,916)	(11,750)
Finance costs	6	<u>(139)</u>	<u>(176)</u>
Profit before tax	7	24,168	15,212
Income tax expense	8	<u>(4,368)</u>	<u>(2,440)</u>
Profit for the year attributable to shareholders of the Company		<u>19,800</u>	<u>12,772</u>
Other comprehensive income			
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>			
Fair value gain on equity investments at fair value through other comprehensive income		<u>6</u>	<u>182</u>
Other comprehensive income for the year, net of tax		<u>6</u>	<u>182</u>
Total comprehensive income for the year attributable to shareholders of the Company		<u>19,806</u>	<u>12,954</u>
Basic and diluted earnings per share (cents)	10	<u>2.48</u>	<u>1.60</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	<i>Note</i>	2026 SGD'000	2025 SGD'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	17,009	17,597
Investment properties		1,717	1,748
Equity investments at fair value through other comprehensive income	12	40	34
Structured deposits	13	20,000	–
Deferred tax assets		288	436
Total non-current assets		<u>39,054</u>	<u>19,815</u>
Current assets			
Contract assets	14	3,392	2,227
Trade receivables	15	32,263	51,007
Prepayments, deposits and other receivables	16	1,469	1,342
Pledged deposits		7,000	7,000
Cash and cash equivalents		132,216	93,710
Total current assets		<u>176,340</u>	<u>155,286</u>
Total assets		<u>215,394</u>	<u>175,101</u>
Current liabilities			
Contract liabilities	14	63,573	51,848
Trade and other payables	17	74,509	66,109
Provisions	18	1,602	1,004
Lease liabilities		803	928
Tax payable		4,213	1,321
Total current liabilities		<u>144,700</u>	<u>121,210</u>
Net current assets		<u>31,640</u>	<u>34,076</u>

		2026	2025
	Note	SGD'000	SGD'000
Non-current liabilities			
Lease liabilities		<u>1,581</u>	<u>1,924</u>
Total non-current liabilities		<u>1,581</u>	<u>1,924</u>
Total liabilities		<u><u>146,281</u></u>	<u><u>123,134</u></u>
Net assets		<u><u>69,113</u></u>	<u><u>51,967</u></u>
Equity attributable to shareholders of the Company			
Issued capital	19	1,389	1,389
Share premium		30,318	32,978
Reserves		<u>37,406</u>	<u>17,600</u>
Total equity		<u><u>69,113</u></u>	<u><u>51,967</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial year ended 30 June 2026

	Attributable to shareholders of the Company				
	Issued capital SGD'000	Share premium SGD'000	Fair value reserves SGD'000	Retained profits SGD'000	Total equity SGD'000
At 1 July 2025	1,389	32,978	(4)*	17,604*	51,967
Profit for the year	–	–	–	19,800	19,800
Other comprehensive income for the year					
Fair value gain on equity instruments at fair value through other comprehensive income	–	–	6	–	6
Total comprehensive income for the year	–	–	6	19,800	19,806
Dividend (Note 9)	–	(2,660)	–	–	(2,660)
At 30 June 2026	1,389	30,318	2*	37,404*	69,113

	Attributable to shareholders of the Company				
	Issued capital SGD'000	Share premium SGD'000	Fair value reserves SGD'000	Retained profits SGD'000	Total equity SGD'000
At 1 July 2024	1,389	32,978	(42)	4,688	39,013
Profit for the year	–	–	–	12,772	12,772
Other comprehensive income for the year					
Fair value gain on equity instruments at fair value through other comprehensive income	–	–	182	–	182
Total comprehensive income for the year	–	–	182	12,772	12,954
Reclassification of fair value reserves upon disposal	–	–	(144)	144	–
At 30 June 2025	1,389	32,978	(4)*	17,604*	51,967

* These reserves accounts comprise the consolidated reserves of SGD37,406,000 (2025: SGD17,600,000) in the consolidated statement of financial position as at 30 June 2026.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial year ended 30 June 2026

	<i>Note</i>	2026 SGD'000	2025 SGD'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		24,168	15,212
Adjustments for:			
Bank interest income	5	(1,611)	(1,751)
Gain on disposal of property, plant and equipment, net	5	(50)	(79)
Dividend income from equity investments	5	(1)	(10)
Finance costs	6	139	176
Depreciation of property, plant and equipment	7	2,187	2,423
Depreciation of investment properties	7	31	31
Provision for defect liabilities, net	7	715	557
Operating cash flows before changes in working capital		25,578	16,559
(Increase)/decrease in contract assets		(1,165)	4,050
Decrease/(increase) in trade receivables		18,744	(27,450)
(Increase)/decrease in prepayments, deposits and other receivables		(236)	1,114
Increase in contract liabilities		11,725	40,343
Increase in trade and other payables		8,283	22,612
Cash flows generated from operations		62,929	57,228
Income tax (paid)/refund		(1,328)	5
Net cash flows generated from operating activities		61,601	57,233
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,720	1,622
Dividend received		1	10
Placement of structured deposits		(20,000)	–
Purchase of items of property, plant and equipment		(1,174)	(1,268)
Proceeds from disposal of equity investments		–	846
Proceeds from disposal of property, plant and equipment		203	158
Net cash flows (used in)/generated from investing activities		(19,250)	1,368

	2026	2025
<i>Note</i>	<i>SGD'000</i>	<i>SGD'000</i>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(139)	(176)
Payment of principal portion of lease liabilities	(1,046)	(859)
Repayment of bank borrowings	–	(1,041)
Increase in pledged deposit	–	(4,000)
Dividends paid	(2,660)	–
Net cash flows used in financing activities	(3,845)	(6,076)
Net increase in cash and cash equivalents	38,506	52,525
Cash and cash equivalents at beginning of year	93,710	41,185
Cash and cash equivalents at end of year	132,216	93,710

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Financial year ended 30 June 2026

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands, and the headquarter and principal place of business in Singapore of the Company is located at 11 Joo Koon Crescent, Singapore 629022.

The Company is an investment holding company. The Group is principally engaged in the provision of general building and construction services in Singapore.

Ideal Smart Ventures Limited, a company incorporated in the British Virgin Islands, is the immediate and ultimate holding company of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations as issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical basis except as disclosed in the accounting policies below.

The consolidated financial statements are presented in Singapore Dollars (“SGD”) and all values are rounded to the nearest thousand (“SGD’000”), except where otherwise stated.

2.2 Adoption of New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2025. The adoption of these new standards did not have any material effect on the financial performance or position of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.3 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.4 Standards issued but not yet effective

The Group has not applied the following applicable standards that have been issued but are not yet effective, in these consolidated financial statements and intends to adopt when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> : Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> : Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Amendments to IAS 21 <i>Translation to a Hyperinflationary Presentation</i> Currency	1 January 2027
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 20 <i>Regulatory Assets and Regulatory Liabilities</i>	1 January 2029
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Other than those disclosed below, the directors of the Company expect that the adoption of the standards and amendments above will have no material impact on the consolidated financial statements in the year of initial application.

3. SEGMENT INFORMATION

Operating segment information

For management purposes, the Group is organised into business units based on their products and services, and has 3 reportable operating segments as follows:

- (a) The construction segment is in the business of general building and construction services.
- (b) The property segment is in the business of leasing and management of dormitory.
- (c) The corporate segment comprises the corporate services and investment holding activities of the Group.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Segment assets and liabilities are measured in a manner consistent with those of the consolidated financial statements.

Year ended 30 June 2026

	Construction SGD'000	Property SGD'000	Corporate SGD'000	Total SGD'000
Revenue				
External customers	<u>221,164</u>	<u>1,330</u>	<u>–</u>	<u>222,494</u>
Segment results	<u>23,588</u>	<u>1,263</u>	<u>(683)</u>	<u>24,168</u>
Segment assets	<u>213,932</u>	<u>560</u>	<u>902</u>	<u>215,394</u>
Segment liabilities	<u>145,768</u>	<u>165</u>	<u>348</u>	<u>146,281</u>
Other segment information				
Interest income	1,609	–	2	1,611
Finance cost	139	–	–	139
Depreciation of property, plant and equipment	2,187	–	–	2,187
Depreciation of investment properties	31	–	–	31
Income tax expense	<u>4,365</u>	<u>3</u>	<u>–</u>	<u>4,368</u>

Year ended 30 June 2025

	Construction SGD'000	Property SGD'000	Corporate SGD'000	Total SGD'000
Revenue				
External customers	238,674	1,244	–	239,918
Segment results	14,798	1,177	(763)	15,212
Segment assets	173,526	723	852	175,101
Segment liabilities	122,512	269	353	123,134
Other segment information				
Interest income	1,751	–	–	1,751
Finance cost	176	–	–	176
Depreciation of property, plant and equipment	2,423	–	–	2,423
Depreciation of investment properties	31	–	–	31
Income tax expense/(credit)	2,443	(3)	–	2,440

Geographical information

The Group's revenue during the financial years ended 30 June 2026 and 2025 were all derived from external customers based in Singapore, and the Group's non-current assets, excluding financial assets, as at the end of the financial years ended 30 June 2026 and 2025 were all located in Singapore.

Information about major customers

Revenue from major customers, which contributed 10% or more of the Group's revenue for years ended 30 June 2026 and 2025, is set out below:

	2026 SGD'000	2025 SGD'000
<i>Revenue from construction segment:</i>		
Customer A	102,990	90,371
Customer B	57,785	39,680
Customer C	60,302	106,216

4. REVENUE

(a) Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Segments	Construction		Property		Total	
	2026 SGD'000	2025 SGD'000	2026 SGD'000	2025 SGD'000	2026 SGD'000	2025 SGD'000
Type of goods or services						
Construction contracts	221,164	238,674	–	–	221,164	238,674
Rental of dormitory	–	–	1,330	1,244	1,330	1,244
	<u>221,164</u>	<u>238,674</u>	<u>1,330</u>	<u>1,244</u>	<u>222,494</u>	<u>239,918</u>

Revenues are recognised over time and all revenues are generated in Singapore.

(b) Judgement and methods used in estimating revenue

Performance obligation – Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

(c) Transaction price allocated to remaining performance obligation

Management expects that the transaction price allocated to remaining unsatisfied (or partially satisfied) performance obligations as at 30 June 2026 and 2025 will be recognised as revenue as the Group continues to perform to complete the contracts which is expected to occur within the next few years up to 2028.

	2026 SGD'000	2025 SGD'000
Revenue to be recognised		
Within one year	362,622	286,193
After one year	<u>73,759</u>	<u>66,435</u>
	<u>436,381</u>	<u>352,628</u>

(d) **Contract balances**

	2026 SGD'000	2025 SGD'000
Trade receivables (Note 15)	32,263	51,007
Contract assets (Note 14)	3,392	2,227
Contract liabilities (Note 14)	<u>63,573</u>	<u>51,848</u>

Set out below is the amount of revenue recognised from:

	2026 SGD'000	2025 SGD'000
Amounts included in the contract liabilities at the beginning of the year	51,848	11,505
Performance obligations satisfied in previous years	<u>113</u>	<u>779</u>

Variable consideration that is constrained is not included in the transaction price. The Group determined that the estimates of variable consideration are not constrained.

5. **OTHER INCOME AND GAIN**

An analysis of the Group's other income and gain for each of the reporting period is as follows:

	2026 SGD'000	2025 SGD'000
Other income		
Bank interest income	1,611	1,751
Government grants (a)	67	61
Rental income	596	589
COVID-19 related prolongation claims (b)	–	23
Dividend income from equity investments at fair value through other comprehensive income	<u>1</u>	<u>10</u>
	2,275	2,434
Gain		
Gain on disposal of property, plant and equipment	<u>50</u>	<u>79</u>
	<u>2,325</u>	<u>2,513</u>

Notes:

- (a) During the years ended 30 June 2026 and 2025, subsidies were received by the subsidiaries from various government authorities in Singapore for employment incentives and productivity improvement. There are no unfulfilled conditions or contingencies attaching to government grants that have been recognised.
- (b) During the year ended 30 June 2025, COVID-19 related prolongation claims in relation to the co-share of prolongation costs with project owners due to COVID-19 were received by a subsidiary.

6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2026 SGD'000	2025 SGD'000
Interest on:		
Term loan	–	10
Lease liabilities	139	166
	<u>139</u>	<u>176</u>

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2026 SGD'000	2025 SGD'000
Cost of construction work	188,596	215,293
Depreciation of property, plant and equipment	2,187	2,423
Less: Amount included in cost of construction work	(1,721)	(1,869)
	<u>466</u>	<u>554</u>
Depreciation of investment properties	31	31
Expenses relating to short-term leases and leases of low value assets	16	8
Less: Amount included in cost of construction work	–	–
	<u>16</u>	<u>8</u>
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	48	71
Employee benefit expense (excluding directors' remuneration):		
Salaries, allowances and benefits in kind	13,753	13,635
Wages	4,460	4,402
Pension scheme contributions	881	839
	<u>19,094</u>	<u>18,876</u>
Less: Amount included in cost of construction work	(13,525)	(13,030)
	<u>5,569</u>	<u>5,846</u>
Provision for defect liabilities – net	715	557
Auditor's remuneration	204	197

Included in cost of construction is a reversal of accrued subcontractor costs of SGD2,083,000 (2025: SGD871,000) during the year.

8. INCOME TAX EXPENSE

Pursuant to the rules and regulation of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands. The Company is a tax resident in Singapore and is subject to Singapore tax laws.

Singapore income tax has been provided at the rate of 17% on the estimated assessable profits arising in Singapore during the years ended 30 June 2026 and 2025.

An analysis of the Group's income tax is as follows:

	2026 SGD'000	2025 SGD'000
Current income tax – Singapore:		
Charge for the year	4,220	1,321
Over-provision in prior years	—	(7)
	<u>4,220</u>	<u>1,314</u>
Deferred income tax – Singapore:		
Reversal of temporary differences	148	1,520
Prior year temporary differences	—	(394)
	<u>148</u>	<u>1,126</u>
Income tax expense recognised in profit or loss	<u><u>4,368</u></u>	<u><u>2,440</u></u>

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate of Singapore (in which the Group operates) to the tax expense at the effective tax rate is as follows:

	2026 SGD'000	2025 SGD'000
Profit before tax	<u><u>24,168</u></u>	<u><u>15,212</u></u>
Tax at the statutory rate of 17% (2025: 17%)	4,109	2,586
Income not subject to tax	(7)	(12)
Expenses not deductible for tax	287	313
Tax rebates	(21)	(46)
Over-provision in respect of prior years	—	(7)
Recognition of deferred tax asset previously not recognised	—	(394)
Income tax expense recognised in profit or loss	<u><u>4,368</u></u>	<u><u>2,440</u></u>

9. DIVIDENDS

During the financial year ended 30 June 2026, a final dividend of HKD0.02 (2025: Nil) per ordinary share, in aggregate amounting to HKD16,000,000 (equivalent to SGD2,660,000) in respect of the financial year ended 30 June 2025, was declared and paid by the Company.

The directors of the Company have proposed a final dividend of HKD0.03 (2025: HKD0.02) per ordinary share in respect of current financial year. The total dividend payable amounting to HKD24,000,000 (equivalent to SGD3,960,000) is subject to approval by shareholders of the Company at the forthcoming annual general meeting and has not been included as a liability as at 30 June 2026.

10. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

	2026	2025
Profit attributable to the shareholders of the Company (<i>SGD</i>)	19,800,000	12,772,000
Weighted average number of ordinary shares in issue	800,000,000	800,000,000
Basic and diluted earnings per share (<i>Singapore cents</i>)	2.48	1.60

The calculation of basic earnings per share is based on the profit for the year attributable to shareholders of the Company and the weighted average number of ordinary shares in issue during the year.

No adjustment has been made to the basic earnings per share presented for the years ended 30 June 2026 and 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during each of these years.

11. PROPERTY, PLANT AND EQUIPMENT

During the year ended 30 June 2026, the Group acquired assets with a cost of SGD1,752,000 (2025: SGD1,568,000). This amount includes the purchase of motor vehicles amounted to SGD711,000 (2025: SGD710,000), of which SGD471,000 (2025: SGD410,000) was paid as down payments and the remaining balance of SGD240,000 (2025: 300,000) was financed by entering into finance lease arrangements.

Assets with a net carrying amount of SGD153,000 (2025: SGD79,000) were disposed by the Group during the financial years, resulting in a net gain on disposal of SGD50,000 (2025: SGD79,000).

12. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2026 <i>SGD'000</i>	2025 <i>SGD'000</i>
Equity investments at fair value through other comprehensive income		
Listed equity investments	40	34

The Group has elected to measure these equity investments at fair value through OCI as the Group considers these investments to be strategic in nature. Fair values of these equity shares are determined by reference to published price quotation in an active market.

Equity investments denominated in currency other than the functional currency are as follows:

	2026 <i>SGD'000</i>	2025 <i>SGD'000</i>
United States Dollar ("USD")	40	34

During the year ended 30 June 2025, the Group disposed certain of its equity investments for profit realisation in view of the favourable market conditions. The fair value of the equity investments disposed and the cumulative gain on disposal amounted to SGD845,000 and SGD144,000 respectively.

13. STRUCTURED DEPOSITS

During the year ended 30 June 2026, the Group entered into interest rate-linked structured deposits. These structured deposits earn interest at the respective deposit rates and will mature in October 2027. These deposits are placed with creditworthy banks with no recent history of default.

14. CONTRACT BALANCES

Information relating to contract balances arising from contracts with customers is disclosed as follows:

		2026 SGD'000	2025 SGD'000
Contract assets	(a)	<u>3,392</u>	<u>2,227</u>
Trade receivables	15	<u>32,263</u>	<u>51,007</u>
Contract liabilities	(b)	<u>(63,573)</u>	<u>(51,848)</u>

Notes:

- (a) Contract assets primarily relate to the Group's right to consideration for construction work completed but yet to be certified by surveyors appointed by the customers as at the reporting date. Contract assets are transferred to receivables when the rights become unconditional.

The movement in contract assets are explained as follows:

	2026 SGD'000	2025 SGD'000
Contract assets:		
Total contract assets at beginning of the year	2,227	6,277
Work performed but not yet certified	3,392	2,227
Contract assets transferred to trade receivables	<u>(2,227)</u>	<u>(6,277)</u>
Total contract assets at end of the year	<u>3,392</u>	<u>2,227</u>

The increase in contracts assets during the year ended 30 June 2026 was the result of the increase in the value of the construction works performed but not yet been certified by the surveyors appointed by the customers at the end of the financial year ended 30 June 2026.

The expected timing of recovery or settlement of contract assets as at the end of each of the years ended 30 June 2026 and 2025 is as follows:

	2026 SGD'000	2025 SGD'000
Within one year	<u>3,392</u>	<u>2,227</u>

The Group applies the simplified approach to provide for Expected credit losses (“ECL”) as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all contract assets. The Group has assessed the impairment of its contract assets on an individual basis based on internal credit rating and ageing of these balances which, in the opinion of the directors of the Company, have no significant increase in credit risk during the financial years. ECL is estimated based on historical observed default rates over the expected life of debtors and are adjusted for forward-looking information that is available without undue cost or effort. Considering the good credit history of debtors and insignificant loss on collection incurred in the past history, no ECL was made for contract assets as at 30 June 2026 and 2025.

- (b) Contract liabilities are the Group’s obligations to transfer goods or services to customers for which the Group has received consideration from customers. Contract liabilities are recognised as revenue when the Group performs under the contract.

The movement in contract liabilities are explained as follows:

	2026 SGD’000	2025 SGD’000
Contract liabilities:		
Total contract liabilities at beginning of the year	51,848	11,505
Revenue recognised that was included in contract liabilities	(51,848)	(11,505)
Advances received in relation to the construction contracts	63,573	51,848
Total contract liabilities at end of the year	63,573	51,848

- (c) As at 30 June 2026, performance bonds amounting to SGD53,328,000 (2025: SGD42,962,000) were issued by insurance companies and financial institution as security deposits in lieu of cash to customers of the Group for the due performance and observance of the Group’s obligations under the contracts entered into between the Group and the customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the insurance companies and financial institution to pay to them the sum or sums stipulated in such demand. The Group will then be liable to compensate the insurance companies and financial institution accordingly. The performance bonds will be released upon completion of the contract work. The performance bonds are secured either by way of personal guarantees given by two directors of the Company or corporate guarantee.

15. TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on a 30-day term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group assesses at the end of each reporting period whether there is objective evidence that any trade receivables are impaired. The Group seeks to maintain strict control over all its outstanding receivables and has a credit control in place to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The Group applies the simplified approach to provide for ECL prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group has assessed the impairment of its trade receivables on an individual basis based on internal credit rating and ageing of these balances which, in the opinion of the directors of the Company, have no significant increase in credit risk during the financial years. ECL is estimated based on historical observed default rates over the expected life of debtors and are adjusted for forward-looking information that is available without undue cost or effort. Considering the good credit history of debtors and loss on collection is not material, no ECL was made for trade receivables as at 30 June 2026 and 2025.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2026 SGD'000	2025 <i>SGD'000</i>
Within one month	16,496	18,904
1 to 2 months	18	12
2 to 3 months	9	–
	16,523	18,916
Unbilled receivables*	15,740	32,091
	32,263	51,007

* Unbilled receivables related to construction work which have been certified by surveyors appointed by the customers but related invoices have not been issued as at the end of the reporting period.

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2026 SGD'000	2025 <i>SGD'000</i>
Prepayments	12	13
Deposits	991	640
Other receivables	466	689
	1,469	1,342

Included in other receivables are purchases made on behalf of subcontractors amounted to SGD209,000 (2025: SGD339,000). The amount is unsecured, interest-free and repayable on demand.

17. TRADE AND OTHER PAYABLES

		2026 SGD'000	2025 <i>SGD'000</i>
Trade payables	(a)	10,415	5,360
Accrued subcontractor costs		39,691	38,812
Accrued operating expenses		4,436	3,427
Retention payables	(b)	18,049	14,897
Deposit received		231	222
Deferred income		4	118
GST payable		1,683	3,273
		74,509	66,109

Notes:

- (a) The Group's trade payables are unsecured, non-interest bearing, and are normally settled on average terms of 30 to 60 days.

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2026 SGD'000	2025 SGD'000
Within one month	10,001	4,230
1 to 2 months	205	801
2 to 3 months	4	193
Over 3 months	205	136
	<u>10,415</u>	<u>5,360</u>

- (b) Retention payables represent contract sums payable to the Group's subcontractors which are withheld by the Group for a period of time after the work has been completed in accordance with contractual terms and conditions agreed with its subcontractors.

The expected due date for settlement of the Group's retention payables as at the end of the reporting period is analysed as follows:

	2026 SGD'000	2025 SGD'000
Due within one year	8,273	5,653
Due after one year	9,776	9,244
	<u>18,049</u>	<u>14,897</u>

18. PROVISIONS

	Defect liabilities SGD'000	Onerous contracts SGD'000	Total SGD'000
As at 1 July 2024	486	415	901
Additional provision made during the year	735	–	735
Reversal during the year	(178)	–	(178)
Utilised during the year	<u>(39)</u>	<u>(415)</u>	<u>(454)</u>
At 30 June 2025 and 1 July 2025	1,004	–	1,004
Additional provision made during the year	715	–	715
Utilised during the year	<u>(117)</u>	<u>–</u>	<u>(117)</u>
As at 30 June 2026	<u>1,602</u>	<u>–</u>	<u>1,602</u>

Provision for defect liabilities is recognised for expected claim on defective works for completed construction projects, based on the Group's expectation and past experience of the level of repair works.

Provision for onerous contracts relates to unavoidable costs of meeting the obligation under the construction contracts with customers, which exceeds the economic benefits expected to be received under the contracts.

19. ISSUED CAPITAL

	2026 HKD'000	2025 <i>HKD'000</i>
Authorised:		
15,000,000,000 (2025: 15,000,000,000) ordinary shares of HKD0.01 each	150,000	150,000

	2026 SGD'000	2025 <i>SGD'000</i>
Issued and fully paid:		
800,000,000 (2025: 800,000,000) ordinary shares of HKD0.01 each	1,389	1,389

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

BUSINESS REVIEW

The Group acts as a main contractor in the provision of building construction works in Singapore, including new construction and alteration and addition (“**A&A**”) works, with more than 40 years of experience in building construction works for various types of buildings which include (i) institutional buildings (such as education institutions, hospitals, and nursing homes); (ii) commercial buildings (such as office buildings and restaurants); and (iii) industrial and residential buildings. The Group is known for quality of work, especially in building construction works for the public sector.

As at 30 June 2026, the Group had 5 (2025: 5) construction projects on hand (including projects in progress and projects that are yet to commence) with a total contract value of SGD715.0 million (2025: SGD623.9 million).

OUTLOOK

According to the Ministry of Trade and Industry (the “**MTI**”) announcement on 11 August 2026, Singapore economy grew by 5.9 per cent on a year-on-year basis in the second quarter of 2026, easing from the 6.3 per cent expansion in the previous quarter. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 1.4 per cent, extending the 1.2 per cent growth in the first quarter. Growth in the construction sector came in at 5.8 per cent year-on-year, slower than the 12.9 per cent growth in the preceding quarter. Growth during the quarter was supported by expansions in both public sector and private sector construction output. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted by 2.5 per cent, a reversal from the 7.4 per cent growth in the previous quarter.

MTI’s forecast that Singapore’s external demand outlook is expected to be moderate in the second half of the year. However, global downside risks in the economy remain. First, a further escalation and broadening of the conflict in the Middle East could trigger fresh spikes in the prices of energy commodities and other key intermediate inputs. The resulting rise in inflationary pressures and tighter global financial conditions could dampen global growth. Second, additional US tariff actions and the uncertainty surrounding these actions could weigh on business and household sentiments, thereby dampening investment and spending in the affected economies. Third, sudden risk-off sentiments in financial markets regarding global AI-related capital spending could trigger sharp corrections in these markets, with potential spillovers to broader economic activity. Taking into account the better-than-expected performance of the Singapore economy in the first half of the year, as well as the latest global and domestic economic outlook, the MTI has upgraded the GDP growth forecast for 2026 from “2.0 to 4.0 per cent”, to “4.5 to 5.5 per cent”.

The Building and Construction Authority (the “**BCA**”) announced on 22 January 2026 that the total construction demand in 2026 remain steady at the range of SGD47 billion and SGD53 billion, in nominal terms, similar to 2025. The sustained construction demand expected in 2026 is supported by the expected awarding of additional construction packages for Changi Terminal 5 (T5) Development, for Marina Bay Sands Integrated Resort (MBS IR2) expansion, New Tengah General & Community Hospital, Downtown Line 2 Extension and Thomson-East Coast Line Extension.

The Group's focus as a building contractor will remain unchanged – To be a leading main contractor in public and private sector projects. The Group will exercise cautious optimism as it moves forward to position itself as a strong and resilient company. The Group believes that continued investments to enhance the Group's workforce and adopt new building technologies to support improved productivity for construction projects will strengthen our competitive edge in the tender and delivery of new construction projects.

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 30 June 2026 was SGD222.5 million, representing a decrease of SGD17.4 million or 7.3% as compared to that of SGD239.9 million for the year ended 30 June 2025. The decrease in revenue was attributable to the timing and stages of completion of the Group's project portfolio, with a lower level of construction activities recognised for the year ended 30 June 2026 as compared to those for the previous financial year.

Cost of sales

Cost of sales for the year ended 30 June 2026 was SGD188.6 million, representing a decrease of SGD26.7 million or 12.4%, from SGD215.3 million for the year ended 30 June 2025. The decrease was mainly driven by overall progress of construction activities which is in line with the decrease in revenue.

Gross profit and gross profit margin

Gross profit increased by SGD9.3 million from SGD24.6 million for the year ended 30 June 2025 to SGD33.9 million for the year ended 30 June 2026, and the gross profit margin increased to 15.2% for the year ended 30 June 2026 from the gross profit margin of 10.3% for the year ended 30 June 2025. The increase in gross profit and gross profit margin was mainly due to effective cost control and procurement measures adopted by the Group.

Other income and gain

Other income and gain for the year ended 30 June 2026 was SGD2.3 million (2025: SGD2.5 million) which is similar to that of the previous financial year.

Income tax expense

The Group's income tax expense was SGD4.4 million (2025: SGD2.4 million) for the financial year ended 30 June 2026 including reversal of income tax credit of SGD0.2 million (2025: SGD1.5 million) which was recognised as deferred tax assets in the previous financial year. Increased in income tax expense was mainly due to the increase in assessable profit generated in the financial year ended 30 June 2026 as compared to last financial year.

Profit for the year

As a result of the above factors, the Group recorded a net profit of SGD19.8 million for the year ended 30 June 2026 as compared to SGD12.8 million for the year ended 30 June 2025.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The capital of the Group comprises of ordinary shares and the capital structure of the Company comprised mainly issued capital and reserves.

The Group's cash and cash equivalents balances as at 30 June 2026 amounted to SGD132.2 million (2025: SGD93.7 million) representing an increase of SGD38.5 million as compared to that for previous financial year. The cash and bank balances of the Group which were denominated in Hong Kong dollars and United States dollars amounted to SGD0.4 million (2025: SGD0.4 million) and SGD0.4 million (2025: SGD0.4 million) respectively.

As at 30 June 2026, the Group's indebtedness comprised lease liabilities denominated in Singapore dollars of SGD2.4 million (2025: SGD2.9 million).

The Group recorded total current assets of SGD176.3 million (2025: SGD155.3 million) as at 30 June 2026 and total current liabilities of SGD144.7 million (2025: SGD121.2 million) as at 30 June 2026. The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was 1.2 as at 30 June 2026 (2025: 1.3).

The Group's total equity attributable to owners of the Company remained stable at SGD69.1 million (2025: SGD52.0 million) as at 30 June 2026.

The Group's operations are financed principally by cash generated from its business operations and bank facilities.

GEARING RATIO

As at 30 June 2026, the Group's gearing ratio which was calculated by dividing the total debts (being lease liabilities) by total equity was 3.5% (2025: 5.6%).

CONTINGENT LIABILITIES

As at 30 June 2026 and 30 June 2025, the Group did not have any material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the year ended 30 June 2026, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures. Save as disclosed herein, the Group did not have other plans for material investments or acquisition of capital assets as at 30 June 2026.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had no capital commitment (2025: Nil).

TREASURY POLICIES

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.

FOREIGN CURRENCY RISK

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Most of the Group's transactions, monetary assets and liabilities are denominated in Singapore dollars.

The Group currently does not have a foreign currency hedging policy as the foreign currency risk is considered insignificant. Nevertheless, the management will continue to closely monitor the Group's foreign exchange risk exposure and will consider hedging significant foreign exchange exposure when necessary.

PROSPECTS

Singapore's economy remained resilient in the first half of 2026. According to the Ministry of Trade and Industry, GDP grew 5.9% year-on-year in Q2, following a 6.3% expansion in the first quarter. MTI has upgraded its 2026 GDP forecast to 4.5% to 5.5%. MTI, however, has cautioned that external demand could moderate in the second half of the year, with the escalation of geopolitical tensions, renewed frictions in global trade, and the risk of sharp corrections in financial markets which could weigh on the global outlook. The Group will continue to closely monitor these developments and assess their potential impact on its operations.

On the industry front, the Building and Construction Authority projects total construction demand in 2026 to remain steady at SGD47 billion to SGD53 billion, similar to 2025. Demand is expected to be supported by major public and private developments, including Changi T5, IR expansions, new public housing, healthcare redevelopments, and major MRT projects. Beyond the near-term project pipeline, the Group notes several structural trends shaping the industry's medium-term trajectory. The push towards Industry Transformation Map (ITM) targets continues to accelerate adoption of Design for Manufacturing and Assembly (DfMA), Integrated Digital Delivery (IDD), and Building Information Modelling (BIM) across public sector tenders, which the Group expects will increasingly become a prerequisite for participation in larger-scale projects. Manpower and foreign worker policy remain a key operating consideration, and the Group will continue to manage workforce planning prudently in light of prevailing levy and quota frameworks. Sustainability requirements, including the Singapore Green Building Masterplan and tightening BCA Green Mark standards, are also expected to shape tender specifications and project delivery approaches going forward. The outlook for the construction sector remains positive.

Against this backdrop, the group remains cautiously optimistic about the prospects of Singapore's construction industry. The Group will continue to be selective in tendering, focus on cost and supply chain management, and pursue opportunities in its core segments. At the same time, the Group will continue to adopt technology and productivity-enhancing solutions to improve operational efficiency and enhance its competitiveness. The Group will continue to maintain financial discipline and prudent capital management to preserve balance sheet resilience amid a still-uncertain external environment. Barring unforeseen circumstances, the group believes it is well-positioned to participate in Singapore's continued development.

FINAL DIVIDEND

The Board has resolved to declare a final dividend of HKD0.03 per ordinary share for the financial year ended 30 June 2026 which is subject to consideration and approval at the forthcoming annual general meeting of the Company.

During the year ended 30 June 2026, a final dividend of HKD0.02 per ordinary share, in aggregate amounting to HKD16,000,000 (equivalent to SGD2,660,000) in respect of the financial year ended 30 June 2025 was declared and paid by the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 457 employees (2025: 504 employees). Total staff costs for the year ended 30 June 2026 amounted to SGD22.0 million (2025: SGD21.4 million). Salaries and benefits of the Group's employees have been kept at a market level, and employees are rewarded on a performance-related basis. Remuneration package is reviewed annually. Staff benefits included contribution to mandatory contribution fund, allowance and performance-based bonus.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There was no material subsequent event after the year ended 30 June 2026 and up to the date of this announcement.

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on Note 3 to the consolidated financial statements.

CHARGES ON GROUP ASSETS

The bank facilities as at 30 June 2026 was secured against pledged time deposits of SGD7.0 million (2025: SGD7.0 million).

CORPORATE GOVERNANCE PRACTICE

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is also committed to achieving a high standard of corporate governance that can protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company. The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). Except for the deviation from code provision C.2.1 of the CG Code, the Company's corporate governance practices have complied with the CG Code during the year ended 30 June 2026 and up to the date of this announcement.

Code provision C.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and not be performed by the same individual to avoid power being concentrated in any one individual. Mr. Kwan is both the Chairman and the Chief Executive Officer. In view of the fact that Mr. Kwan is the founder of the Group and has been operating and managing the Group since the establishment of the Group, the Board believes that it is in the best interest of the Group to have Mr. Kwan taking up both roles for effective management and business development. Major operating decisions are usually discussed with executive Directors and senior management. All significant decisions made during the year ended 30 June 2026 have been consulted and communicated with Board members and respective committees. Chief executives and senior management are invited to attend Board meetings from time to time to make presentations and answer the Board's enquiries. In particular, the Company is actively looking for suitable candidate for segregating the duties of the Chairman and the Chief Executive Officer.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by directors. Having made specific enquiry, all Directors confirmed that they had fully complied with the required standards set out in the Model Code and there is no event of non-compliance during the year ended 30 June 2026 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities including the sale of treasury shares (as defined under the Listing Rules) during the year ended 30 June 2026. As at 30 June 2026, there were no treasury shares held by the Company.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 17 December 2019. The chairman of the Audit Committee is Mr. Fong Heng Boo, an independent non-executive Director, and other members include Mr. Chou Sean Yu, the non-executive Director, Mr. Lim Ah Lay and Dr. Wu Dongqing, independent non-executive Directors. The written terms of reference of the Audit Committee are posted on both the Stock Exchange’s website and on the Company’s website.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, review of the work of the internal auditor, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the year ended 30 June 2026, the Audit Committee held four meetings to review and comment on the Group’s first quarter results, 2025 annual results, interim results and third quarter results, as well as the Company’s internal control procedure and risk management systems.

The Group’s consolidated financial statements for the year ended 30 June 2026 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 30 June 2026 comply with applicable accounting standards, Listing Rules and that adequate disclosures have been made.

SCOPE OF WORK OF ERNST & YOUNG LLP

The figures in respect of the Group’s consolidated statement of financial position as at 30 June 2026, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and the related notes thereto for the year ended 30 June 2026 as set out in the preliminary announcement have been agreed by the Company’s auditors, Ernst & Young LLP, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 30 June 2026. The work performed by Ernst & Young LLP in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently no assurance has been expressed by Ernst & Young LLP on the preliminary announcement.

APPRECIATION

Mr. Kwan Mei Kam, the chairman of the Board, would like to express his sincerest gratitude to the shareholders, customers, suppliers and subcontractors for the continuous support. He would also like to extend his warmest thanks to all the management and staff members of the Group for the hard work and dedication throughout the year.

By order of the Board
Kwan Yong Holdings Limited
Kwan Mei Kam
Chairman and Executive Director

Singapore, 24 September 2026

As at the date of this announcement, the Board comprises Mr. Kwan Mei Kam, Ms. Tay Yen Hua, Mr. Jacob Wong San Ta and Ms. Kwan Shu Ming as executive Directors; Mr. Chou Sean Yu as non-executive Director; Mr. Lim Ah Lay, Mr. Fong Heng Boo and Dr. Wu Dongqing as independent non-executive Directors.