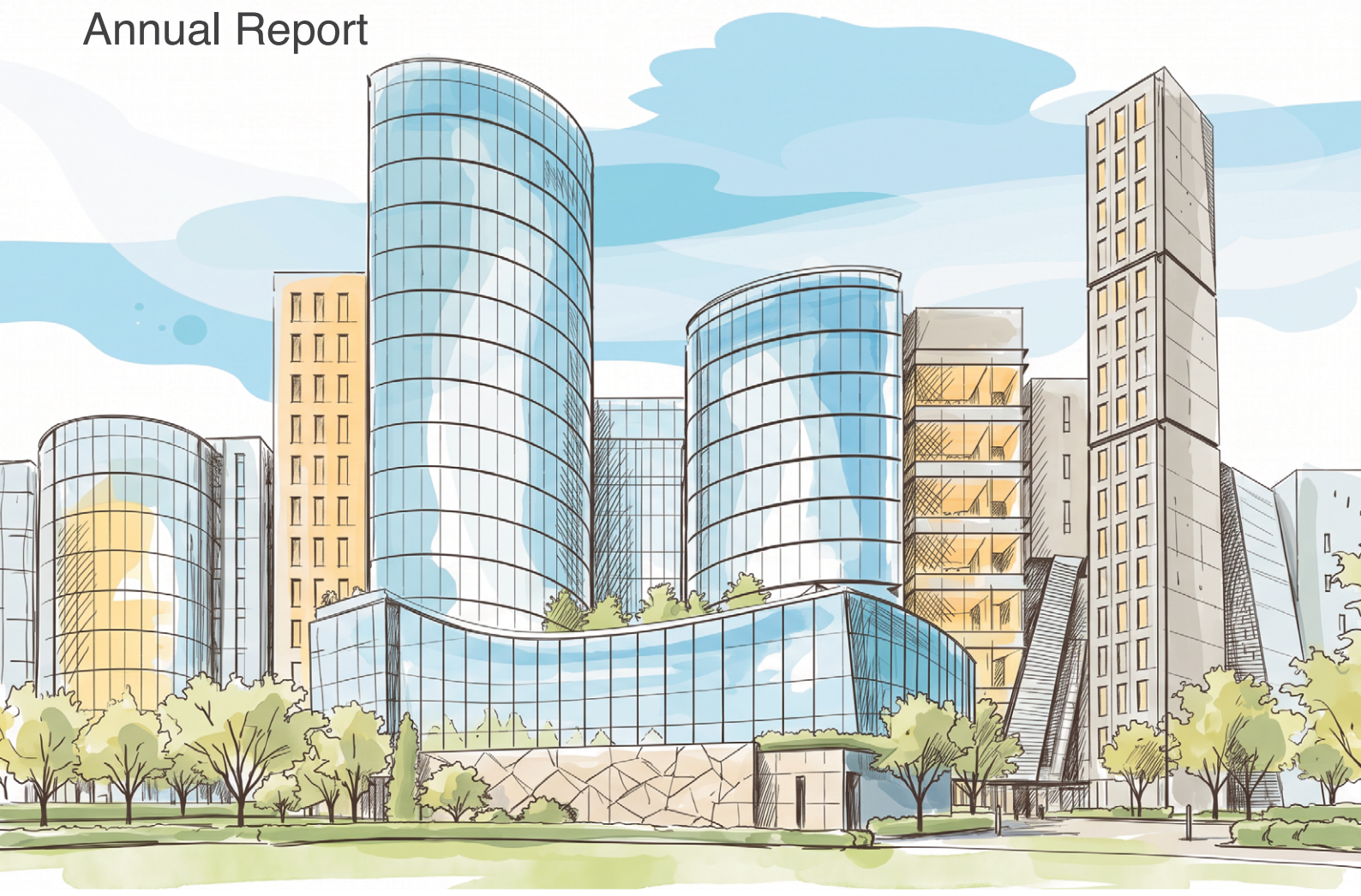
Kwan Yong Holdings Limited

光榮建築控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9998

2026 Annual Report



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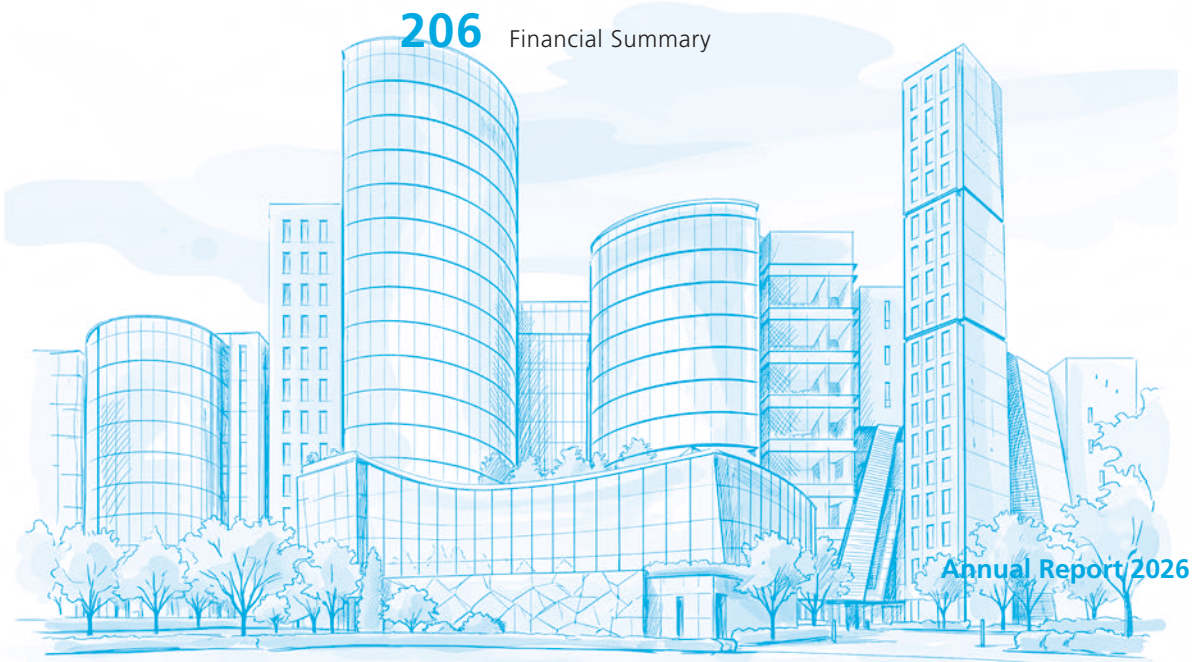
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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Kwan Mei Kam
(Chairman and Chief Executive Officer)
Ms. Tay Yen Hua
Mr. Jacob Wong San Ta
Ms. Kwan Shu Ming

Non-executive Director

Mr. Chou Sean Yu
(Redesignated on 19 December 2025)

Independent Non-executive Directors

Mr. Lim Ah Lay
Mr. Fong Heng Boo
Dr. Wu Dongqing

BOARD COMMITTEES

Audit Committee

Mr. Fong Heng Boo *(Chairman)*
Dr. Wu Dongqing
Mr. Chou Sean Yu
Mr. Lim Ah Lay

Remuneration Committee

Mr. Lim Ah Lay *(Chairman)*
(Appointed on 19 December 2025)
Dr. Wu Dongqing
Mr. Kwan Mei Kam
Mr. Chou Sean Yu
(Ceased to be Chairman on 19 December 2025)
Mr. Fong Heng Boo

Nomination Committee

Mr. Kwan Mei Kam *(Chairman)*
Ms. Kwan Shu Ming
Mr. Fong Heng Boo *(Appointed on 7 January 2026)*
Dr. Wu Dongqing
Mr. Lim Ah Lay
Mr. Chou Sean Yu
(Ceased to be a member on 7 January 2026)

COMPANY SECRETARY

Ms. Ng Hoi Ying

AUTHORISED REPRESENTATIVES

Ms. Kwan Shu Ming
Ms. Ng Hoi Ying

AUDITORS

Ernst & Young LLP
Certified Public Accountants
One Raffles Quay
North Tower Level 18
Singapore 048583

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

11 Joo Koon Crescent
Singapore 629022

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 907
Tai Yau Building
181 Johnston Road
Wanchai
Hong Kong

Corporate Information

LEGAL ADVISER AS TO HONG KONG LAWS

TC & Co., Solicitors
Units 501-502, 5/F
Tai Tung Building, 8 Fleming Road, Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

DBS Bank Ltd
Overseas-Chinese Banking Corporation Limited

COMPANY'S WEBSITE

www.kwanyong.com.sg

STOCK CODE

9998

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual results of the Group for the year ended 30 June 2026. It was a year in which our teams' discipline and commitment were reflected clearly in our performance, and I would like to share the key highlights with you.

The operating environment remained challenging, with manpower constraints, rising operating costs and global economic uncertainties. Against this backdrop, the Group achieved higher profitability and further strengthened its financial position.

Revenue for the year was SGD222.5 million, a decrease of 7.3% from the previous year, mainly due to the timing and stages of completion of our construction projects. Despite this, net profit rose by 54.7% to SGD19.8 million, and gross profit margin improved from 10.3% to 15.2%. These results reflect the effectiveness of our cost control and procurement measures, as well as the consistent efforts of our project teams. Cash and cash equivalents increased to SGD132.2 million as at 30 June 2026, providing a solid foundation for our operations and future opportunities.

During the year, the Group completed several significant public-sector projects, including the Housing & Development Board (HDB) Home Improvement Project covering upgrading works in the East Region of Singapore, and APSN Chaoyang School. We also completed Outram Secondary School (Sengkang Campus), which, subsequent to the financial year-end, was recognised by the Building and Construction Authority (BCA) with the Project of the Year Award in the Institutional Category on 4 September 2026. This recognition is a credit to everyone involved and reflects our commitment to quality and workmanship.

The Group secured several significant new contracts during the year, including a new junior college for the Ministry of Education (MOE) and two nursing home developments at Bukit Purmei Avenue and Alexandra Health Campus. We are encouraged by the continued confidence our clients place in us. As at 30 June 2026, the Group had five construction projects on hand with an aggregate contract value of SGD715.0 million, compared with SGD623.9 million a year earlier, providing good visibility for the years ahead.

We continue to invest in productivity and innovation. During the year, the Group implemented advanced precast construction techniques, including the Lotus Root System, and made greater use of Building Information Modelling (BIM) to improve coordination and project delivery. These initiatives demonstrate our technical capabilities in executing specialised construction requirements and our commitment to adopting innovative solutions that strengthen operational efficiency and competitiveness.

Sustainability remains an integral part of our long-term strategy. We are committed to responsible construction practices, efficient use of resources and high standards of workplace safety, and will continue to integrate environmental, social and governance considerations into our operations.

Looking ahead, Singapore's construction sector is expected to remain supported by public and private sector demand, with the BCA projecting construction demand of SGD47 billion to SGD53 billion in 2026. We remain mindful of uncertainties arising from geopolitical developments, cost pressures and manpower availability. The Group will maintain a disciplined approach to tendering, strengthen cost and supply chain management, and invest in capabilities that enhance productivity. With our track record, strengthened financial position and healthy order book, we remain cautiously optimistic about the Group's long-term prospects.

Chairman's Statement

In recognition of the Group's performance and our commitment to shareholder returns, the Board has proposed a final dividend of HKD0.03 per ordinary share for the financial year ended 30 June 2026, subject to shareholders' approval at the forthcoming annual general meeting.

The results achieved this year are the product of collective effort. I would like to thank our employees, for their dedication, professionalism and unwavering focus on safety and quality. Their commitment through a demanding year has been fundamental to the Group's performance.

I am grateful to my fellow Board members for their sound counsel and their continued commitment to upholding high standards of corporate governance and integrity.

I also extend my sincere appreciation to our customers for the confidence they have placed in us, and to our business partners, bankers, suppliers and subcontractors for their long-standing support and collaboration. These relationships remain central to our ability to deliver.

Finally, I would like to thank our shareholders for their continued trust. We look forward to building on this year's achievements and creating sustainable long-term value for all our stakeholders.

Kwan Mei Kam
Chairman and Executive Director

Singapore, 24 September 2026

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 annual report.

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on Note 4 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).

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Kwan Mei Kam ("**Mr. Kwan**"), aged 71, was appointed as an executive Director, the chief executive officer (the "**Chief Executive Officer**") and the chairman of the Board (the "**Chairman**") on 8 October 2018. Mr. Kwan is also one of the controlling shareholders of the Company (the "**Controlling Shareholders**"). Mr. Kwan is responsible for the Group's overall business management, strategic planning and business development of the Group. Mr. Kwan is the chairman of the nomination committee of the Company (the "**Nomination Committee**") and a member of the remuneration committee of the Company (the "**Remuneration Committee**"). Mr. Kwan is the spouse of Ms. Tay Yen Hua and the father of Ms. Kwan Shu Ming.

Mr. Kwan was awarded a Technician Diploma in Building from the Singapore Polytechnic in April 1980 and obtained a Bachelor of Construction Management Degree from the Central Queensland University in Australia in June 1997. Mr. Kwan has been an Incorporated member of the Chartered Institute of Building (ICIOB), United Kingdom since October 2005.

Mr. Kwan has over 52 years of experience in the construction industry in Singapore. In January 1983, Mr. Kwan co-founded Kwan Yong Building Construction in Singapore, which was principally engaged in building construction work. As a partner of Kwan Yong Building Construction, Mr. Kwan was responsible for the day-to-day operations of the partnership. Subsequently, Mr. Kwan, together with three independent third parties, incorporated Kwan Yong Construction Pte Ltd ("**Kwan Yong**") in May 1984 and has been the managing director of Kwan Yong since then.

Ms. Tay Yen Hua ("**Ms. Tay**"), aged 70, was appointed as an executive Director on 8 October 2018. Ms. Tay is also one of the Controlling Shareholders. Ms. Tay is responsible for the Group's overall business operation as she oversees the Group's financial performance, and the accounting, human resources and administrative functions. Ms. Tay is the spouse of Mr. Kwan and the mother of Ms. Kwan Shu Ming.

Ms. Tay completed her secondary education in December 1972. She has over 52 years of experience in secretarial, accounts and human resources work. Ms. Tay joined Kwan Yong in October 1984 as an office manager and over the years, progressed to the position of the head of the Accounts and Finance Department (human resource and administration). In December 2009, Ms. Tay was appointed as a director of Kwan Yong.

Mr. Jacob Wong San Ta (黃善達) ("**Mr. Wong**"), aged 57, was appointed as an executive Director on 8 October 2018. Mr. Wong is responsible for project management, enhancement of the Group's technical abilities and adoption of technology. Mr. Wong oversees the Tender and Contract Department, the Purchasing Department and the Project Department.

Mr. Wong graduated from the National University of Singapore in Singapore with a Bachelor of Engineering (Civil) Degree in June 1993. From 2017 to 2019, Mr. Wong has been a council member of the Singapore Contractors Association Contracts and Practice Subcommittee of the Singapore Contractors Association Ltd. ("**SCAL**"). For the term of 2019 to 2025, Mr. Wong was a council member of SCAL and is also a member of the SCAL's Contacts & Practice Subcommittee and Manpower & Policy Subcommittee. From 2023 to 2025, he was also being elected to be board of directors of SCAL, holding the position of Assistant Secretary General. Mr. Wong was re-elected as SCAL council member for the period from July 2025 to June 2027 and also serving as chair for SCAL's Contacts & Practice Subcommittee. Since August 2022, Mr. Wong was appointed as a member of the Marsiling-Yew Tee Town Council for 2 consecutive terms. Mr. Wong was also appointed as vice chairman of Yew Tee Community Centre Management Committee for 3 terms since 2022.

Mr. Wong has over 33 years of experience in the construction industry in Singapore. Mr. Wong joined Kwan Yong in October 1995 as a site manager and was promoted to the position of project manager in August 1997. During this period, Mr. Wong was responsible for the coordination between the qualified persons (including architects, engineers in the projects) and clients, the management and overseeing the execution of design and build contracts, management and reviewing performance of subcontractors, and the proper documentation of variation claims and justifications. Mr. Wong was promoted to the position of general manager of Kwan Yong in August 2002 and up until May 2006, Mr. Wong was responsible for the management of project directors and project managers, the procurement forecast, the cash flow forecast, general business development, manpower planning and negotiations with subcontractors and suppliers. From October 2007 to December 2011, Mr. Wong was appointed as a senior resident engineer to supervise and manage construction of research and medical school projects in the National University of Singapore. Since early 2012, Mr. Wong worked as a senior resident engineer to supervise and manage the construction of the Singapore University of Technology & Design. In September 2013, Mr. Wong re-joined the Group and was appointed as a director of Kwan Yong.

Ms. Kwan Shu Ming (關曙明) ("**Ms. Kwan**"), aged 42, was appointed as an executive Director on 8 October 2018. Ms. Kwan is mainly responsible for the finance and accounting operations of the Group, and the preparation and publication of financial statements. Ms. Kwan is a member of the Nomination Committee. Ms. Kwan is the daughter of Mr. Kwan and Ms. Tay.

Ms. Kwan graduated from the Curtin University of Technology in Perth, Australia with a Bachelor of Commerce (Accounting) Degree in September 2006. Ms. Kwan further obtained a Specialist Diploma in Building Cost Management from the Building and Construction Authority, Singapore in November 2015. She was admitted as a member of CPA Australia since November 2015.

Ms. Kwan has over 20 years of experience in accounting and management. Ms. Kwan joined the Group in May 2012 as an accounts manager. In September 2018, she was promoted to the position of financial controller. Ms. Kwan is responsible for the finance and accounting operations and all areas relating to financial reporting of the Group.

NON-EXECUTIVE DIRECTOR

Mr. Chou Sean Yu (曹顯裕) ("**Mr. Chou**"), aged 56, was appointed as an independent non-executive Director on 17 December 2019. He was re-designated as the non-executive Director on 19 December 2025. Mr. Chou is responsible for providing advice to the Board on corporate governance matters. Mr. Chou is a member of the Remuneration Committee and the Audit Committee.

Mr. Chou graduated from the University of Bristol in Bristol, United Kingdom with a Bachelor of Laws Degree with First Class Honours in June 1992 and was admitted to the English Bar (Middle Temple) in July 1993.

Mr. Chou has over 32 years of work experience as a commercial litigator. Mr. Chou was admitted to the Singapore Bar in May 1994. Mr. Chou is currently the managing partner of WongPartnership LLP, which Mr. Chou joined in May 1997 and is now the head of its Litigation and Dispute Resolution Department and also its banking and financial disputes practice, and a partner in the international arbitration, financial services regulatory and Malaysia practice.

Since December 2007, Mr. Chou has been admitted as a Fellow of the Chartered Institute of Arbitrators and is currently a director of its Singapore branch. Mr. Chou has also served as an arbitrator and is currently on the panel of arbitrators of (i) Asian International Arbitration Centre (previously known as Kuala Lumpur Regional Centre for Arbitration); (ii) Singapore International Arbitration Centre; and (iii) The Korean Commercial Arbitration Board.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lim Ah Lay (林亞烈) ("**Mr. Lim**"), aged 70, was appointed as the non-executive Director on 8 October 2018 and re-designated as an independent non-executive Director on 19 December 2024. Mr. Lim is responsible for providing advice to the Board on corporate governance matters. Mr. Lim is a member of the audit committee of the Company (the "**Audit Committee**") and the Nomination Committee. He has been the chairman of the Remuneration Committee since 19 December 2025.

Mr. Lim obtained his Teacher's Certificate at the Temenggong Ibrahim Training College in Johor, Malaysia in April 1979. From April 1979 to April 1985, Mr. Lim was a secondary school science and mathematics teacher at Datok Lokman Secondary School in Kuala Lumpur, Malaysia. Mr. Lim was admitted as an associate member of the Chartered Institute of Management Accountants in October 1990 and became a chartered accountant of the Malaysian Institute of Accountants since November 1990. Mr. Lim has over 30 years of working experience in accounting, audit and finance. From April 1985 to June 1987, Mr. Lim worked with Ling Kam Hoong & Co., as an audit senior. From July 1987 and May 1990, Mr. Lim was the internal audit executive of MUI Finance Berhad. Thereafter, Mr. Lim joined Zalik Securities Sdn Bhd as an accountant from June 1990 to June 1991. In June 1991, Mr. Lim joined UMBC Securities Sdn Bhd and served as an assistant general manager until August 1995. Thereafter, Mr. Lim worked with ECM Libra Securities Sdn Bhd (formerly known as BBMB Securities Sdn Bhd and as ECM Libra Avenue Securities Sdn Bhd), an operating subsidiary of ECM Libra Berhad which was acquired by Avenue Capital Resources Berhad (now known as ECM Libra Financial Group Berhad) and is a company listed on Bursa Malaysia (stock code: 2143.KL), from August 1995 to June 2007. Mr. Lim's last position held at ECM Libra Avenue Securities Sdn Bhd was the executive director of operations. Mr. Lim acted as a director and head of operations for OSK Investment Bank Berhad from August 2007, where Mr. Lim was in charge of the operational activities of the principal office and all its branch offices.

Mr. Lim was then appointed as an executive director of OSK Holdings Hong Kong Ltd from December 2010. From December 2010 to April 2017, Mr. Lim was an executive director of RHB Hong Kong Ltd and its subsidiaries. Mr. Lim was also a responsible officer for RHB Securities Hong Kong Limited, RHB Futures Hong Kong Limited and RHB Asset Management Limited from November 2011 to April 2017. Mr. Lim was a licensed representative of Power Asset Management Company Ltd ("**Power Asset**") and Power Securities Company Ltd ("**Power Securities**") from April 2018 to August 2022. Mr. Lim was a director with Power Asset Management Company Limited from April 2018 to August 2022. Both Power Asset and Power Securities are wholly owned subsidiaries of Power Financial Group Limited, a company listed on the Stock Exchange (stock code: 397.HK), which is principally engaged in the business of financial services, money lending and asset management and investment.

Mr. Lim was a licensed representative of NFH Securities Limited and was a responsible officer of NFH Asset Management Limited from November 2022 to May 2024.

Mr. Lim currently serves as a senior independent non-executive director of Timberwell Berhad (stock code: 7854.KL), a company listed on Bursa Malaysia and was appointed in May 2023.

Biographical Details of Directors and Senior Management

Dr. Wu Dongqing (武冬青) ("**Dr. Wu**"), aged 67, was appointed as an independent non-executive Director on 17 December 2019. Dr. Wu is responsible for providing independent advice to the Board and advising on corporate governance matters. Dr. Wu is a member of the Audit Committee, the Nomination Committee and the Remuneration Committee.

Dr. Wu was awarded a Bachelor Degree of Harbour and Navigation Engineering from the East China Technical University of Water Resources* (華東水利學院水港系) in the PRC in February 1982. Dr. Wu further earned a Master's Degree in Engineering from the Hohai University (河海大學) in the PRC in July 1986. Subsequently, Dr. Wu served as a lecturer in the Hohai University in the PRC.

Dr. Wu later obtained a Doctorate's Degree of Philosophy from the Nanyang Technological University in Singapore in April 1996. Dr. Wu has over 44 years of experience in civil engineering, material science and environmental engineering. In 1994, Dr. Wu joined, and in November 1996 became a director of Instek Holding Pte Ltd, which was later renamed as Chemilink International Holdings Pte. Ltd. which principally engaged in the research and development of products and engineering solutions for civil and material engineering. Dr. Wu was responsible for the day-to-day operation and developing products for civil and material engineering. Since December 2002, Dr. Wu has been a director, the managing director and the chief executive officer of Chemilink Technologies Group Pte. Ltd., which principally engages in the R&D, manufacture and applications of advanced construction materials and engineering solutions in civil, building and environmental engineering fields and was responsible for the day-to-day operation.

Since July 2010, Dr. Wu has been a director and executive chairman of Chemilink Newsoil Engineering Pte. Ltd, which principally engages in infrastructure engineering design and consultancy services, and land reclamation works and was responsible for the day-to-day operation. Since April 2012, Dr. Wu has been a director of China Asia (S) Development Organization Pte. Ltd (formerly known as China Lianyungang (S) Development Organization Pte. Ltd.,) which principally engages in business and management consultancy services and was responsible for the day-to-day operation.

Mr. Fong Heng Boo (龐廷武) ("**Mr. Fong**"), aged 76, was appointed as an independent non-executive Director on 1 April 2020. Mr. Fong is responsible for providing independent advice to the Board and advising on corporate governance matters. Mr. Fong is the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee.

Mr. Fong has over 51 years of experience in auditing, finance, corporate governance, business development and management. Mr. Fong obtained a Bachelor of Accountancy (Honours) Degree from the University of Singapore (now known as the National University of Singapore) in August 1973. Mr. Fong has been admitted as a Fellow Member by the Institute of Singapore Chartered Accountants in August 2004.

Mr. Fong has been appointed as a lead independent non-executive director of TA Corporation Ltd (stock code: PA3.SI), a company listed on the Singapore Exchange, since December 2017; a lead independent non-executive director of Livingstone Health Holdings Ltd (formerly known as Citicode Ltd) (stock code: 5FH. SI), a company listed on the Singapore Exchange, since July 2018; an independent non-executive director of Bonvest Holdings Limited (stock code: B28.SI), a company listed on the Singapore Exchange, since July 2021; an independent non-executive director of UOA Development BHD (stock code: 5200.KL) since 12 October 2021, a company listed on the Bursa Malaysia (previously known as Kuala Lumpur Stock Exchange); and an independent non-executive director of Keong Hong Holdings Limited (stock code: 5TT.SI) since 1 January 2022, a company listed on the Singapore Exchange.

From March 1999 to April 2021, Mr. Fong was an independent non-executive director of Colex Holdings Limited (stock code: 567.SI), a company listed on the Singapore Exchange. From January 2013 to December 2021, Mr. Fong was an independent non-executive director of CapitaLand China Trust Management Limited (formerly known as CapitaLand Retail China Trust Management Ltd) (stock code: AU8U.SI), a company listed on the Singapore Exchange. From September 2018 to 7 September 2025, Mr. Fong was an independent non-executive director of SY Holdings Group Limited (formerly known as Sheng Ye Capital Limited, stock code: 6069.HK), a company listed on the Stock Exchange.

SENIOR MANAGEMENT

Mr. Tang Siew Tuck (鄧兆德) ("**Mr. Tang**"), age 62, is the general manager of the Group. He obtained a Bachelor of Applied Science Construction Management & Economics Degree from the Curtin University of Technology in Perth, Australia in May 1997.

Mr. Tang has over 39 years of experience in Singapore's construction industry. He first joined Kwan Yong in August 2000 as a Project Manager, where he was responsible for project compliance, cost control and project planning across various construction projects. He was subsequently promoted to Construction Manager in July 2006, overseeing the technical planning and overall management of multiple projects. Mr. Tang left Kwan Yong in February 2008 to pursue broader professional opportunities before re-joining the Group in April 2011. Since then, he has served as the Group's General Manager.

As General Manager, Mr. Tang is primarily responsible for the daily management of the Group's construction operations and the development of operational strategies for its projects. His responsibilities include overseeing project execution, formulating operational plans, leading technical proposal submissions for tender exercises, directing site implementation, coordinating project teams, and ensuring projects are delivered safely, efficiently, and in compliance with contractual, technical and regulatory requirements.

Throughout his career, Mr. Tang has built extensive expertise in construction management, project planning, technical coordination, tendering, cost control, and operational leadership, playing a key role in the successful delivery of the Group's construction projects.

Mr. Koh Puay Hock (許培福) ("**Mr. Koh**"), aged 47, is the project director of the Group and is mainly responsible for the daily project management of the Group, and the development of operational plans for the Group's projects which include tendering, execution and completion. Mr. Koh graduated from the Universiti Teknologi Malaysia in Johor, Malaysia with a Bachelor of Engineering (Civil-Environmental) Degree in July 2001.

Mr. Koh has over 21 years of experience in the construction industry in Singapore. In April 2005, Mr. Koh joined the Group as a site engineer and has progressed through various project management roles to become a Project Director.

As Project Director of Kwan Yong, Mr. Koh PH is responsible for the overall planning, execution and delivery of the Group's construction projects. His responsibilities include overseeing project planning and programming, coordinating with clients, consultants and subcontractors, monitoring project progress, quality, safety and cost control, leading project teams, conducting internal project control meetings, resolving technical and operational issues, and ensuring projects are completed on schedule and in accordance with contractual and regulatory requirements. Throughout his career with the Group, Mr. Koh PH has accumulated extensive experience in site management, construction planning, manpower allocation, project coordination, quality assurance, and stakeholder management, contributing significantly to the successful delivery of numerous civil engineering and building projects.

Biographical Details of Directors and Senior Management

Ms. Tan Mee Nak (陳美娜) ("**Ms. Tan**"), aged 61, is the senior cost manager of the Group and is mainly responsible for the daily supervision of procurement process, contract management, pricing negotiation and budget preparation of the Group. Ms. Tan also provides guidance and management experience in contract negotiations. Ms. Tan graduated with a Diploma in Building Management from the Ngee Ann Polytechnic in Singapore in August 1987.

Ms. Tan has over 39 years of experience in Singapore's construction industry. She joined Kwan Yong in August 1989 as a Quantity Surveyor, where she was responsible for preparing progress claims, monitoring payments to vendors and subcontractors, managing project variations and administering contracts. She was promoted to Senior Quantity Surveyor in August 1997, assuming greater responsibilities in project tendering, bid analysis, progress claims and contract administration. Ms. Tan was subsequently promoted to Senior Cost Manager in March 2011 and has held the position since then.

As Senior Cost Manager, Ms. Tan is responsible for overseeing the Group's procurement and cost management functions. Her responsibilities include supervising procurement processes, contract administration, budget preparation, pricing and commercial negotiations, cost control and vendor management. She also provides strategic guidance and extensive commercial expertise in contract negotiations, supporting the successful delivery of the Group's construction projects.

With her extensive experience in quantity surveying, procurement, contract administration, cost management and commercial negotiations, Ms. Tan has played a key role in strengthening the Group's commercial and cost management capabilities.

COMPANY SECRETARY

Ms. Ng Hoi Ying (吳愷盈) ("**Ms. Ng**"), aged 40, was appointed as the company secretary of the Company (the "**Company Secretary**") on 19 October 2018. Ms. Ng graduated from the Hong Kong Polytechnic University with a Bachelor of Business Administration (Honours) in Accountancy Degree in October 2008.

Ms. Ng has been admitted as member of the Hong Kong Institute of Certified Public Accountants since January 2012.

Ms. Ng has over 18 years of experience in accounting, auditing, finance and company secretarial matters. From September 2008 to November 2011, Ms. Ng worked at Deloitte Touche Tohmatsu Hong Kong with her last position as audit senior II. From November 2011 to October 2014, Ms. Ng worked at Asia Maritime Pacific (Hong Kong) Limited, which is a shipping company principally engaged in the international operation of a fleet, consisting of both self-owned and chartered vessels, with her last position as senior accountant. Subsequently, from October 2014 to October 2018 Ms. Ng served as a finance manager of Ngai Shun Construction & Drilling Company Limited, which is a specialist piling contractor for both private and public work in Hong Kong and was then a subsidiary of Boill Healthcare Holdings Limited, formerly known as Ngai Shun Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1246). Ms. Ng joined Blooming (HK) Business Limited, which provides corporate advisory and company secretarial services, in October 2018 and is currently employed as a company secretarial manager.

Corporate Governance Report

INTRODUCTION

The Company is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company.

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 annual report.

Details of the deviation from code provision C.2.1 of the CG Code is set out in "Chairman and Chief Executive Officer" on page 23 of this annual report.

CULTURES AND VALUES

Our Group's vision is to be at our best in the forefront of the industry from pre-development to completion by consistently delivering results on time-sensitive and complex projects for both public and private sector clients. This vision guides the Group to put in place efficient and effective systems to achieve the best outcomes for the projects. The best outcomes can be pursued through integration of the three pillars of sustainability values, namely environmental sustainability, social responsibility, and governance.

A healthy corporate culture across the Group is integral to attain its vision and strategy. To guide the employees and management interaction and handling of outside business transactions, it is the Board's role to foster a corporate culture with the following three core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

1. Culture of Integrity

Integrity underpins the behaviours of the Group's employees in working with each other and conducting business activities with business partners. The Group's Code of Conduct and Anti-bribery and Anti-corruption Policy have defined the behavioural guidelines for its employees.

For details, please refer to "Building Excellence in Operations" and "Building Excellence for People" of this ESG report.

2. Culture of Commitment

The Group believes that the culture of commitment to economic and workforce development, workplace safety and health, diversity, and sustainability is one where people have an internal feeling of commitment and emotional engagement with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work.

3. Culture of Innovation

The Group is guided by a passion for excellence and dedication to innovation and collaboration. Innovation supports and encourages creative thinking and sharing of new ideas in the workplace. The Group has strengthened its business operations by constructing sustainable buildings that are safe, innovating construction methods to increase productivity and improving workplace safety.

The Group also actively promotes responsibility for environmental leadership in all our business activities for the wellbeing of people and society.

For details, please refer to "Building Excellence in Operations" sections of this ESG report.

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 annual report.

DIRECTORS' RESPONSIBILITIES

The Board takes the responsibility to oversee all major matters of the Company, including but not limited to formulating and approving the overall strategies and business performance of the Company, monitoring the financial performance and internal control as well as overseeing the risk management system of the Company and monitoring the performance of senior executives. The Board is also responsible for performing the corporate governance duties which include the development and reviewing the Company's policies and practices on corporate governance.

Liability insurance for the Directors and senior management officers of the Company has been maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties.

DELEGATION BY THE BOARD

Daily operation and managing the business of the Group, inter alia, the implementation of strategies are delegated to the executive Directors along with other senior executives. They report periodically to the Board their work and business decisions.

Board Composition

The composition of the Board as at the date of this annual report is set out as follows:

Executive Directors

Mr. Kwan Mei Kam *(Chairman and Chief Executive Officer)*
Ms. Tay Yen Hua
Mr. Jacob Wong San Ta
Ms. Kwan Shu Ming

Non-executive Director

Mr. Chou Sean Yu *(Redesignated on 19 December 2025)*

Independent non-executive Directors

Mr. Lim Ah Lay
Mr. Fong Heng Boo
Dr. Wu Dongqing

Biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Corporate Governance Report

The Board composition, the length of tenure of each Director as at 30 June 2026 and the year(s) of service since his/her last re-election are set out below:

Directors	Length of tenure (Year(s))	Year(s) of Service since last re-election
Executive Directors		
Mr. Kwan Mei Kam	6.5	1
Ms. Tay Yen Hua	6.5	1
Mr. Jacob Wong San Ta	6.5	2
Ms. Kwan Shu Ming	6.5	3
Non-executive Director		
Mr. Chou Sean Yu	0.5 (Note)	2
Independent non-executive Directors		
Mr. Lim Ah Lay	1.7 (Note)	2
Mr. Fong Heng Boo	6.2	3
Dr. Wu Dongqing	6.5	1

Note:

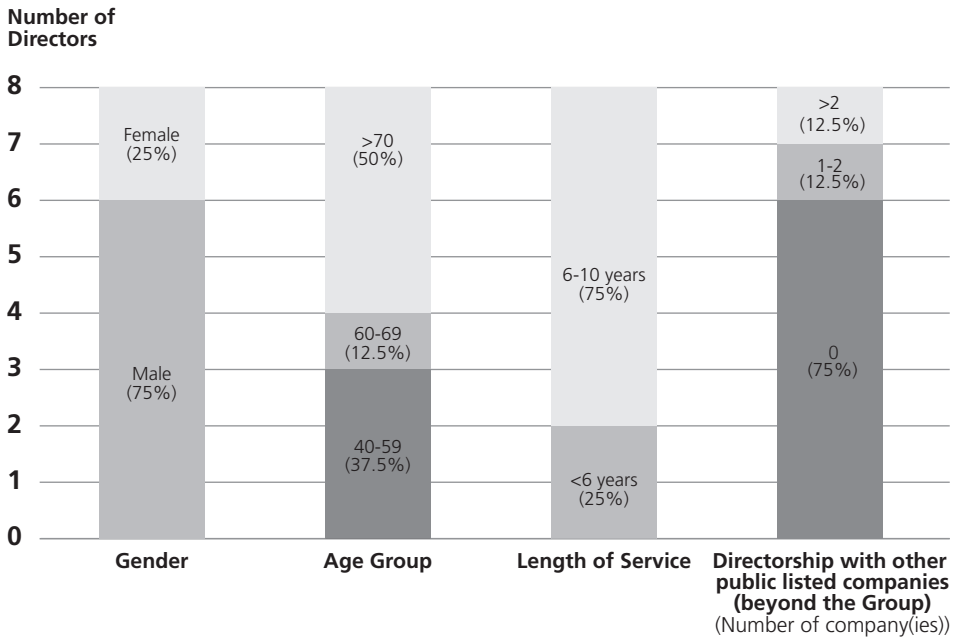
Each of Mr. Chou Sean Yu and Mr. Lim Ah Lay was first appointed as an independent non-executive Director and the non-executive Director respectively upon the listing of the Company on the Stock Exchange on 8 January 2020. On 10 October 2024, Mr. Lim Ah Lay was redesignated as an independent non-executive Director and on 19 December 2025, Mr. Chou Sean Yu was redesignated as the non-executive Director. Their length of tenure is calculated since their new appointment with the Company up to the reporting period end date.

As at the date of this annual report, the Board comprises eight Directors. The following tables illustrate the diversity of the Board members as of the date of this annual report:

	Age Group		
Name of Directors	**40 to 59**	**60 to 69**	**70 and above**
Mr. Kwan Mei Kam			✓
Ms. Tay Yen Hua			✓
Mr. Jacob Wong San Ta	✓		
Ms. Kwan Shu Ming	✓		
Mr. Chou Sean Yu	✓		
Mr. Lim Ah Lay			✓
Mr. Fong Heng Boo			✓
Dr. Wu Dongqing		✓	

Name of Directors	Professional Experience Building and Construction	Accounting and Finance	Environmental Engineering	Law
Mr. Kwan Mei Kam	✓			
Ms. Tay Yen Hua		✓		
Mr. Jacob Wong San Ta	✓			
Ms. Kwan Shu Ming		✓		
Mr. Chou Sean Yu				✓
Mr. Lim Ah Lay		✓		
Mr. Fong Heng Boo		✓		
Dr. Wu Dongqing			✓	

The following chart shows the diversity profile of the Board as at the date of this annual report:



The current proportion of independent non-executive Directors is higher than what is required by Rules 3.10(1) and (2), and 3.10A of the Listing Rules whereby independent non-executive directors of a listed issuer represent at least one-third of the Board. The three independent non-executive Directors represent more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. With the various experience of both the executive Directors and the independent non-executive Directors and the nature of the Group's business, the Board considered that the Directors have a balance of skills and experience for the business of the Group.

Corporate Governance Report

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors play a significant role in the Board as they bring an impartial view on the Company's strategies, performance and control, as well as ensuring that the interests of all shareholders of the Company are considered. All independent non-executive Directors possess appropriate academic, professional qualifications or related financial management experience. None of the independent non-executive Directors holds any other offices in the Company or any of its subsidiaries or is interested in any shares of the Company.

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regards to all relevant factors related to the independent non-executive Directors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors and non-executive Director.

The implementation and effectiveness of the abovementioned will be reviewed by the Board on an annual basis.

The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with the criteria set out in Rule 3.13 of the Listing Rules.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each executive Director has renewed the service contract with the Company for an additional term of three years commencing from 17 December 2022, renewable automatically for successive terms of one year each commencing from the next day after the expiry of the then term of employment. The letter of appointment with each of Dr. Wu, Mr. Lim and Mr. Fong, the independent non-executive Directors were renewed for a term of three years from 17 December 2025. The letter of appointment for Mr. Chou was renewed for a term of three years on 19 December 2025 upon his redesignation as the non-executive Director. The service contracts and letters of appointment are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with the memorandum and articles of association of the Company and the applicable Listing Rules.

According to article 108 of the Company's memorandum and articles of association, one-third of the Directors for the time being shall retire from office by rotation at every annual general meeting of the Company, provided that every Director shall retire from office by rotation and are subject to re-election at annual general meeting at least once every three years. Article 112 of the Company's memorandum and articles of association provides that any Directors who are appointed to fill casual vacancies shall hold office only until the first general meeting of the Company after their appointment, and be subject to re-election by shareholders of the Company. Any Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to article 108 of the Company's memorandum and articles of association, each of Ms. Kwan, Mr. Wong and Mr. Fong will retire from office as Directors at the forthcoming annual general meeting of the Company to be held on 17 December 2026. Ms. Kwan, Mr. Wong and Mr. Fong, being eligible, will offer themselves for re-election.

At the forthcoming annual general meeting of the Company, separate ordinary resolutions will be put forward to the shareholders of the Company in relation to the proposed re-election of Ms. Kwan as an executive Director, Mr. Wong as an executive Director and Mr. Fong as an independent non-executive Director.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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.

In addition, the Directors are encouraged to participate actively in all Board and committee meetings of which they are members, and the Chairman ensures that all issues raised are properly discussed at the Board and committee meetings. Mr. Kwan works with the senior management to provide adequate, accurate, clear, complete and reliable information to members of the Board in a timely manner. Further, the Chairman ensures that adequate time is available for discussion for all items at the Board and committee meetings.

The Board is therefore of the view that there is adequate balance of power and that appropriate safeguards are in place. Nevertheless, the Board will continue to regularly monitor and review the Company's current structure and make necessary changes when appropriate. In particular, the Company is actively looking for suitable candidate for segregating the duties of the chief executive officer of the Company. Therefore, the Directors consider that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstance.

Corporate Governance Report

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

In compliance with the Rule 3.09F of the Listing Rules, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure that they keep abreast of the current requirements. All Directors underwent training on the latest updates to the Listing Rules via an webinar and familiarized themselves with IFRS disclosure requirements through self-study of the relevant materials provided by the Stock Exchange, CFN Lawyers LLP and the Building and Construction Authority during the year ended 30 June 2026.

Name of directors	Roles, function and responsibilities of the Board	Directors' duties and update on Listing Rules	Training on Corporate governance and ESG matters	Risk management and internal control	Industry-specific developments	Total no. of hours
Executive Directors						
Mr. Kwan Mei Kam	1.5	2.5	1.5	0.5	2.5	8.5
Ms. Tay Yen Hua	1.5	2.5	1.5	0.5	2.5	8.5
Mr. Jacob Wong San Ta	1.5	2.5	1.5	0.5	2.5	8.5
Ms. Kwan Shu Ming	1.5	2.5	1.5	0.5	2.5	8.5
Non-executive Director						
Mr. Chou Sean Yu	1.5	2.5	1.5	0.5	2.5	8.5
Independent non-executive Director						
Mr. Lim Ah Lay	1.5	2.5	1.5	0.5	2.5	8.5
Dr. Wu Dongqing	1.5	2.5	1.5	0.5	2.5	8.5
Mr. Fong Heng Boo	1.5	2.5	1.5	0.5	2.5	8.5

The Group continuously updates the Directors on the latest developments of the Listing Rules and other applicable regulatory requirements, so as to ensure that the Directors are aware of their responsibilities and obligations as well as to maintain good corporate governance practices.

ANNUAL ASSESSMENT ON DIRECTORS

The Nomination Committee is responsible for assessing and disclosing, on an annual basis, each Director's time commitment and contribution to the Board. For the year ended 30 June 2026, the Nomination Committee assessed each Director's time commitment and contribution to the Board. In conducting its review, the Nomination Committee applied consistent assessment criteria to all Directors in a holistic manner and ensured that the evaluation is impartial.

The assessment considers each Director's ability to discharge their responsibilities, referencing factors such as participation in Board and Board committee meetings, existing listed company directorships, other significant external time commitments, CPD training undertaken and the results of the performance evaluation for the Board and its committees. The Nomination Committee recognises the invaluable advice provided by the Board members, drawing from their experiences and understanding of commercial trends.

The Nomination Committee concluded that none of the Directors are overly committed in a way that would adversely affect their responsibilities to the Company and the Directors are well-prepared for meetings, contributing constructively to discussions and decision-making processes with relevant insights drawn from their professional qualifications and extensive work experience. The Directors have also consistently attended and actively participated in all Board and committees' meetings, demonstrating their dedication and engagement with the Company's affairs. The Nomination Committee is satisfied that each Director can discharge their responsibilities effectively.

BOARD PERFORMANCE REVIEW

The Company has implemented regular evaluation of the performance and effectiveness of the Board once every two years in the form of a questionnaire to all Directors individually. Each Director is invited to provide his/her views on the performance of the Board and any suggestions for improving the board process. The results of the evaluation are reviewed by the Nomination Committee and submitted to the Board.

During the year ended 30 June 2026, a board performance review has been internally conducted by the Company. Each Director has completed a board performance review questionnaire by providing ratings and comments (if any). Based on the evaluation conducted, the Directors were satisfied with the performance of the Board and concluded that it continues to operate effectively. The evaluation report was presented to and reviewed by the Nomination Committee and the Board at their meetings in May 2026.

Key Areas Covered in the Board performance review

- Composition and skills of the Board
- Roles and responsibilities of the Board
- Board effectiveness
- Review of the composition, roles and responsibilities of the Audit Committee, Nomination Committee and Remuneration Committee

The Company will continue to conduct a formal evaluation of the Board's performance, either internally or by an external provider, at least every two years.

Corporate Governance Report

BOARD SKILLS MATRIX

In compliance with Code provision B.1.5 of the CG Code, the Company has maintained a board skills matrix. The particulars of the board skills matrix are as follows:

Skills area	Description	Importance (Note)	Adequacy	Plans to address gaps/expand skills
Strategy	Ability to identify strategic opportunities and threats, whilst developing and implementing plans to achieve corporate objectives	E	100%	The Board will continue to review the Group's strategic direction and business objectives in light of market conditions and business developments.
Leadership	Ability to lead corporate teams and implement plans and policies	E	100%	The Board will continue to maintain an appropriate balance of executive and independent oversight and support leadership succession planning where appropriate.
Industry knowledge and experience	Understanding of the company's business daily operations, market development, competitors, technology and innovation	E	88%	Directors will continue to keep abreast of developments in the construction industry, market conditions and regulatory requirements relevant to the Group's operations.
Financial literacy/ business acumen	Ability to read and comprehend corporate accounts, financial materials and financial reporting requirements	E	100%	The Board will continue to receive updates on financial reporting, accounting standards and regulatory developments as appropriate.
Risk management and compliance	Ability and experience in implementing, managing or overseeing risk management and internal control systems for legal and regulatory compliance	E	100%	The Board will continue to oversee the Group's risk management and internal control systems and review their effectiveness on an ongoing basis.
People management experience	Experience at a senior level with responsibilities for people management and successful implementation of change	F	100%	The Board will continue to support management development and succession planning to meet the Group's operational needs.

Skills area	Description	Importance (Note)	Adequacy	Plans to address gaps/expand skills
Diversity (e.g. age, gender, culture)	Contribution to board diversity in terms of age, gender, cultural background etc.	F	100%	The Nomination Committee will continue to review Board composition and consider diversity factors when identifying suitable candidates for future appointments.
Emerging topics (e.g. artificial intelligence)	Understanding and knowledge of emerging topics to ensure that the company is forward-thinking	F	63%	The Board will continue to monitor developments in technology and other emerging topics that may be relevant to the Group's business operations.
Qualifications	Formal qualifications in relevant fields to assist the board in its decision-making, for example, accounting/finance, economics/ business, law	E	100%	The Board will continue to consider professional qualifications, industry experience and governance expertise when reviewing Board composition and future appointments.

Note:

"E" = essential skills that should currently be in the board's possession

"F" = skills that should be acquired for future purposes/in light of anticipated emerging needs

BOARD COMMITTEES

The Board has established three Board committees, namely, the Remuneration Committee, the Nomination Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are posted on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.kwanyong.com.sg. All Board committees should report to the Board on their decisions or recommendations made.

The practices, procedures and arrangements in conducting meetings of Board committees follow in line with, so far as practicable, those of the Board meetings set out above.

All Board committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstance, at the Company's expense.

The Board is responsible for performing the corporate governance duties set out in the CG Code which include developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of Directors, and reviewing the Company's compliance with the code provision in the CG Code and disclosures in this annual report.

Corporate Governance Report

Remuneration Committee

The Remuneration Committee was established on 17 December 2019. The chairman of the Remuneration Committee is Mr. Lim, an independent non-executive Director, and other members include Mr. Kwan, an executive Director, Mr. Chou, the non-executive Director, and Mr. Fong and Dr. Wu, independent non-executive Directors. The written terms of reference of the Remuneration Committee are posted on both the Stock Exchange's website and on the Company's website.

The Remuneration Committee has been charged with the responsibility of making recommendations to the Board on the appropriated policy and structures for all aspects of Directors' and senior management's remuneration and to review and approve matters relating to share schemes established under chapter 17 of the Listing Rules. The Remuneration Committee considers factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Remuneration Committee held two meetings to (i) review the remuneration packages and emoluments of the Directors and senior management and considered that they are fair and reasonable during the year ended 30 June 2026; and (ii) approve the renewal of the letters of appointment of the independent non-executive Directors and the letter of appointment with Mr. Chou as the non-executive Director. No Director nor any of his/her associates is involved in deciding his/her own remuneration. During the year ended 30 June 2026, there were no material matters relating to the share schemes of the Company which required review or approval by the Remuneration Committee.

Nomination Committee

The Nomination Committee was established on 17 December 2019. The chairman of the Nomination Committee is Mr. Kwan, an executive Director, and other members include Ms. Kwan, an executive Director, Mr. Lim, Dr. Wu and Mr. Fong, independent non-executive Directors. The Nomination Committee comprises one female director (i.e. Ms. Kwan) which achieves the different gender requirement pursuant to code provision B.3.5 of the CG Code. The written terms of reference of the Nomination Committee are posted on both the Stock Exchange's website and on the Company's website.

The primary duties of the Nomination Committee are to review and assess the composition of the Board and the independence of the independent non-executive Directors and makes recommendations to the Board on appointment or re-appointment of Directors. In recommending candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board. The Nomination Committee is also responsible for assisting in the evaluation of the performance of the Board at least every two years with reference to the overall performance of the Board in terms of existing skills, expertise, qualification and effectiveness of the Board. The Nomination Committee also assesses each director's time commitment and contribution to the Board on an annual basis.

In designing the Board's composition, Board diversity has been considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

During the year ended 30 June 2026, the Nomination Committee held three meetings.

The following is a summary of the work performed by the Nomination Committee during the year ended 30 June 2026:

- reviewed the board diversity policy;
- reviewed the workforce diversity policy;
- reviewed the independence of the independent non-executive Directors;
- reviewed the Board's mix of skills, experience and diversity of perspectives;
- assisted the Board in maintaining the board skills matrix;
- considered succession planning for Directors, in particular the chairman of the Board and the chief executive officer;
- supported the Board's evaluation of its performance and effectiveness;
- assessed the time commitment and contribution of each Director;
- considered the re-designation of Mr. Chou as the non-executive Director;
- reviewed and considered the structure, size and composition of the Board; and
- considered the Directors to retire and reappoint at the forthcoming annual general meeting.

Nomination Policy

The Nomination Committee will reference to the Board nomination policy (the "**Nomination Policy**") adopted by the Group on 7 January 2020 for selecting and recommending candidates for directorships.

Selection Criteria

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorships:

(a) Character and integrity;

(b) Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;

(c) Willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;

(d) The number of existing directorships and other commitments that may demand the attention of the candidate;

(e) Requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules;

(f) Board Diversity Policy of the Company and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and

(g) Such other perspectives appropriate to the Company's business.

Nomination Procedure

Subject to the provisions in the memorandum and articles of association of the Company and the Listing Rules, if the Board recognises the need for an additional Director or member of senior management:

(a) The Nomination Committee and/or Board identifies potential candidates based on the criteria as set out above, possibly with assistance from external agencies and/or advisors;

(b) The Nomination Committee and/or the Company Secretary provides the Board with the biographical details and details of the relationship between the candidate and the Company and/or Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other particulars required by the Listing Rules, the Companies Act of the Cayman Islands and other regulatory requirements for any candidate for appointment to the Board;

(c) The Nomination Committee would make recommendation on the proposed candidate(s) and the terms and conditions of the appointment to the Board;

(d) The Nomination Committee should ensure the proposed candidate(s) will enhance the diversity of the Board, being particularly mindful of gender balance;

(e) In the case of the appointment of an independent non-executive Director, the Nomination Committee and/or the Board obtains all information in relation to the proposed Director to allow the Board to adequately assess the independence of the Director in accordance with the factors set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time;

(f) The Board deliberates and decides on the appointment based upon the recommendation of the Nomination Committee.

Re-Election of Director at General Meeting

The Nomination Committee shall review the overall contribution and service to the Company of the retiring Director including his/her attendance of Board meetings and, where applicable, general meetings of the Company, and the level of participation and performance on the Board.

The Nomination Committee shall also review and determine whether the retiring Director continues to meet the criteria as set out above.

The Nomination Committee and/or the Board shall then make recommendation to shareholders of the Company in respect of the proposed re-election of Director at the general meeting of the Company.

Principles

Each candidate should satisfy the Nomination Committee that he/she has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his/her position as a Director.

Evolution

The Nomination Committee will review the Nomination Policy periodically having regard to the regulatory requirements and the expectations of the shareholders and other stakeholders of the Company. It will make recommendations on amendments thereto, if necessary.

Board Diversity Policy

The Board adopted a Board diversity policy (the "**Board Diversity Policy**") on 7 January 2020.

Selection and Recommendation Criteria/Measurable Objectives

Selection and recommendation of candidates will be based on the nomination procedures and the process and criteria adopted by the Nomination Committee and a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services, personal integrity and time commitments of the proposed candidates. The Company should also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

The Board will take opportunity to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity. The Board also aspires to having an appropriate proportion of Directors who have direct experience in the Group's core markets, with different ethnic backgrounds, and reflecting the Group's strategy.

Monitoring and Review

The Board Diversity Policy has been approved and adopted by the Board on 7 January 2020. Any revisions to the Board Diversity Policy as recommended by the Nomination Committee will be submitted to the Board for consideration and approval.

The Nomination Committee has been delegated with the overall responsibility for implementation, monitoring and periodic review of the Board Diversity Policy.

In assessing potential candidates for the Board, the Nomination Committee will consider the diversity perspectives, as set out above.

The Board currently has two female Directors, i.e. Ms. Tay and Ms. Kwan, in which case the Board considered gender diversity has been achieved on the Board level. Current female representation at Board level is approximately 25%.

WORKFORCE DIVERSITY POLICY

The Board has adopted a workforce diversity policy (the "**Workforce Diversity Policy**") since 25 September 2025 which sets out the basis to achieve diversity at the workforce level.

Details of the Workforce Diversity Policy are disclosed below.

(a) Workforce diversity considerations will include but are not limited to gender, age, cultural and educational background, language, religion, disability, nationality, and work experience.

(b) The Company will:

- Establish and maintain a workforce gender ratio that reflects relevant industry benchmarks – to achieve 25% female representation in staff roles by December 2026.
- Improve gender diversity in middle and senior management – to have at least one female representative in all hiring panels by December 2026.
- Provide regular training and awareness on topics such as unconscious bias and inclusive leadership to 100% of the HR department and senior management by December 2026.

(c) Any revisions to the Policy as recommended by the Human Resources Department or the Nomination Committee will be submitted to the Board for consideration and approval.

(d) The Nomination Committee will review and assess the effectiveness of the Workforce Diversity Policy annually, with a focus on progress towards meeting measurable objectives.

The ratio of male to female employees (exclude senior management) is approximately 6:1 and 67% and 33% of the Group's senior management were male and female respectively. The Board considers the gender diversity in the Company's workforce to be satisfactory with reference to the nature of the Group's business, and will continue to pursue gender diversity among all levels of the staff.

Audit Committee

The Audit Committee was established on 17 December 2019. The chairman of the Audit Committee is Mr. Fong, an independent non-executive Director, and other members include Mr. Lim, Dr. Wu and Mr. Chou, 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.

ATTENDANCE RECORDS OF MEETINGS

The Board meets regularly for considering, reviewing and/or approving matters relating to, among others, the financial and operating performance, as well as, the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved.

During the year ended 30 June 2026, the Chairman held a meeting with the independent non-executive Directors without the presence of other Directors.

Corporate Governance Report

Details of all Directors' attendance at the Board meetings and Board committees' meetings held during the year ended 30 June 2026 are as follows:

	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General meeting
	Number of meetings attended/held				
Executive Directors					
Mr. Kwan Mei Kam	6/6		2/2	3/3	1/1
Ms. Tay Yen Hua	6/6				1/1
Mr. Jacob Wong San Ta	6/6				0/1
Ms. Kwan Shu Ming	6/6			3/3	1/1
Non-executive Director					
Mr. Chou Sean Yu *(Redesignated on 19 December 2025)*	6/6	4/4	2/2	2/2	1/1
Independent non-executive Directors					
Mr. Lim Ah Lay	6/6	4/4	2/2	1/1	1/1
Mr. Fong Heng Boo	6/6	4/4	2/2	0/0	1/1
Dr. Wu Dongqing	6/6	4/4	2/2	3/3	1/1

COMPANY SECRETARY

The Company Secretary assists the Board by ensuring that the Board policy and procedures are followed. The Company Secretary is also responsible for advising that Board on corporate governance matters.

The Company engages an external service provider, which assigned Ms. Ng as the Company Secretary. Ms. Ng possesses the necessary qualification and experience, and is capable of performing the functions of the Company Secretary. Pursuant to code provision C.6.1 of the CG Code, an issuer can engage an external service provider to provide company secretarial services, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. In this respect, the Company has nominated Mr. Kwan, the Chairman and the executive Director as its contact point for Ms. Ng.

For the year ended 30 June 2026, Ms. Ng undertook no less than 15 hours of relevant professional training to update her skill and knowledge. The biographic of Ms. Ng is set out in the section headed "Biographical Details of the Directors and Senior Management" of this annual report.

INDEPENDENT AUDITORS' REMUNERATION

During the year ended 30 June 2026, the Company engaged Ernst & Young LLP as its external auditors. The remuneration paid or payable in respect of audit services amounted to SGD203,800 for the year ended 30 June 2026.

SHAREHOLDERS' RIGHT

As one of the measures to safeguard shareholders' interest and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual Directors, for shareholders' consideration and voting. All resolutions put forward at shareholders' meeting will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the Stock Exchange's website and on the Company's website after the relevant shareholders' meeting.

Extraordinary general meeting may be convened by the Board on requisition of shareholders holding not less than one-tenth of the voting rights (on a one vote per share basis) in the capital of the Company or by such shareholders who made the requisition (the "**Requisitionists**") (as the case may be) pursuant to article 64 of the memorandum and articles of association of the Company. Such requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company or the Company's principal place of business in Hong Kong. Shareholders should follow the requirements and procedures as set out in such article for convening an extraordinary general meeting. Shareholders may put forward proposals with general meeting of the Company by sending the same to the Company at the principal place of business in Hong Kong.

Shareholders may send written enquiries or requests in respect of their rights to the Company's principal business address in Hong Kong.

DIVIDEND POLICY

The Board adopted a dividend policy (the "**Dividend Policy**") on 7 January 2020.

The Company adopts a general dividend policy that aims to provide shareholders of the Company out of the Group's profit attributable to shareholders in any financial year, subject to the criteria set out below.

The declaration and payment of dividends shall remain to be determined at the discretion of the Board and subject to all applicable requirements (including without limitation restrictions on dividend declaration and payment) under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and the memorandum and articles of association of the Company.

Corporate Governance Report

According to the Dividend Policy in deciding whether to propose any dividend pay-out, the Board shall take into account, inter alia:

- the actual and expected financial performance of the Group;
- the retained earnings and distributable reserves of the Company and each of the other members of the Group;
- the prevailing economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- the business strategies of the Group, including future cash commitments and investment needs to sustain the long-term growth aspect of the business;
- the current and future operations, liquidity position and capital requirements of the Group;
- the restrictions on payment of dividends that may be imposed by the Group's creditors;
- dividends received/receivable from the Company's subsidiaries; and
- other factors that the Board deems appropriate.

Depending on the financial conditions of the Company and the Group and the conditions and factors set out in the preceding paragraph, dividends may be proposed and/or declared by the Board for a financial year or period as interim dividend, final dividend, special dividend and any distribution of net profits that the Board may deem appropriate.

The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. The Board may propose the payment of dividends, if any, with respect to the Company's shares on a per share basis. Any final dividends declared by the Company must be approved by an ordinary resolution of the shareholders of the Company at an annual general meeting and must not exceed the amount recommended by the Board.

The Company will continue to review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group maintains an effective internal control and risk management systems. It consists, in part, of organisational arrangements with defined lines of responsibility and delegation of authority, and comprehensive systems and control procedures in order to safeguard the investment of the Company's shareholders and the Group's assets at all times.

The Directors acknowledge that they have the overall responsibility for overseeing the Company's internal control, financial control and risk management system and shall monitor its effectiveness on an ongoing basis. A review of the effectiveness of the risk management and internal control systems has been conducted by the Board at least annually.

The Group's risk management and internal control systems are, however, designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management

Aimed at providing reasonable assurance against material errors, losses or fraud, the Company has established risk management procedures which comprise the following steps:

- Identify risks: Identify major and significant risks that could affect the achievement of goals of the Group;
- Risk assessment: Assess and evaluate the identified risk according to its likely impact and the likelihood of occurrence;
- Risk mitigation: Develop effective control activities to mitigate the risks.

Risk identification and assessment are performed or updated annually, and the results of risk assessment, evaluation and mitigation of each functions or operation are documented in the Risk Registry maintained by the Company to communicate to the Board and management for reviews.

For the year ended 30 June 2026, the Company's risk management function was reviewed by a team of finance staff with relevant expertise. In coordination with department heads, the team assessed the likelihood of risk occurrence, developed treatment plans, monitored the risk management process, and reported all findings and the overall effectiveness of the system to the Audit Committee and the Board.

Corporate Governance Report

Internal control

It is the responsibility of the Board and the management of the Group to establish a control environment and maintain policies and procedures to achieve the objectives of ensuring, as far as possible, the orderly and efficient conduct of the Group's business according to the Group's objectives. This responsibility includes implementing and ensuring the Group has a robust and effective system of internal controls, addressing financial, operational, information technology, and compliance risk.

The Company engaged an external consultant to assess the adequacy of its internal controls under the established control environment framework. The procedures involved inquiries, observations, and sample testing of controls.

The internal control audit has been conducted in the following manner:

- Fact finding and general understanding of systems and workflows through interviews with relevant personnel, walkthroughs and observations
- Tailoring of internal audit programs to suit the specific needs of the agreed-upon audit scope
- Evaluating and assessing internal controls in place
- Testing of transaction controls for compliance with policy

During the year ended 30 June 2026, the Company conducted an annual review of its risk management and internal control systems, covering financial, operational, and compliance controls. Recommendations arising from the internal control review report have been duly adopted and followed up by the Group.

After reviewing reports from management, the internal control consultant, and the external auditor, the Audit Committee found no evidence of fraud, irregularities, major control deficiencies, or significant breaches of laws or regulations. The Board, supported by the Audit Committee and internal audit, concluded that the Company's risk management and control systems are adequate and effective.

The Audit Committee has reviewed the Internal Control Review Report issued by an independent consultancy company and the Company's internal control systems in respect of the year ended 30 June 2026 and considered that they are effective and adequate. The Board has assessed the effectiveness of internal control systems by considering the Internal Control Review Report prepared by the independent consultancy company and the reviews performed by the Audit Committee which concurred with the view of the Board.

The Group has yet to establish its internal audit function during the year ended 30 June 2026 as required under code provision D.2.2 of the CG Code. The Audit Committee and the Board have considered the Internal Control Review Report prepared by the independent consultancy company and communicated with the Company's external auditors in respect of any material control deficiencies identified during the course of the financial statement audit to form the basis to review the adequacy and effectiveness of the Group's risk management and internal control systems. The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

Code of Conduct

The Group adopted a code of conduct (the "**Code**") in May 2022. This Code is an important part of the Group's internal control process. This Code sets out the principles to guide our employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with the Group, its competitors, customers, suppliers, other employees and the community. This Code sets the minimum standard that the Group expects of all its employees, regardless of the jurisdiction or legal entity through which the Group operates. Where appropriate, this Code can be supplemented by additional specific requirements related to a country, entity or business unit. The Code is reviewed and updated periodically to align with the industry best practice.

Whistleblowing Policy

The Board adopted a whistleblowing policy (the "**Whistleblowing Policy**") in May 2022. The purpose of this Whistleblowing Policy is to (i) provide a trusted avenue for employees, vendors, customers and other stakeholders to report to the Group serious wrongdoing or concerns, particularly in relation to fraud, controls or ethics, without fear of reprisals when whistleblowing in good faith; and (ii) to ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow up actions to be taken.

The nature, status and the results of the complaints received under the Whistleblowing Policy will be reported to the chairman of the Audit Committee or the Human Resource Manager of the Group. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 30 June 2026 has been reported and discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-bribery and Anti-corruption Policy

The Board adopted an anti-bribery and anti-corruption policy (the "**Anti-bribery and Anti-corruption Policy**") in May 2022. The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting business. This Anti-bribery and Anti-corruption Policy forms an integral part of the Group's corporate governance framework. It sets out the specific behavioural guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group's practices, this Anti-Bribery and Anti-corruption Policy has been prepared as a guide to all Group employees and third parties dealing with the Group.

The Anti-bribery and Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

To ensure that all employees can perform their duties with high ethical standards and professionalism, the Group regularly arranges internal and external anti-corruption and corporate governance training and encourages the employees to actively learn about the latest developments and future trends in global anti-money laundering and the impact of corruption. During the year ended 30 June 2026, the Group provided anti-corruption training to both Directors and staff to enhance their understanding of business ethics.

Corporate Governance Report

During the year ended 30 June 2026, the Group was not aware of any material non-compliance with laws and regulations related to bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Bribery Ordinance and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong, that would have a significant impact on the Group. Moreover, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees (2025: Nil).

DISCLOSURE OF INSIDE INFORMATION

The Group has in place a policy on disclosure of inside information (the "**Policy on Disclosure of Inside Information**") which sets out the procedures and internal controls for handling and dissemination of inside information.

This Policy on Disclosure of Inside Information provides guidelines to the Directors, officers and all relevant employees of the Group to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

Key procedures in place include:

- define the requirements of periodic financial and operational reporting to the Board and Company Secretary to enable them to assess inside information and make timely disclosures, if necessary;
- controls the access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to public;
- procedures of communicating with the Group's stakeholders who include shareholders, investors, analysts, etc. in ways which are in compliance with the Listing Rules.

The Group has also established and implemented procedures to handle enquiries from external parties related to the market rumours and other Group's affairs.

To avoid uneven dissemination of inside information, the dissemination of inside information of the Company shall be conducted by publishing the relevant information on the Stock Exchange's website and on the Company's website.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has adopted a shareholders communication policy (the "**Shareholders' Communication Policy**") with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

The Company has established several channels to communicate with the shareholders as follows:

(i) corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.kwanyong.com.sg;

(ii) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;

(iii) corporate information is made available on the Company's website;

(iv) annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management; and

(v) the Hong Kong branch share registrar and transfer office of the Company serves the shareholders in respect of share registration, dividend payment and related matters.

The Company has reviewed the implementation and effectiveness of its Shareholders' Communication Policy for the year ended 30 June 2026. Having considered that effective shareholders communication channels are in place and shareholders are provided with regular updates of the Group's financial performance, strategic direction and material business development, the Board is of the view that the Company has established an effective communication channel with its shareholders and considers that the Company's Shareholders' Communication Policy and its implementation are effective.

The Company's last annual general meeting was held on Thursday, 18 December 2025 at 3:00 p.m. at 11 Joo Koon Crescent Singapore 629022. All the resolutions proposed at that meeting were approved by shareholders of the Company by poll. Details of the poll results are available on both the websites of the Company, at www.kwanyong.com.sg, and the Stock Exchange at www.hkexnews.hk. Mr. Kwan, Ms. Tay and Ms. Kwan, executive Directors, Mr. Chou, Mr. Lim, Mr. Fong and Dr. Wu, independent non-executive Directors, attended the annual general meeting. The Company Secretary, Ms. Ng also attended the annual general meeting together with the external auditor, Ernst & Young LLP. A key element of effective communication with shareholders and investors is the prompt and timely dissemination of information in relation to the Group. The Company has announced its annual and interim results in a timely manner of the relevant periods in 2025 and 2026, which fulfill the time limits as laid down in the Listing Rules. The Directors are responsible for investor relations of the Company including holding meetings with equity research analysts, fund managers and institutional shareholders and investors.

The Company keeps on promoting investor relations and enhancing communication with the current shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquires to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

Corporate Governance Report

SIGNIFICANT CHANGE IN CONSTITUTIONAL DOCUMENTS

During the year ended 30 June 2026, the Company's Second Amended and Restated Memorandum and Articles of Association were amended. The purposes of the amendments were to: (i) enable the Company to comply with the latest regulatory requirements relating to hybrid meetings, electronic voting, and the electronic dissemination of corporate communications by listed issuers, as well as the relevant amendments to the Listing Rules; (ii) allow the Company to hold repurchased shares as treasury shares; and (iii) implement certain housekeeping amendments.

A copy of the Third Amended and Restated Memorandum and Articles of Association is available on both the websites of the Stock Exchange and the Company.

The Board has proposed further amendments by adopting the Fourth Amended and Restated Memorandum and Articles of Association. The purposes of the proposed amendments are to: (i) add provisions for the uncertificated securities market regime, thereby allowing Shareholders to hold and transfer shares in uncertificated form; and (ii) implement certain housekeeping amendments.

The proposed adoption of the Fourth Amended and Restated Memorandum and Articles of Association is subject to approval by the Shareholders by way of a special resolution at the forthcoming annual general meeting, to be held on Thursday, 17 December 2026.

Directors' Report

The Directors hereby present their report together with the audited consolidated financial statements of the Group for the year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in provision of building construction works in Singapore, including new construction and alteration and addition works. Details of the principal activities of its subsidiaries are set out in Note 1 to the consolidated financial statements of this annual report. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 30 June 2026 and the state of affairs of the Company and of the Group as at 30 June 2026 are set out in the consolidated statements on pages 140 to 146 of this annual report.

The Board recommends a payment of final dividend amounting to Hong Kong Dollar ("**HKD**") 0.03 per ordinary share for the year ended 30 June 2026. The dividend decisions made by the Board were in accordance with its Dividend Policy.

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting is scheduled to be held on Thursday, 17 December 2026 (the "**AGM**"). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 14 December 2026 to Thursday, 17 December 2026, (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with Tricor Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 11 December 2026. The record date for the purpose of determing the eligibility of the Shareholders to attend, speak and vote at the AGM is Thursday, 17 December 2026.

In order to qualify for the entitlement to the proposed final dividend, the register of members of the Company will also be closed from Wednesday, 23 December 2026 to Monday, 28 December 2026, both days inclusive, during which period no transfer of shares in the Company will be registered. All transfer of shares, accompanied by the relevant share certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 22 December 2026. If the resolution of the proposed final dividend is passed at the AGM, the proposed final dividend will be payable to shareholders of the Company whose names appear on the register of members of the Company on Monday, 28 December 2026. The proposed final dividend is expected to be paid on or before Tuesday, 19 January 2027.

Directors' Report

BUSINESS REVIEW

The review of the business of the Group during the year ended 30 June 2026 and the discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis", and the description of principal risks and uncertainties facing the Group and key financial performance indicators are set out in the section headed, "Management Discussion and Analysis" of this annual report. The financial risk management objectives and policies of the Group are set out in Note 33 to the consolidated financial statements. No important event affecting the Group has occurred since the end of the financial year ended 30 June 2026 and up to the date of this annual report.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results, assets and liabilities of the Group for each of the five financial years ended 30 June 2026 is set out on page 206 of this annual report. Such summary does not form part of the audited consolidated financial statements of the Group.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 30 June 2026 are set out in Note 14 to the consolidated financial statements of this annual report.

DONATION

Charitable donations made by the Group during the year ended 30 June 2026 amounted to SGD65,000 (2025: SGD5,000).

ISSUED CAPITAL

Details of the Company's issued capital are set out in Note 26 to the consolidated financial statements of this annual report.

SHARE OPTION SCHEME

The Company's share option scheme (the "**Share Option Scheme**") was conditionally adopted on 17 December 2019. The Directors consider that the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions. This will be in accordance with Chapter 17 of the Listing Rules and other relevant rules and regulations. Further details of the Share Option Scheme are set forth in the section headed "Statutory and General Information – D. Share Option Scheme" in Appendix V to the Prospectus of the Company dated 24 December 2019 (the "**Prospectus**"). Under the Share Option Scheme, the Directors may at their absolute discretion and subject to the terms of the Share Option Scheme, grant options to any employees (full-time or part-time), any executive, non-executive and independent non-executive Directors, consultants and advisers of the Group, to subscribe for shares of the Company. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group. The eligibility of any participants to the grant of any options shall be determined by the Directors from time to time on the basis of the Directors' opinion as to their contribution to the development and growth of the Group.

The total number of shares of the Company issued and to be issued upon exercise of the options granted under the Share Option Scheme (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the issued share capital of the Company. Where any further grant of options to a grantee would result in the shares of the Company issued and to be issued upon exercise of all options granted and to be granted under the Share Option Scheme to such person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the shares in issue from time to time, such further grant requires approval of the shareholders of the Company in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting.

Under the Share Option Scheme, the maximum number of shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the adoption date must not in aggregate exceed 80,000,000 shares, being 10% of all the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by obtaining approval of the Company's shareholders in general meeting provided that the total number of Company's shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit. The aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share options schemes of the Company if this will result in the limit being exceeded.

An offer for the grant of options must be accepted in writing within 5 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 HKD1. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive Director, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Share Option Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HKD5 million must be approved by the Company's shareholders at the general meeting of the Company, with voting to be taken by way of poll.

The subscription price for the shares of the Company subject to the options will be a price determined by the Board and notified to a participant and shall be the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the options; and (iii) the nominal value of the Company's share on the date of grant of the options.

The Share Option Scheme will remain in full force for a period of ten years commencing on 8 January 2020 and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders at a general meeting of the Company. As as the date of this annual report, the Share Option Scheme had a remaining life of three years and four months.

Pursuant to Rule 17.09(3) of the Listing Rules, the total number of share options available for issue under the Share Option Scheme was 80,000,000, representing 10% of the ordinary shares of the Company as at the date of this annual report. The number of share options available for grant under the Share Option Scheme was 80,000,000 as at 30 June 2026 (2025: 80,000,000). For the year ended 30 June 2026, no share option has been granted, exercised, expired, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme. As such, no shares of the Company that may be issued in respect of options granted under the Share Option Scheme during the year ended 30 June 2026. Moreover, the weighted average closing price of the shares immediately before the dates on which the options were exercised pursuant to Rules 17.07(1)(d) of the Listing Rules is not available.

RESERVES

Details of movements in the reserves of the Company and the Group are set out in Note 27 and Note 34 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's memorandum and articles of association or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to the existing shareholders of the Company.

CONNECTED AND RELATED PARTY TRANSACTIONS

Details of the significant related party transactions entered into by the Group during the year ended 30 June 2026 are set out in Note 31 to the consolidated financial statements. To the best knowledge of the Directors, none of these related party transactions constitutes connected transactions that need to be disclosed under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

DISTRIBUTABLE RESERVES

Further details of the Company's distributable reserve as at 30 June 2026 are set out in Note 34 to the consolidated financial statements of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 30 June 2026, the percentage of the Group's aggregate turnover attributable to the Group's largest customer was 46.6% (2025: 44.5%), while the percentage of the Group's total turnover attributable to the five largest customers in aggregate was 99.9% (2025: 99.8%).

During the year ended 30 June 2026, the percentage of the Group's largest supplier was 4.8% (2025: 6.6%) of the total costs of sales for the year, while the percentage of the Group's five largest suppliers accounted for 10.1% (2025: 13.3%) of the total costs of sales.

During the year ended 30 June 2026, the percentage of the Group's largest subcontractor was 7.6% (2025: 9.9%) of the total costs of sales for the year, while the percentage of the Group's five largest subcontractors accounted for 23.7% of the total costs of sales (2025: 25.8%).

None of the Directors, or any of their close associates or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest customers or suppliers or subcontractors.

DIRECTORS

The Directors during the year ended 30 June 2026 and up to the date of this annual report were as follows:

Executive Directors

Mr. Kwan Mei Kam *(Chairman and Chief Executive Officer)*
Ms. Tay Yen Hua
Mr. Jacob Wong San Ta
Ms. Kwan Shu Ming

Non-executive Director

Mr. Chou Sean Yu *(Redesignated on 19 December 2025)*

Independent non-executive Directors

Mr. Lim Ah Lay
Mr. Fong Heng Boo
Dr. Wu Dongqing

In accordance with the Company's memorandum and articles of association, at each annual general meeting, one third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. All Directors appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders of the Company after their appointment and be subject to re-election at such meeting and all Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

Directors' Report

Pursuant to article 108 of the Company's memorandum and articles of association, Ms. Kwan, Mr. Wong and Mr. Fong will retire at the forthcoming annual general meeting and, all being eligible, will offer themselves for re-election in the said meeting.

DISCLOSURE OF INFORMATION ON DIRECTORS PURSUANT TO RULE 13.51(B) OF THE LISTING RULES

Save as disclosed in this annual report, the Directors are not aware of any change in the information of Directors and chief executive of the Company required to be disclosed pursuant to Rules 13.51(1)(B) of the Listing Rules as at the date of this annual report.

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company and/or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in this annual report, neither the Company nor any of its subsidiaries had entered into any contract of significance with the Controlling Shareholders or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's Controlling Shareholders or their subsidiaries, during the year ended 30 June 2026.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in Note 9 and Note 10 to the consolidated financial statements.

The remuneration of the senior management (excluding directors) of the Group for the year ended 30 June 2026 falls within the following band:

Remuneration Band	Number of senior management (excluding directors)
HKD1,000,001 to HKD1,500,000	1
HKD1,500,001 to HKD2,000,000	2

EMOLUMENT POLICY

The Company's remuneration policy comprises primarily a fixed component (in the form of a base salary) and a variable component (which includes discretionary bonus and other merit payments), considering other factors such as their experience, level of responsibility, individual performance, the profit performance of the Group and general market conditions.

The Remuneration Committee will meet at least once for each year to discuss remuneration related matters (including the remuneration of Directors and senior management) and review the remuneration policy of the Group. It has been decided that Remuneration Committee would determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management.

RETIREMENT BENEFITS PLANS

Details of retirement benefits plans of the Group as at 30 June 2026 are set out in Note 8 to the consolidated financial statements. The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. As at 30 June 2026 and 2025, except for voluntary contribution, no forfeited contribution under the abovementioned scheme is available to reduce the contribution payable in future years.

DIRECTORS' INTEREST IN SIGNIFICANT CONTRACTS

Save as the related party transactions disclosed in Note 31 to the consolidated financial statements, no Director or a connected entity of a Director had a material interest, either directly or indirectly, in any transaction, arrangements or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 30 June 2026.

MANAGEMENT CONTRACTS

During the year ended 30 June 2026, the Company did not enter into or have any management and administration contracts in respect of the whole or any principal business of the Company.

Directors' Report

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" below, at no time during the year ended 30 June 2026 were rights to acquire benefits by means of the acquisition of shares in the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or the Company's subsidiary or holding company or a subsidiary of the Company's holding company a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of each of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (the "**SFO**")) which are required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares and underlying shares of the Company

Name	Capacity/Nature of interest	Number of shares held/ interested	Percentage of shareholding
Mr. Kwan Mei Kam (Note)	Interest of a controlled corporation	600,000,000	75%
Ms. Tay Yen Hua (Note)	Interest of a controlled corporation	600,000,000	75%

Note: Ideal Smart Ventures Limited ("**Ideal Smart**") is 100% owned by Mr. Kwan and Ms. Tay in equal shares. Therefore, Mr. Kwan and Ms. Tay are deemed to be, or taken to be, interested in all the shares of the Company held by Ideal Smart for the purpose of the SFO.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under provision of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be recorded in the register referred to therein or as otherwise notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as is known to the Directors or chief executive of the Company, as at 30 June 2026, the following entity was deemed to have interests or short positions in the shares, the underlying shares and debentures of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long positions in the shares of the Company

Name	Capacity/Nature of interest	Number of shares held/ interested	Percentage of shareholding
Ideal Smart	Beneficial owner	600,000,000	75%

Save as disclosed above, as at 30 June 2026, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, had or were deemed to have, interests or short positions in the shares, the underlying shares and debentures of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

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.

COMPETITION AND CONFLICT OF INTEREST

During the year ended 30 June 2026, none of the Directors or the Controlling Shareholders or their respective associates had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

Directors' Report

NON-COMPETITION UNDERTAKING

In order to avoid any potential competition arising between the Group and the Controlling Shareholders, Mr. Kwan, Ms. Tay and Ideal Smart (each a "**Covenantor**" and collectively the "**Covenantors**") have entered into a deed of non-competition with the Company (for itself and for and on behalf of its subsidiaries) on 17 December 2019 (the "**Deed of Non-competition**"). Pursuant to the Deed of Non-competition, each of the Covenantors has irrevocably and unconditionally undertaken to the Company (for itself and for and on behalf of its subsidiaries) that, during the period the Deed of Non-competition remains effective, he/she/it shall not, and shall procure that his/her/its associates (other than any member of the Group) not to develop, acquire, invest in, participate in, carry on or be engaged, concerned or interested or otherwise be involved, whether directly or indirectly, in any business in competition with or likely to be in competition with the existing business activity of any member of the Group.

Each of the Covenantors further undertakes that if any of he/she/it or his/her/its close associates other than any member of the Group is offered or becomes aware of any business opportunity which may compete with the business of the Group, he/she/it shall (and he/she/it shall procure his/her/its associates to) notify the Group in writing and the Group shall have a right of first refusal to take up such business opportunity. The Group shall, within 6 months after receipt of the written notice (or such longer period if the Group is required to complete any approval procedures as set out under the Listing Rules from time to time), notify the Covenantor(s) whether the Group will exercise the right of first refusal or not.

The Group shall only exercise the right of first refusal upon the approval of all the independent non–executive Directors (who do not have any interest in such opportunity). The relevant Covenantor(s) and the other conflicting Directors (if any) shall abstain from participating in and voting at and shall not be counted as quorum at all meetings of the Board where there is a conflict of interest or potential conflict of interest including but not limited to the relevant meeting of the independent non-executive Directors for considering whether or not to exercise the right of first refusal.

Each of the Covenantors also gave certain non-competition undertakings under the Deed of Non-Competition.

During the year ended 30 June 2026, the Company had not received any information in writing from any of the Covenantors in respect of any new business opportunity which competed or might compete with the existing and future business of the Group which were offered to or came to be the knowledge of the Covenantors or their associates (other than any member of the Group), and the Company has received an annual written confirmation from each of the Covenantors in respect of him/her/it and his/her/its associates in compliance with the Deed of Non-competition. The independent non-executive Directors have also reviewed and were satisfied that each of the Covenantors had complied with the Deed of Non-competition.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this annual report.

EQUITY-LINKED AGREEMENTS

Save as disclosed on pages 44 to 46 in the paragraph headed "Share Option Scheme" of this annual report, no equity-linked agreement was entered into by the Company at any time during the year ended 30 June 2026.

SUFFICIENCY OF PUBLIC FLOAT

Throughout the year ended 30 June 2026, the Company was in compliance with the minimum public float requirement under Listing Rules by maintaining its public float at the level of at least 25% of its total issued shares (exclude treasury shares, if any).

As at 30 June 2026 and up to the latest practicable date prior to the issue of this annual report, the total issued share capital of the Company amounted to HKD8,000,000 comprising 800,000,000 ordinary shares of HKD0.01 each. The Company has one class of shares in issue, which rank pari passu with each other in all respects.

Based on the information publicly available to the Company or otherwise within the knowledge of the Directors as at the date of this annual report, the Company has complied with the prescribed public float requirements under Rule 13.32B of the Listing Rules as at 30 June 2026. For the purposes of the disclosure in this section, the terms "public", "core connected persons", "substantial shareholders" and "close associates" shall have the meanings ascribed to them under the Listing Rules.

As at 30 June 2026, approximately 25% of the total number of issued shares of the Company (excluding treasury shares, if any) were held by the public based on the calculations set out in the share ownership composition below:

Group of Shareholders	Names	Number of Shares Held	Approximate % of Shareholding
(i) Non-public shareholder			
Substantial Shareholders and their close associates	Ideal Smart Ventures Limited (Owned 100% by Mr. Kwan and Ms. Tay in equal share)	600,000,000	75%
Directors and their close associates	Mr. Kwan and Ms. Tay	Deemed to be, or taken to be interested in the 600,000,000 shares held by Ideal Smart Ventures Limited (a controlled corporation)	
(ii) Public Shareholders			
Members of the Public		200,000,000	25%
Total		800,000,000	100%

Directors' Report

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all the independent non-executive Directors to be independent.

INDEPENDENT AUDITORS

The consolidated financial statements of the Group for the year ended 30 June 2026 were audited by Ernst & Young LLP. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Ernst & Young LLP as auditors of the Group.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

The Group is committed to support environmental protection to ensure business development and sustainability. The Group implements green office practices to reduce the consumption of energy and natural resources. These practices include the use of energy-saving lightings and recycled paper, reduce energy consumption by switching off idle lightings, computers and electrical appliances and the use of environmentally friendly products whenever possible.

Details of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this annual report.

For details of the environmental, social and governance performance of the Group, please refer to the "Environmental, Social and Governance Report" section of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 30 June 2026.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group acknowledges the importance to maintain good relationship with its employees and customers for the achievement of its short-term and long-term business objectives.

For the year ended 30 June 2026, there was no serious and material dispute between the Group and its employees, customers and suppliers.

ON BEHALF OF THE BOARD
Kwan Mei Kam
Chairman and Executive Director

Singapore, 24 September 2026

Environmental, Social and Governance Report

ABOUT THE REPORT

Purpose and Objective

We are pleased to present our annual Environmental, Social and Governance ("**ESG**") Report (the "**ESG Report**"). This ESG Report aims to provide our stakeholders with a clear and thorough understanding of our sustainability management approach, strategies, initiatives and performance.

Reporting Scope and Period

Unless otherwise stated, this ESG Report covers the Group's entire operations of construction projects on hand (including projects in progress and projects that are yet to commence) in Singapore, consistent with the scope of the consolidated financial statements of our Annual Report 2026, which accounted for 99.4% of the Group's total revenue for the period from 1 July 2025 to 30 June 2026 (the "**Reporting Period**"). The reporting boundary was determined based on the materiality of the relevant operations to the Group's business and their associated sustainability impact.

Reporting Standards

This ESG Report has been prepared in accordance with the disclosure requirements of the ESG Reporting Code (the "**ESG Reporting Code**") set out in Appendix C2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") issued by The Stock Exchange of Hong Kong Limited (the "**HKEX**"), and with reference to the Global Reporting Initiative ("**GRI**") Sustainability Reporting Standards (the "**GRI Standards**").

Environmental, Social and Governance Report

Reporting Principles

This ESG Report has followed the reporting principles as outlined in the HKEX ESG Reporting Code in defining its content and ensuring the quality of the information presented, including:

Reporting Principle	Description	The Group's Application
Materiality	The ESG issues addressed in this ESG Report should be sufficiently important to investors and other stakeholders.	The Group identifies the ESG topics that are material to our business operations and our key stakeholders through ongoing engagement with stakeholders and regular assessment of the materiality of ESG topics.
Quantitative	This ESG Report should disclose key performance indicators ("**KPIs**") in a way that is measurable. Comparative data should be provided where appropriate.	This ESG Report discloses the key environmental and social KPIs in quantitative form, as well as provides historical data of KPIs to facilitate comparability over time, as far as practicable.
Balance	This ESG Report should present an unbiased picture of the Group's sustainability performance, avoiding selections, omissions, or presentation formats that may inappropriately influence reader's decisions or judgments.	The Group has objectively presented the current situation and performance of the Group's sustainability management.
Consistency	The Group should employ consistent methodologies in this ESG Report to facilitate meaningful comparisons of ESG data over time.	Unless otherwise specified, consistent methodologies have been applied when compiling the data disclosed in this ESG Report, with necessary explanations provided for any changes compared with the previous year.

Access to this ESG Report

As part of the Group's annual report, this ESG Report has been prepared in both English and Chinese. It is available on the official website of the Group, as well as the website of the HKEX. In case of any discrepancy between these two versions, the English version shall prevail.

Your Feedback

We welcome feedback and suggestions on this ESG Report and our sustainability approach, which would guide us in further refinement of our sustainability strategy. Please share your feedback at enquiry@kwanyong.com.

Environmental, Social and Governance Report

OUR BUSINESS

About Kwan Yong

With over 40 years of profound experience, the Group stands as a respectable main contractor specialising in the provision of building construction works in Singapore. Our expertise spans new construction and alteration and addition ("**A&A**") works, covering a wide range of building types, from institutional buildings such as educational institutions, hospitals, and nursing homes to commercial buildings such as office buildings and restaurants, as well as industrial and residential projects. Dedicated to our belief in sustainability, we endeavour to create sustainable value by delivering exceptional quality of work, catering for the diverse needs of our stakeholders, as well as maintaining solid and resilient financial position.

Our Vision

Strive to be at our best and in the forefront of the industry from pre-development to completion stage of all projects through delivering of high quality and timely completion.

Our Mission

To be the preferred construction company in exceeding the needs of all public or private construction projects.

Our Values

Commitment

Exercising methodical work processes to fulfil customers' requirements.

Resilience

Enhancing our skills to meet evolving changes and challenges.

Integrity

Building trust & confidence with all stakeholders.

Environmental, Social and Governance Report

Our Highlighted Projects

In recent years, we have successfully delivered a range of award-winning public-sector construction projects, as highlighted below.



Outram Secondary School



APSN Tanglin School and Chaoyang School

Environmental, Social and Governance Report

PERFORMANCE HIGHLIGHTS 2026

Building Excellence in Operations

CONQUAS Score above 90
for projects completed

"Good" to "Excellent"
average customer satisfaction rating

No material customer complaints
No liquidated damages recorded

New Supply Chain Policy
strengthening environmental and social risk management in the supply chain

Building Excellence for the Environment

First FY2030 Climate Target:
Absolute GHG emissions (Scopes 1 & 2) **↓10%***

↓10%
Total water consumption (YoY)

↓2%
Absolute GHG emissions (Scopes 1 & 2) (YoY)

↓2%
Total energy consumption (YoY)

First Scope 3 Emissions Disclosure
completed together with the Group's **First Climate Scenario Analysis**

↑36%
on-site renewable energy generated (YoY)

10+
types of certified green building materials adopted across construction projects

314 kg
E-waste recycled

* Against the FY2025 baseline.

Building Excellence for People

0
reportable work-related accidents

3
types of employee engagement and wellness activities organised

7.93 Hours
average training per employee

6.5 : 1
male-to-female workforce ratio

Building Excellence for the Community

397 Volunteering Hours
across **5** focus areas

SGD65,000
donated to **5** charitable organisations

Kwan Yong Community Service Team
mobilised employees to contribute to the community

New Community Engagement Policy
fostering stakeholder dialogue and social inclusion

SUSTAINABILITY AWARDS AND CERTIFICATIONS

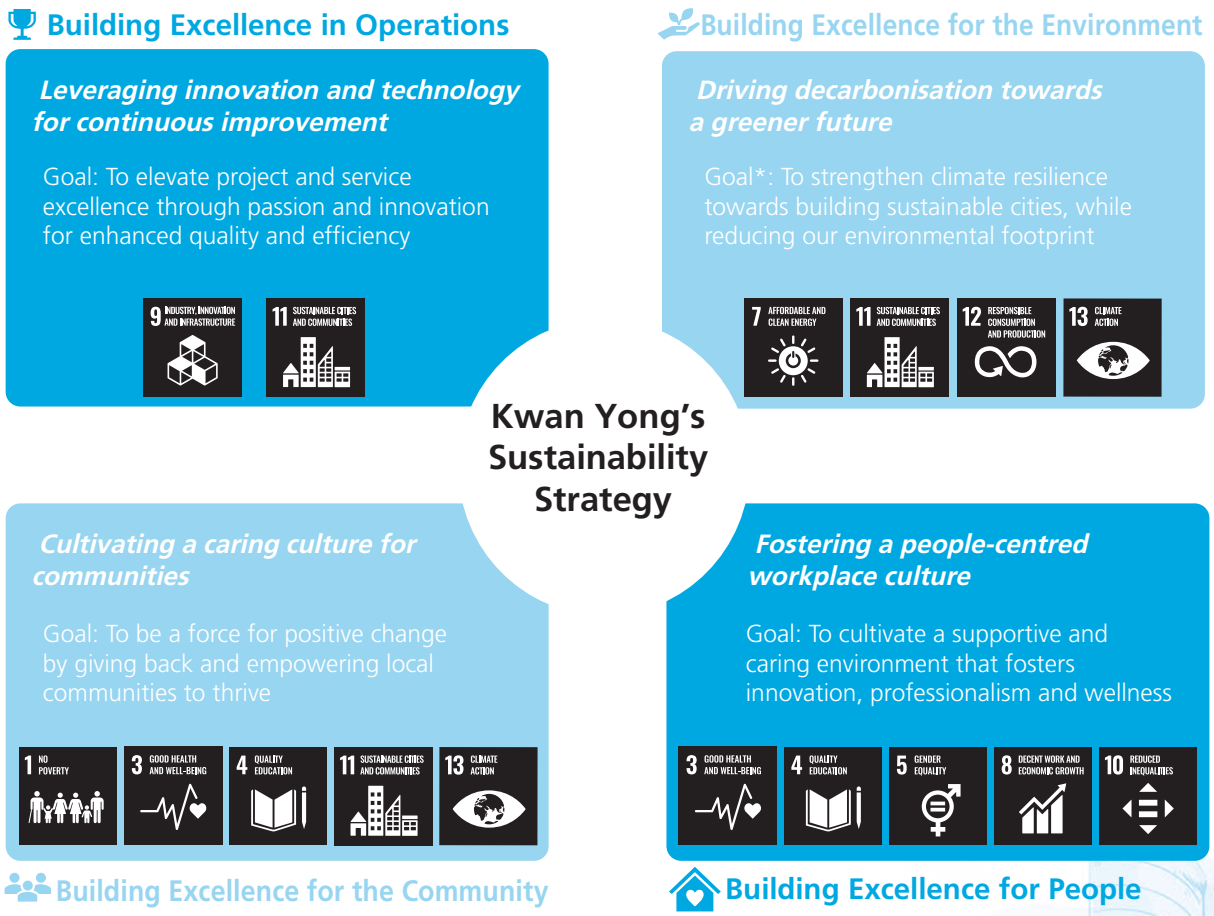
Aspect	Awards and Certifications	Awarding Organisation
Sustainability Leadership	ESBN Asia-Pacific Green Deal Green Badge	ESGpedia
Environment and Decarbonisation	ISO 14001 Environmental Management System	SOCOTEC Certification International
	BCA Green and Gracious Builder Award – Excellent	The Singapore Contractors Association Limited
Health, Safety and Well-being	ISO 45001 Occupational Health and Safety Management System	SOCOTEC Certification International
	bizSAFE Partner	The Workplace Safety and Health Council
	bizSAFE Level Star	The Workplace Safety and Health Council
	Safety and Health Award Recognition for Projects (SHARP) 2025	The Workplace Safety and Health Council
	3PS (Positive, Preventive, Proactive) Award 2024 – Bronze	MOH Holdings
	Construction Excellence Award 2025 – Merit	MOH Holdings
	Hazard Identification & Risk Assessment (HIRA) Award 2025	MOH Holdings
	SAFE Award 2025	MOH Holdings
Project Excellence	ISO 9001 Quality Management System	SOCOTEC Certification International
	HDB Construction Award 2025	Housing & Development Board

Environmental, Social and Governance Report

OUR MANAGEMENT APPROACH TO SUSTAINABILITY

Sustainability Strategy

We put sustainability at the forefront of our business. Driven by our corporate mission "***To be the preferred construction company in exceeding the needs of all public or private construction projects***", our sustainability strategy is built upon four strategic pillars: (1) Building Excellence in Operations; (2) Building Excellence for People; (3) Building Excellence for the Environment; and (4) Building Excellence for the Community. At the core of our sustainability strategy is our commitment to the United Nations Sustainable Development Goals ("**UNSDGs**") aiming to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Focusing on the 11 most relevant UNSDGs for our business, we have aligned them with our sustainability pillars and established specific goals and targets to reinforce our commitment to these identified UNSDGs. Further details of our contribution towards specific UNSDGs are disclosed in the corresponding sections in this ESG Report. Our sustainability strategy, approved by the board (the "**Board**") of directors (the "**Directors**") of the Company, guides us in building our sustainability resilience and capabilities for a greener and more sustainable future for all.



* For our detailed targets, please refer to section headed "Building Excellence for the Environment".

Environmental, Social and Governance Report

Sustainability Governance and Board's Oversight

Our sustainability governance is built on our strong foundations of corporate governance and business integrity. The Board takes overall responsibility for our ESG strategy and reporting. The Board provides oversight of the ESG-related issues (including but not limited to our ESG management approach, strategy and initiatives, as well as climate-related risks and opportunities), with an emphasis on our long term development and positioning.

As part of the Board's oversight of ESG issues, the Board has delegated the Sustainability Task Force, comprised of senior management and management executives from core functional departments of, namely operations, finance, human resources, engineering, business development and workplace health and safety. The Sustainability Task Force is responsible for the planning and implementation of sustainability initiatives within our business operations and advises the Board on ESG matters, including but not limited to the following on a regular basis:

- develop and review the ESG management approach, strategy, goals and targets of the Group;
- identify, evaluate, prioritise, review and manage material ESG-related issues, risks and opportunities (including but not limited to climate-related and supply chain-related risks and opportunities), while developing corresponding mitigation measures;
- develop ESG-related goals and targets that are relevant to the Group's business operations;
- review and monitor the Group's ESG performance and progress made against ESG-related goals and targets;
- formulate and oversee the implementation and progress of sustainability initiatives; and
- prepare an annual ESG report for the Board's approval.

Environmental, Social and Governance Report

Sustainability Governance Structure



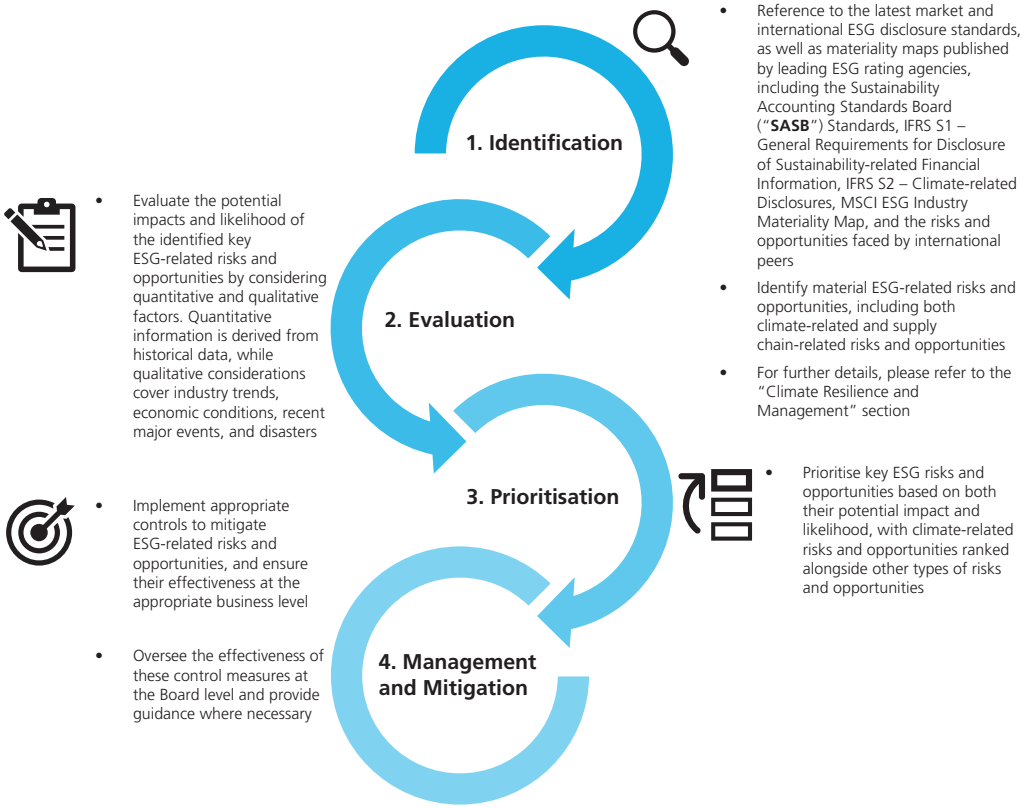
For further information regarding corporate governance, please refer to the "Corporate Governance Report" in our Annual Report 2026.

Environmental, Social and Governance Report

ESG-related Risk and Opportunity Management

ESG risk and opportunity management is regarded as an essential aspect of robust corporate governance in the pursuit of long term business resilience. As part of the Board's role in steering the long term sustainability direction of the Group, the Board bears the ultimate responsibility for overseeing the Group's ESG risk and opportunity management.

During the Reporting Period, with the assistance of the independent sustainability consultant, our Sustainability Task Force conducted an ESG-related risk and opportunity assessment to enhance our risk mitigation and response strategies. The following outlines the steps of the Group's ESG risk and opportunity management process:



More details of our risk management approach can be found in the "Corporate Governance Report" of our Annual Report 2026.

Environmental, Social and Governance Report

Stakeholder Engagement

The voices of stakeholders play a vital role in our journey towards sustainability. We endeavour to regularly engage and understand the perspectives of our key stakeholders who have a significant impact on or have close relationships with our business. Below are the communication channels we use to regularly engage our diverse stakeholder groups.

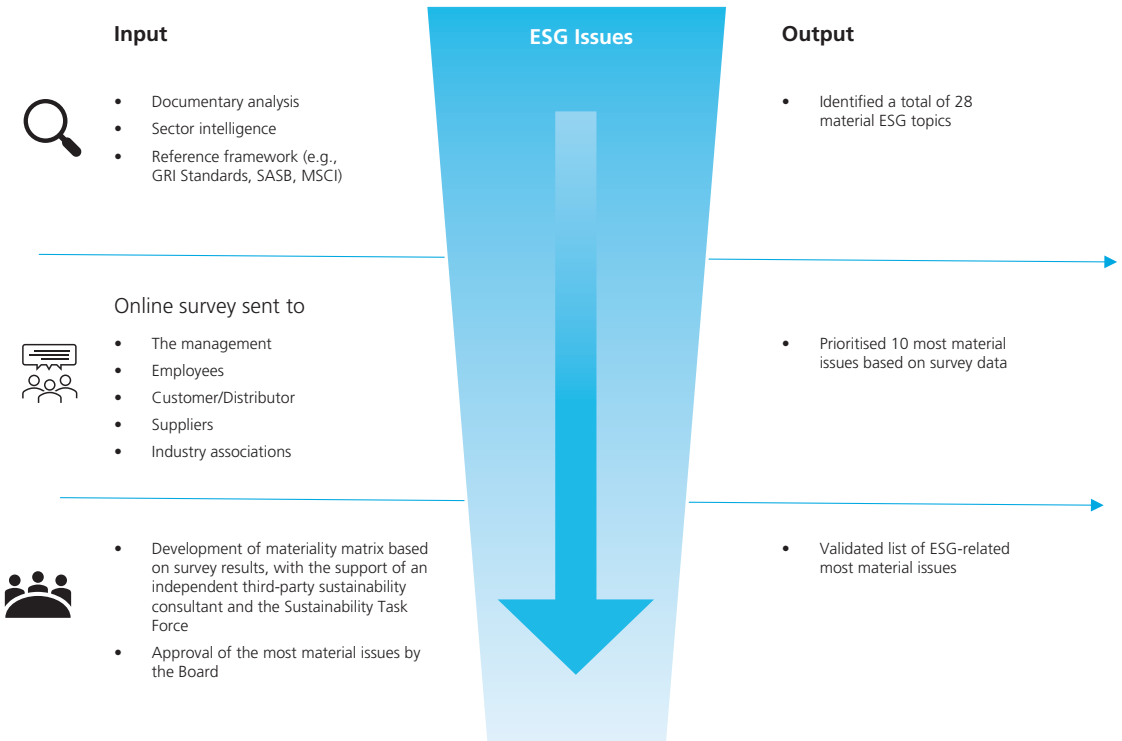
Key Stakeholders	Engagement Approach	Issues of Concern	Relevant Chapter/ Section
Shareholders and Investors	• Interim and annual reports, circulars and announcements • Corporate website • Investors' conferences • Meetings	• Ethics and integrity • Climate change and resilience	• Building Excellence in Operations • Building Excellence for the Environment
Customers (end-users and developers)	• Customer engagements and feedback forms • Customer satisfaction management programmes • Corporate website	• Quality assurance • Customer service • Green procurement • Use of sustainable materials • Innovation and new technology adaptation • Customer health and safety	• Building Excellence in Operations • Building Excellence for the Environment • Building Excellence for People
Employees	• Staff performance appraisals • Training sessions • Employee well-being and teambuilding activities or events • Surveys and interviews • Intranet and emails	• Occupational health and safety • Staff development and training • Staff welfare • Equal opportunity, diversity, anti-discrimination	• Building Excellence for People

Key Stakeholders	Engagement Approach	Issues of Concern	Relevant Chapter/ Section
Suppliers	• Supplier evaluations • Joint projects • Surveys and meetings	• Ethically responsible sourcing • Employment compliance	• Building Excellence in Operations • Building Excellence for People
Government/ Regulators	• Ongoing dialogues • Interim and annual reports • Regular meetings • Forums, conferences and seminars	• Employment compliance • Occupational health and safety • Ethics and integrity • Prevention of anti-competitive practices	• Building Excellence for People • Building Excellence in Operations
Community/NGOs	• Employee volunteering activities and community service • Joint projects • Corporate website • Feedback channels	• Impact to biodiversity and land use • Community engagement and investment • Social integration and accessibility	• Building Excellence for the Environment • Building Excellence for the Community

Materiality Assessment

To determine ESG-related topics that are highly significant and relevant to both our business and stakeholders, in addition to the above-mentioned regular engagement approach, we conducted a materiality assessment with the assistance of an independent third-party sustainability consultant during the Reporting Period.

Our materiality assessment involved multiple steps: identification, prioritisation and validation, which formed our sustainability strategy and assisted with the preparation of this ESG Report.

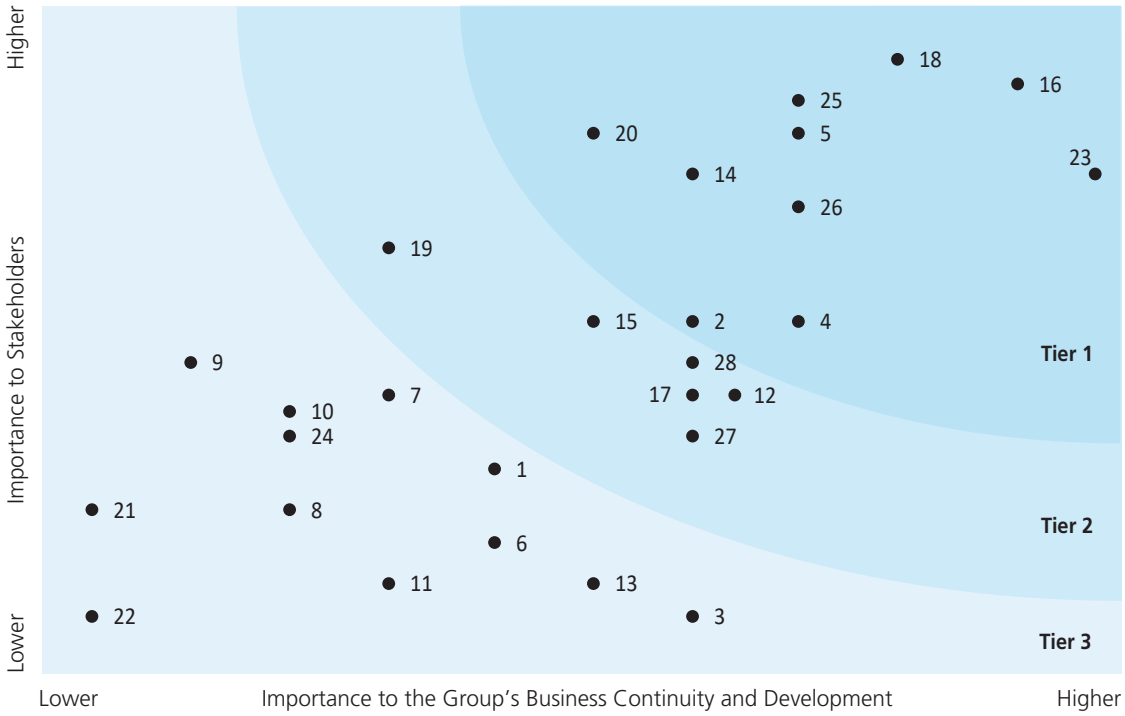


Environmental, Social and Governance Report

Materiality Matrix

The materiality matrix below summarises the relative importance of the 28 material ESG topics to stakeholders (y-axis) and to our business continuity and development (x-axis) based on the aggregated scores obtained from our internal and external stakeholders through an online survey. A total of 10 topics located in the Tier 1 of the matrix were prioritised as the most significant for us to address and report on during the Reporting Period. Topics in the Tier 2 are relatively significant, and those in the Tier 3 are of less significance.

Materiality Matrix



Building Excellence for the Environment	Building Excellence for People	Building Excellence in Operations	Building Excellence for the Community
1. Energy management and decarbonisation 2. Air emissions 3. Waste 4. Water and wastewater management 5. Noise management 6. Impact to biodiversity and land use 7. Sustainable built environment 8. Climate change and resilience 9. Green procurement 10. Use of sustainable materials 11. Environmental risk in supply chain	12. Staff welfare 13. Equal opportunity, diversity and anti-discrimination 14. Occupational health and safety 15. Staff development and training 16. Employment compliance	17. Ethically responsible sourcing 18. Quality assurance 19. Customer health and safety 20. Customer service 21. Intellectual property rights management 22. Marketing and advertising 23. Data protection and cybersecurity 24. Innovation and new technology adaptation 25. Ethics and integrity 26. Prevention of anti-competitive practices	27. Community engagement and investment 28. Social integration and accessibility

Environmental, Social and Governance Report

List of Most Material Topics

Strategic Pillar	Most Material Topics	Chapter/Section
Building Excellence for the Environment	2. Air emissions	Energy, Air and GHG Emissions
	4. Water and wastewater management	Water Resource Conservation and Management
	5. Noise management	Noise Management
Building Excellence for People	14. Occupational health and safety	Occupational Health and Safety
	16. Employment compliance	Employee Welfare and Benefits
Building Excellence in Operations	18. Quality assurance	Project Quality and Customer Safety
	20. Customer service	Customer Satisfaction
	23. Data protection and cybersecurity	Data Privacy, Cybersecurity and Intellectual Property Rights
	25. Ethics and integrity	Anti-corruption
	26. Prevention of anti-competitive practices	Anti-corruption

Environmental, Social and Governance Report

BUILDING EXCELLENCE IN OPERATIONS

Leveraging innovation and technology for continuous improvement

Goal:
To elevate project and service excellence through passion and innovation for enhanced quality and efficiency

Material topics covered:
- Quality assurance
- Customer service
- Ethics and integrity
- Data protection and cybersecurity
- Prevention of anti-competitive practices

Relevant UNSDGs addressed:



True to our corporate values of "commitment" and "integrity", we are determined to deliver high-quality projects and premium services that exceed customer expectations, safeguard their health and safety, uphold high standards of business integrity, and leverage innovative technologies and solutions for continuous improvement. We remain dedicated to upholding our commitment to on-schedule delivery and excellent quality. To achieve that, we ensure that robust management systems are in place in our operations and have established a set of targets to ensure that we are continually striving towards operational excellence.

Target		Progress in FY2026
Anti-corruption	Zero reported corruption/significant whistleblowing reports	●
Project quality and safety	Comply strictly with all safety requirements of our customers and local safety regulations	●
Corporate compliance	Zero incidents of non-compliance with tax regulations	●

● Achieved ◐ In progress

During the Reporting Period, we were not aware of any material non-compliance with relevant laws and regulations[1] in relation to health and safety, advertising, labelling and privacy matters relating to products and services provided, as well as bribery, extortion, fraud and money laundering.

[1] Please refer to the "Significant Laws and Regulations" section for the list of laws and regulations significant to the Group's business operations.

Anti-corruption

At Kwan Yong, our business operations are guided by the core value of integrity. We strive to uphold honesty, responsibility and accountability across all levels. Our employees and business partners are strictly prohibited from soliciting or accepting advantages, as well as engaging in any form of bribery, extortion, fraud, money laundering and anti-competitive behaviours in our operations.

To ensure adherence to our ethical standards, we have implemented policies such as our Anti-Bribery and Anti-corruption Policy, Whistleblowing Policy and the Employee Code of Conduct, which outline our expectations and provide guidelines to employees related to the prevention of conflicts of interest and transfer of benefits, as well as anti-corruption.

To enhance awareness and understanding of business ethics, we provided anti-corruption training to all employees and Directors during the Reporting Period.

Whistleblowing Mechanism

We encourage our employees, customers, suppliers and other stakeholders to report concerns about misconduct or malpractice through our whistleblowing mechanism. Our Whistleblowing Policy provides employees with guidelines and procedures for reporting suspicious behaviours while ensuring confidentiality. The Audit Committee has the overall responsibility for the mechanism, whereas the Human Resources Manager is responsible for overseeing and implementing the mechanism.

Reporting

- We provide a confidential channel, via mail or email, to encourage reporting of malpractice and misconduct.

Investigation

- The identities of whistleblowers will be kept strictly confidential.
- All reports will be investigated by the Group, involving the Audit Committee if potential law violations are involved.

Outcome

- Following investigation, we will respond to reported cases in a fair and appropriate manner. Actions may include corrective measures, disciplinary action, or referral to relevant authorities.

During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

Sustainable Supply Chain Management

As a responsible enterprise in the construction industry, we ensure that we collaborate with suppliers and sub-contractors of high quality and sustainability standards and strive to continuously enhance the sustainability of our supply chain. We have in place comprehensive supplier engagement procedures, ensuring that environmental and social risks are well addressed and managed along the supply chain. During the Reporting Period, we formalised the Policy on Managing Environmental and Social Risks in the Supply Chain, underscoring our commitment to responsible and sustainable supply chain management.

1. Selecting Suppliers	• To become an approved supplier or sub-contractor, potential suppliers or sub-contractors are required to meet our selection criteria. • In our engagement with new suppliers or sub-contractors, a supplier/ sub-contractor assessment form will be completed. • To mitigate and manage environmental and social risks within our supply chain, we have incorporated environmental and social considerations into our supplier selection criteria, which are assessed through prequalification assessments and supplier questionnaires, such as: ➢ Regulatory compliance record, including compliance with environmental laws ➢ Environmental, safety and quality certifications ➢ Demonstrated industry experience and expertise ➢ Timely delivery of services and products ➢ Proven past track record and performance history

2. Ensuring Suppliers' Sustainability Performance	• Apart from the above selection criteria, our Supplier Code of Conduct and Policy on Managing Environmental and Social Risks in the Supply Chain also articulate our sustainability expectations, covering aspects such as: ➢ Environmental protection ➢ Labour practices ➢ Human Rights and Equal Opportunities ➢ Occupational health and safety ➢ Product and service quality ➢ Confidential information and privacy ➢ Intellectual property rights ➢ Conduct and ethics ➢ Compliance with laws and regulations ➢ Community Impact
3. Monitoring Suppliers' Performance	• We routinely conduct on-site inspections, audits and performance reviews of our suppliers and sub-contractors to ensure their commitment to environmentally sustainable practices. • In the event of identifying issues, including any adverse environmental or social impacts, during these inspections, we will respond with appropriate measures within a specified timeframe, which may, if required, involve suspension or a reconsideration of our partnership relationships.
4. Supplier Engagement	• As part of our capacity-building efforts, we provide training to our suppliers and sub-contractors to strengthen their awareness of safety, quality, efficiency, and environmental contribution.

We identify and evaluate environmental and social risks along the supply chain through our risk management framework. To mitigate these identified risks, we incorporate environmental and social considerations into our supplier selection criteria. We consistently monitor their implementation of these practices and regularly review the effectiveness of our control measures.

During the Reporting Period, the Group engaged a total of 899 major suppliers (FY2025: 863), all of whom were based in Singapore. The aforementioned practices relating to engaging suppliers were implemented on all major suppliers during the Reporting Period.

Project Quality and Customer Safety

We are committed to transforming our vision into reality by delivering high-quality projects and services while upholding high safety standards for our customers. To ensure the quality of our construction projects, we have acquired the ISO 9001 certification for our quality management system in building construction activities.

To consistently maintain our standards, comprehensive guidelines are established under our quality management system to monitor every phase of our construction projects, from early planning and design to construction, acceptance, handover and post-project support. We maintain open communication with customers throughout construction and conduct regular inspections. We also ensure that sub-contractors promptly address rectifications and safety issues concerns if needed. In the rare event that any phase fails to meet the internal and/or regulatory standards, the responsible personnel are required to rectify the issue before further progress can be made.

In terms of our government projects, we subject them to assessment under the Construction Quality Assessment System ("**CONQUAS**") for their construction workmanship quality. This rating recognises the architectural, mechanical and electrical as well as structural accomplishments of the undertaken projects. To ensure that our projects meet quality requirements, we establish project-specific quality objectives and formulate corresponding quality management action plans on an annual basis. Each quality objective is accompanied by defined targets, with assigned personnel responsible for overseeing the implementation of these quality action plans. The table below presents our FY2026 quality objectives along with their respective achievement progress.

Quality Objective	Progress in FY2026
Zero liquidated damages per project	●
To achieve CONQUAS ratings of above 90 per project	●

● Achieved ◐ In progress

During the Reporting Period, we achieved CONQUAS Star for the construction of a health care institution.



Technology Advancement

The Group leverages advanced technologies throughout its construction processes to strengthen quality management, site safety and project execution. These technologies enhance the monitoring and coordination of construction activities, helping to identify and address potential issues in a timely manner. This, in turn, supports consistent workmanship, operational efficiency and effective project delivery.

Technology-enabled construction practices

- Adopt digital construction and project management solutions to streamline site processes, facilitate real-time information sharing and improve coordination among project teams.
- Utilise digital tools and automated systems, where appropriate, for areas such as workforce and attendance management, permit-to-work processes, site inspections and safety monitoring.

Customer Satisfaction

Meeting customers' needs and expectations is our top priority. We gather customer feedback during project implementation and upon completion of the project to enhance our product and service quality. Further details about our approach are outlined below.

1. Feedback Collection

- We collect customer feedback through customer visits and feedback forms, covering areas such as:
  - Progress and schedule
  - Quality of construction work and equipment
  - Safety performance

2. Feedback Review

- We review all customer feedback and complaints and conduct investigations to identify areas for improvement related to quality, safety, environmental performance, etc.
- Relevant business functions will be informed of customers' feedback.

3. Monitoring and Improvement

- A Customer Satisfaction Monitoring Plan will be developed.
- The management will oversee the implementation of corrective actions until improvements are achieved.

During the Reporting Period, the Group achieved an average score in the range of "good" to "excellent" in customer satisfaction surveys and did not receive any material complaints related to its projects and services (FY2025: nil).

Data Privacy, Cybersecurity and Intellectual Property Rights

The Group recognises the importance of protecting personal data, confidential information and intellectual property, particularly as digital technologies are increasingly integrated into its business operations. We have established policies and controls to safeguard information assets, strengthen cybersecurity and protect the rights and interests of the Group and its stakeholders.

Our Employee Code of Conduct outlines our expectations for employees in handling sensitive information, including but not limited to trade secrets, business information, agreements and contracts with customers or suppliers. Employees are prohibited from disclosing such information without appropriate authorisation, and non-disclosure agreements are put in place where appropriate to safeguard confidentiality.

Our Data Protection Policy further sets out our approach to the collection, use, disclosure and protection of personal data relating to our customers and stakeholders. Key safeguards include:

- Notifying individuals of the purposes for which personal data is collected and obtaining appropriate consent
- Implementing authentication and access controls, including sound password practices and access on a need-to-know basis
- Maintaining up-to-date antivirus protection and conducting regular system patching
- Securely erasing data from storage media before the disposal of devices
- Conducting regular security reviews and testing
- Appointing a Data Protection Officer to oversee compliance and handle related enquiries and requests

For cybersecurity, our IT Security Policy, supported by Executive Management and the IT Department, establishes guidelines to manage cybersecurity risks and support secure operations. Employees are required to adhere to these guidelines in safeguarding the Group's information assets. Key security measures include:

- Conducting security assessments and penetration testing with support from qualified external service providers to identify and address potential vulnerabilities
- Implementing firewalls, intrusion detection or prevention systems and other network security controls, supported by timely software and firmware patching to address known vulnerabilities
- Performing regular backups of critical data and conducting annual disaster recovery testing, including the restoration of certain critical data, to support business continuity and data recovery
- Conducting regular cybersecurity awareness training, including phishing simulations, and education on cyber threats, social engineering tactics and the protection of sensitive information
- Protecting sensitive data through industry-standard encryption and maintaining up-to-date antivirus or antimalware protection on relevant devices, supported by real-time monitoring where applicable
- Establishing and regularly testing an incident response plan to ensure timely and effective responses to cybersecurity incidents and data breaches

To safeguard the Group's intellectual property rights, we actively encourage our employees to report any inventions or designs to the Group and to secure patents or industrial rights as needed. Employees are also reminded not to infringe upon third parties' intellectual property rights, including but not limited to copyrights, patents and trademarks.

Environmental, Social and Governance Report

BUILDING EXCELLENCE FOR THE ENVIRONMENT

Driving decarbonisation towards a greener future

Goal:
To strengthen climate resilience towards building sustainable cities, while reducing our environmental footprint

Material topics covered:
- Air emissions
- Water and wastewater management
- Noise management

Relevant UNSDGs in this chapter:



As part of our commitment to sustainability and in support of the Singapore Green Plan 2030 and Singapore's national climate targets, Kwan Yong seeks to contribute to decarbonisation and climate resilience by reducing the environmental impacts associated with its operational and construction activities and supporting the delivery of more sustainable buildings. To manage our environmental footprint and promote the responsible use of resources, we maintain an ISO 14001-certified environmental management system covering our building construction activities.

Our approach to environmental management is guided by our Green and Gracious Policy and Environmental Management Manual, which set out the environmental requirements and procedures applicable to our construction activities. Our environmental policies cover key areas including climate change, resource efficiency, natural resource conservation, emissions management, responsible waste management and the promotion of environmental awareness across our operations.

To promote environmental conservation awareness, the Group regularly conducts training sessions and campaigns for our employees, workers, vendors and sub-contractors, reinforcing their understanding of our environmental policies and requirements.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations[2] in relation to air and greenhouse gas ("**GHG**") emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

[2] Please refer to the "Significant Laws and Regulations" section for the list of laws and regulations significant to the Group's business operations.

Climate Resilience and Management

Governance

Board's Role and Oversight

The Board bears ultimate responsibility for overseeing climate-related risks and opportunities. Assisted by the Sustainability Task Force, the Board supervises the Group's climate-related issues, including climate change policies, management of climate-related risks and opportunities, and the progress of the FY2030 Climate Target. The Sustainability Task Force reports to the Board on sustainability-related matters through meetings at least once a year, including climate-related issues, risks and opportunities. The Board considers trade-offs between climate factors in strategy formulation, major transaction decisions, and risk management processes, balancing them against other business, financial and operational priorities, as well as progress on the implementation of climate targets, thereby integrating climate considerations into the Board's overall decision making. The Board has sufficient knowledge of climate-related issues and the impacts of such issues on the Group's business and operations. To maintain up-to-date climate-related knowledge, the Group provides regular training and informational materials on climate-related topics to the Board and the Sustainability Task Force.

Management's Role

Under the supervision of the Board, the Sustainability Task Force is responsible for assessing and managing climate-related risks and opportunities, planning and implementing climate-related measures, and reviewing climate-related policies to ensure that the Group incorporates climate-related considerations into its daily operations.

For details, please refer to the section "Sustainability Governance and Board's Oversight".

Strategy

The Group acknowledges the significance of climate change risks and opportunities and their potential impacts on our business operations. To address these challenges, we identify and evaluate climate-related risks and opportunities through our risk and opportunity management framework and policies.

During the Reporting Period, we deepened the breadth and depth of our climate strategy planning, assessed both the financial and non-financial implications of climate change across our business operations, supply chain and market environment, thereby further enhancing our climate resilience. The table below summarises the material climate-related risks and opportunities we have identified, their potential impacts on our business model and value chain, as well as our response actions and transition measures over three distinct time horizons. We continue to apply time horizons that are aligned with our strategic decision-making and planning, and global and/or national best practices. However, given that data availability and quantitative methodologies are still in a stage of continuous development and evolution, the Group will conduct ongoing monitoring and, to the extent feasible, disclose where climate-related risks and opportunities are concentrated in its business model and value chain. With the progressive advancement of relevant research and analytical approaches, the Group expects to enhance its understanding of climate risks and opportunities, thereby enabling a more comprehensive identification of such risks and opportunities involved in its core business operations.

Meanwhile, to support more robust strategy formulation, the Group conducted climate scenario analysis for the first time during the Reporting Period to proactively assess transition and physical risks under different pathways. The assessment was based on various climate scenarios, including the Net Zero 2050 scenario and Current Policies scenario developed by the Network for Greening the Financial System[3] ("**NGFS**"), with a focus on potential climate impacts from the present to mid-century. The results of the assessment subsequently served as the underlying assumptions for the development of response and transition measures.

Climate-related Risks	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Physical Risks			
Acute risk Ⓢ Ⓜ Ⓛ More severe and frequent extreme weather events, such as cyclones, heavy rainfall and floods	Current Financial Impacts • Frequent extreme weather events may result in project delays and higher costs from delay compensation Anticipated Financial Impacts • Repeated disruptions may increase project costs and affect project delivery efficiency over the short, medium, and long term	• Increased safety risks to employees and customers • Reduced client confidence and reputational impact on reliable project delivery	• Monitor weather alerts and activate site-specific emergency response procedures • Strengthen project schedule management and coordinate with clients to minimise delays and obtain time extensions where appropriate

Ⓢ Short term (2030) Ⓜ Medium term (2040) Ⓛ Long term (2050)

[3] NGFS is a group of central banks and supervisory authorities dedicated to sharing best practices, facilitating the development of climate and environmental risk management in the financial sector, and mobilising mainstream capital to support the transition to a sustainable economy.

Climate-related Risks	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Chronic risk Ⓜ Ⓛ Longer-term shifts in climate patterns, including sea level rise and extreme heat may adversely affect construction sites and offices	Current Financial Impacts • Higher energy costs driven by increased cooling demand Anticipated Financial Impacts • Potential increase in maintenance costs due to heat-related stress on building systems and equipment in the medium and long term • Potential investment in higher-efficiency or heat-resilient cooling solutions in the medium and long term	• High-temperature working conditions may increase employee health and safety risks • More challenging working conditions may affect workforce retention and operational stability	• Integrate climate risk management into the corporate risk framework and maintain emergency response plans • Conduct heat stress risk assessments and implement a Heat Stress Management Plan with hourly Wet Bulb Globe Temperature ("WBGT") monitoring, corresponding rest and hydration measures, and shaded, well-ventilated recovery areas with cool drinking water, cooling supplies and the use of heat-appropriate clothing where appropriate • Strengthen workforce preparedness through worker acclimatisation, heat stress training, emergency drills and a buddy system for early identification of heat-related illness

Ⓢ Short term (2030) Ⓜ Medium term (2040) Ⓛ Long term (2050)

Climate-related Risks	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Transition Risks			
Policy and legal risk Ⓜ Ⓛ Evolving climate policies and regulatory requirements may increase the Group's compliance obligations and costs	Current Financial Impacts • Additional compliance costs associated with climate-related reporting requirements Anticipated Financial Impacts • Evolving climate policies and regulations may increase operating and compliance costs over the medium and long term	• Failure to meet mandatory climate-related requirements may affect the Group's reputation and stakeholder confidence	• Adopt recognised green building standards to reduce carbon emission and energy use in new construction projects • Monitor evolving environmental and climate-related requirements and develop corresponding initiatives
Technology risk Ⓜ Ⓛ Delays in developing or adopting low-carbon technologies, or misalignment with evolving market needs, may affect the Group's competitiveness and transition readiness	Current Financial Impacts • No significant financial impact identified at this stage Anticipated Financial Impacts • Investment in greener construction technologies may increase operating costs over the medium and long term	• Challenges in adopting and scaling new technologies may affect project efficiency and construction quality	• Explore opportunities to optimise machinery and fleet efficiency and adopt lower-carbon alternatives where feasible

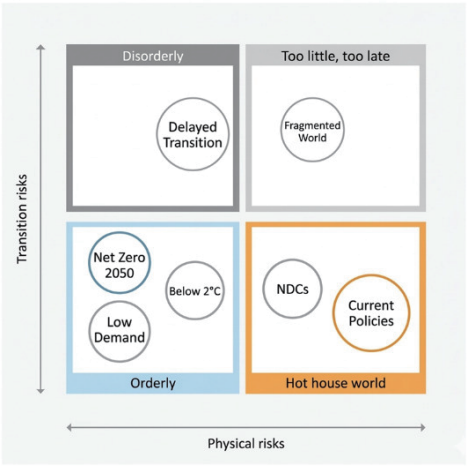
Ⓢ Short term (2030) Ⓜ Medium term (2040) Ⓛ Long term (2050)

Climate-related Opportunities	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Market – Sustainable Construction and Engineering Solution Ⓜ Ⓛ Growing demand for green and low-carbon technologies may create new business opportunities for the Group	**Current Financial Impacts** • Revenue from existing projects incorporating green building elements and sustainable construction methods **Anticipated Financial Impacts** • Growing demand for green buildings may create further revenue opportunities over the medium to long term	• Stronger market positioning and customer loyalty through alignment with growing demand for sustainable building solutions	• Promote the adoption of technologies, including Virtual Design and Construction and Building Information Modelling, to improve design coordination and reduce rework and material waste • Apply green building standards and incorporate certified green materials and water-efficient fixtures where appropriate
Resource Efficiency – Enhancing Energy and Resource Efficiency Ⓢ Ⓜ Improved energy and resource efficiency may reduce operating costs and emissions while enhancing environmental performance	**Current Financial Impacts** • Energy-efficient equipment and operational measures may reduce energy consumption and related costs **Anticipated Financial Impacts** • Reduced energy consumption may lower operating costs and exposure to future energy-related costs	• Improved environmental performance may strengthen the Group's reputation and market competitiveness	• Implement energy management initiatives, including energy-efficient equipment, energy-saving construction technologies, electricity monitoring and on-site solar panels

Ⓢ Short term (2030) Ⓜ Medium term (2040) Ⓛ Long term (2050)

Climate Scenario Analysis

During the Reporting Period, the Group initiated its first climate scenario analysis to assess the resilience of its strategy and business model under a range of climate scenarios, and to understand the potential impacts of climate-related risks and opportunities on its business operations. The analysis was conducted across core operations in Singapore at the Group level and was designed to inform strategic planning and risk management. The results informed our strategic planning, risk management and resource allocation for various time horizons.



Scenario and Modelling Approach

As NGFS is an internationally recognised, publicly available scenario data source that is directly relevant to the Group, we have adopted its database as our primary data source and selected low-carbon scenarios (e.g. "**Net Zero 2050 Scenario**") and high-carbon scenarios (e.g. "**Current Policies Scenario**"), respectively. The scenarios were not intended to be predictions of the future; rather, they sought to stress test our business against several plausible future states. The assessment is subject to uncertainties, including the current limitations in available literature and data in quantifying the influence of climate with a high degree of certainty. Our current approach was based on a snapshot of our current situation and assumed no change in our major business operations, operating locations or carbon mitigation measures, and no correlation between different climate risk variables. Going forward, we will continue to refine our approach to climate scenario analysis as new credible data and methodologies become available.

In terms of analysis indicators, we integrated global climate models, regional climate data, and industry forecasts to evaluate physical and transition risks relevant to the Group's operations. The analysis considered physical risk indicators such as cyclones, floods, and heatwaves, as well as transition risk factors impacting operating costs and transition pressures, including carbon pricing. The results indicate that, across all assessed scenarios, the identified risks range from negligible to significant, with most risks assessed as negligible and minor.

Please refer to the tables below for an overview of the selected time horizons, climate scenarios, and analysis results.

Time Horizons and Climate Scenarios Selection

Risk Indicators/Variables		Time Horizons	NGFS Scenario Selection
Physical Risk	Acute Risk: • Cyclones • Floods Chronic Risk: • Heatwaves	2030 (short term) 2040 (medium term) 2050 (long term)	Net Zero 2050 (Orderly) • Assuming rapid climate policies and technological transition, to achieve net zero carbon dioxide ("CO_2") emissions by around 2050, while limiting global warming to 1.5°C[4] with minimal overshoot, with limited physical risks but high transition risks.
Transition Risk	Policy and Legal Risk: • Carbon Pricing		Current Policies (Hot House World) • Assuming only current policies are maintained, leading to continuous emission growth until 2080 and a temperature rise of approximately 3°C, triggering multiple severe physical risks including irreversible impacts such as sea level rise.

[4] Aligned with the Paris Agreement's goal in limiting warming to 1.5°C above pre-industrial level.

Scenario Analysis Results

Risk Category		Impact Level						
			Net Zero 2050 Scenario			Current Policies Scenario		
		Singapore	2030	2040	2050	2030	2040	2050
Physical Risk	Cyclones	✓	●	●	●	●	●	●
	Floods	✓	●	●	●	●	●	●
	Heatwaves	✓	●	●	●	●	●	●
Transition Risk	Carbon Pricing	✓	●	●	●	●	●	●

Risk Level: Negligible ● Minor ● Moderate ● Significant ● Critical ●

Climate Resilience and Adaptive Capacity

The results of climate-related scenario analysis help the Group assess the resilience of its strategy and operating model under different scenarios and time horizons. The analysis deepens our understanding of the potential impacts of climate change on the Group's operations and strategic positioning and provides a basis for identifying priority areas that require strengthening risk management, strategic adjustment or resource allocation.

Through existing risk management and strategic planning processes, the Group maintains its ability to adjust its strategy and operating model in the short, medium and long term. The scenario analysis results have been incorporated into relevant processes to assist the Group in making timely and prudent decisions, effectively responding to evolving climate-related risks and opportunities, and thereby enhancing long term operational resilience and promoting sustainable value creation.

Risk Management

The Board bears ultimate responsibility for formulating and implementing the risk management framework. Supervised by the Sustainability Task Force, we have conducted ESG risk and opportunity assessments, including climate-related risks and opportunities, and prioritised them based on their potential impacts and likelihood. Based on the assessment results, the Group has developed corresponding mitigation measures to enhance our risk response capability and climate resilience.

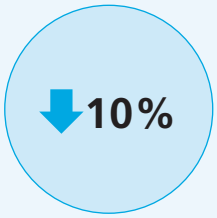
For further details, please refer to the section "ESG-related Risk and Opportunity Management".

Metrics and Targets

In support of Singapore Green Plan 2030 and Singapore's national climate targets, and aligned with the Paris Agreement, an international climate accord aimed at limiting global warming to 1.5°C above pre-industrial levels, the Group has formulated a clear decarbonisation pathway based on its business characteristics, steadily advancing its low-carbon transition. Within this framework, we established the FY2030 Climate Target[5], prioritising emission reductions within our operations through energy efficiency measures and responsible resource management. For residual emissions that cannot be eliminated in the short term, we will consider using quality carbon credits, where appropriate, to address unabated emissions in a credible and transparent manner. The Sustainability Task Force reports to the Board on the progress of target implementation at least once a year, enabling continuous oversight and enhancement of our environmental performance.

FY2030 Climate Target

Target Year: 2030
Absolute GHG (Scopes 1 & 2) emissions
(FY2025 as the baseline year)



[5] Our climate target applies to the Group's entire operations of construction projects on hand (including projects in progress and projects that are yet to commence) in Singapore. Details of the scope are set out in section headed "Reporting Scope and Period", and covers three GHG as defined under the Kyoto Protocol: CO_2, methane (CH_4) and nitrous oxide (N_2O).

Environmental, Social and Governance Report

As part of our ongoing efforts on climate action and green operation, we have established the following targets.

FY2030 Climate Target and Green Targets		Progress in FY2026
Emissions	Reduce our absolute GHG emissions (Scopes 1 & 2) by 10% on or before 2030, with FY2025 as the baseline year	◐
	Reduce our emission intensity, including GHG emissions within our operations	◐
	Adhere to air quality controls when requested by clients	●
	No instances of complaints from the community, client and the National Environment Agency on air emissions	●
Waste	Reduce waste by reusing materials on site and increasing the amount of waste recycled	◐
Energy use efficiency	Improve energy use efficiency by gradually reducing energy intensity through the implementation of cost-effective energy management initiatives	◐
Water efficiency	Enhance water efficiency and reduce water consumption	●
Noise and vector control	No loss time or project delay due to non-compliance with noise or vector regulations	●
Environmental compliance	Ensure strict compliance with local environmental laws and regulations in our daily operation	●

● Achieved ◐ In progress

FY2030 Climate Target and Green Targets		Progress in FY2026
Conservation of Natural Resources	Water usage: Maintain 95% of the budgeted water usage and achieve up to 20% savings against the budget	●
	Material (cement and sand) wastage: Ensure material wastage does not exceed 5% of budgeted quantity per project	●
Prevention of Pollution and/or Nuisance	Muddy water discharge: Prevent muddy water discharge with 0 non-conformity by daily check	●
	Boundary noise: Reduce boundary noise with 0 non-conformity by daily check	●
	Mosquito breeding: Eliminate mosquito breeding with 0 non-conformity from internal environmental team's routine check	●
Waste Management	Waste disposal cost: Reduce waste disposal cost up to 95% of target waste disposal per project	●
	Recycling of scaffold: Reduce damages by 3% per project	●
Promotion of Environmental Awareness and Performance	On-the-job training for site environmental issue: Provide at least one on-the-job training session per project each month on SEI-related issues, covering both new staff and refresher training for existing workers	●

● Achieved ◐ In progress

Environmental, Social and Governance Report

Sustainable Building and Construction

We prioritise responsible and sustainable practices in our construction projects. We encourage our developers or building owners to collaborate with qualified practitioners and relevant professionals to assess whether construction methods and materials align with environmental sustainability standards. Green building elements and sustainable construction methods are actively incorporated into our projects, where feasible, including but not limited to the following:

Green building

- Adopt construction materials certified by the Singapore Green Building Council and the Singapore Environment Council
- Prevent the use of materials with high energy consumption or causing severe pollution
- Prioritise the use of sustainably sourced produced woods
- Install taps and mixers with the highest water efficiency rating by the Singapore Public Utilities Board, in our projects if necessary
- Install equipment with high energy efficiency as necessary

Construction methods

- Adopt Virtual Design and Construction ("**VDC**") and Building Information Modelling ("BIM") technology to improve efficiency and visibility at each phase of construction. This results in less rework, which could reduce the adverse impact on the environment from construction.
- Use Prefabricated Prefinished Volumetric Construction ("**PPVC**") methods, which could reduce dust and noise pollution, waste generation and improve site safety.

Our employees and business partners have also undergone training to gain the knowledge and skills required to participate in green building projects. We actively hire new staff with knowledge in construction technologies to continuously strengthen our technical capability.

Energy, Air and GHG Emissions

As part of our dedication to a greener future, we persistently improve our energy efficiency and minimise our emissions. Our primary sources of air emissions, GHG emissions and energy consumption are purchased electricity for daily operations and fuel consumption by company vehicles and machinery.

Environmental, Social and Governance Report

Our environmental policies are in place to employ effective energy and air quality management practices throughout our operations while encouraging our stakeholders who include the employees, contractors, and suppliers to reduce unnecessary consumption:

Aspect	Measures
Energy efficiency and carbon emission	
Efficient use of electricity and energy	• Replace construction equipment with high-efficiency models whenever necessary • Ensure proper maintenance of equipment to maximise efficiency • Adopt construction technologies that minimise energy use where appropriate • Monitor the use of electricity at construction sites to minimise usage
Fuel use management	• Prioritise the use of fuels with less adverse environmental impact
Use of renewable energy	• Install solar panels on-site to encourage the use of renewable energy
Air quality management	
Dust prevention and removal	• Cover trucks transporting construction materials and waste with canvas sheets • Conduct vehicle jet-washing before departing the worksite • Utilise debris chutes for the transfer of construction debris • Enforce the prohibition of open burning for waste disposal • Establish a paved wash bay for vehicle cleaning before exiting the worksite • Implement silt fences around structures as a protective measure
Storage management	• Store chemical substances with low vapour pressure under secure lids while ensuring sufficient ventilation • Ensure sand and aggregates are kept in appropriately enclosed pits • Safeguard cement by storing in appropriate enclosures to prevent accidental damage • Ensure the proper storage and swift removal of all construction debris for disposal

Aspect	Measures
Inspection and monitoring	• Conduct air monitoring to assess on-site air pollution levels if required • Regularly service and inspect machinery to minimise emissions, which include black smoke and other pollutants emitted by generators • Provide health monitoring for workers
Training and education	• Provide essential on-site training to workers as needed
Efficient vehicle management practices	• Maintain the company fleet in proper working condition as far as practicable • Enforce a no idling policy to prevent vehicles from running engines unnecessarily • Consider the adoption of electric or hybrid vehicles for the fleet

Solar Power Supporting Lower-carbon Site Operations

During the Reporting Period, the Group continued to integrate solar photovoltaic ("**PV**") systems into selected construction site applications, including Video Surveillance Systems ("**VSS**"), Earth Control Measures ("**ECM**"), Real-Time Noise Monitoring Meters and site lighting. The use of on-site renewable power helps reduce reliance on conventional energy sources for these applications and supports the Group's efforts to lower the carbon impact of its construction activities.



Water Resource Conservation and Management

The Group values water resources and conservation in our daily operations. We consume freshwater, which is sourced from municipal water supplies, and we did not encounter any issues in sourcing water that was fit for purpose during the Reporting Period. Guided by our environmental policies, we have introduced various water management initiatives to minimise water consumption and improve its efficiency:

- Conduct on-site water recycling and treatment for reuse in activities such as toilet flushing, cleaning and watering of plants
- Monitor water consumption by recording water meter readings on a regular basis
- Install water meters on water pipes for consumption tracking when feasible
- Install durable service pipes to minimise leakage due to damage if required
- Perform regular inspection in water taps, hoses, pipes and water tanks to avoid water leakage
- Install low-capacity flushing cisterns and adjust flow rates in toilets for improved water efficiency

Effluent Management

We are determined to minimise the adverse impact of our operations on water quality and biodiversity. The following measures have been introduced to ensure compliance with applicable regulatory standards for discharging wastewater generated from construction projects:

Aspect	Measures
Pollution control	• Ensure proper storage of materials to prevent contamination • Remove silts and other materials from effluent generated from construction sites before discharge
Monitoring	• Deploy responsible personnel to conduct regular inspection on the implementation of effluent management measures • Monitor water consumption by taking water meter readings on a regular basis
Maintenance	• Conduct maintenance of effluent treatment facilities regularly
Training	• Provide training to workers when needed to ensure that they are fully aware of our effluent management policies

Waste Management and Resource Conservation

Our waste primarily consists of construction waste, general refuse and food waste. All waste is managed by licensed contractors for proper treatment. We embrace the "4Rs" principles – Reduce, Reuse, Recycle, and Replace – as part of our waste management strategy, to promote resource reutilisation and recycling across our business operations.

Aspect	Measures
Minimising material waste	• Utilise computer software for accurate material quantity estimations whenever necessary • Implement just-in-time ordering to prevent excess material orders • Encourage designs that minimise waste generation
Responsible material reuse and recycling	• Arrange for the collection of empty diesel containers by the suppliers for reuse • Collect unused materials for reuse at other sites • Designate responsible personnel to monitor recycling procedures
Responsible waste collection	• Store waste in appropriate containers and in areas with easy reach of relevant waste generating activities • Use labelled containers to segregate waste by type • Appoint responsible personnel to monitor waste management procedures
Disposal	• Engage licensed waste collectors for the collection and disposal of construction waste
Green procurement	• Prioritise the purchase of construction materials that are more durable to reduce waste

Employee-led E-waste Recycling in Action

To promote recycling and divert electronic waste ("**e-waste**") from landfills, we continued our e-waste recycling programme across our construction projects during the Reporting Period, encouraging employees and workers to bring unwanted electronic items from their home for recycling. We are grateful for the support of our employees and workers, and together, we collected 314.0 kg of e-waste (FY2025: 301.5 kg) which included mixed electronics during the Reporting Period.

Noise Management

We prioritise the well-being of our workers and local residents. To ensure minimal noise impact on the surrounding community, we have implemented a Noise Management Plan, offering clear guidelines for our people for effective noise pollution management.

Aspect	Measures
Identifying and assessing noise impact	• Identify nearby noise sensitive premises • Assess construction activities with potential noise impacts on sensitive premises • Estimate noise emission levels received by sensitive premises during various work phases
Implementing noise mitigation	• Utilise newer, quieter machines whenever possible • Apply noise insulation to noisy machines • Establish effective scheduling of noisy tasks throughout the project duration and daily operations • Increase the physical distance between noise sources and sensitive premises
Effective noise control	• Install noise barriers and enclosures • Conduct thorough background noise studies before initiating construction • Utilise real-time noise meters for continuous noise level monitoring

Nature and Biodiversity Conservation

Biodiversity plays an important role in maintaining healthy ecosystems and resilient communities. The Group seeks to consider the surrounding natural environment in the planning and execution of its construction activities and, where appropriate, implements measures to minimise potential disturbance. These include the installation and regular maintenance of perimeter drains and silt traps to control sediment runoff and help protect nearby watercourses. The Group also considers nature-related measures in project planning and site management, including habitat protection and site restoration where feasible.

Green Procurement

We place a strong emphasis on green procurement. When selecting suppliers, we promote the adoption of environmentally preferable products and services by encouraging green practices, such as:

- Prioritise the use of environmentally friendly office supplies and equipment, such as FSC® certified paper and electrical appliances with energy efficiency labels
- Prioritise the use of sustainable materials when practicable
- Minimise the use of single-use products to reduce waste
- Reduce the consumption of packaging materials whenever possible
- Minimise unnecessary purchases
- Prioritise local suppliers to minimise carbon emissions during transportation

Advancing Sustainable Construction through Certified Green Materials
During the Reporting Period, the Group incorporated more than 10 types of green and environmentally preferred construction materials into its construction projects, including wall panels, waterproofing products and other building materials. These materials were certified under recognised environmental certification schemes, including the Singapore Green Building Council's Singapore Green Building Product ("**SGBP**") Certification Scheme and the Singapore Environment Council's Singapore Green Label Scheme. By integrating these certified green materials into its construction activities, the Group seeks to integrate environmental considerations into material selection and procurement, reduce the environmental impacts associated with construction materials and support healthier and more sustainable built environments.

Enhancing Environmental Public Health

In our commitment to enhancing public health through disease prevention, we have established the Vector Control Management Plan, equipping our workers with clear procedures and guidelines to prevent mosquito and vector breeding.

- Deploy a Pest Control Team for daily control measures
- Conduct regular checks and promptly address stagnant water
- Implement drainage and cleanup for water removal, and immediate removal of accumulated water
- Ensure swift disposal of construction waste and general refuse
- Store water-collecting containers indoors

Environmental, Social and Governance Report

BUILDING EXCELLENCE FOR PEOPLE

Fostering a people-centred workplace culture

Goal:
To cultivate a supportive and caring environment that fosters innovation, professionalism and wellness

Material topics covered:
- Employment compliance
- Occupational health and safety

Relevant UNSDGs in this chapter:



We understand the importance of our employees and workers in providing high-quality projects and services to our customers. With the adoption of our employment and safety policies, we strive to enhance employee welfare, provide numerous training and development opportunities and build a healthy and safe workplace for them. We have established a set of targets to monitor our progress towards building excellence for people.

Target		Progress in FY2026
Health and Safety	All new site personnel to go through safety induction trainings	●
	Sub-contractor to conduct daily toolbox meeting which includes work safety and health matters	●
	Ensure zero workplace fatalities	●
Human Capital Management	Ensure zero incidents of non-compliance with employment and labour laws and regulations	●
Learning and Development	Conduct refresher trainings at least every 6 months	●

● Achieved ◐ In progress

Environmental, Social and Governance Report

Employee Welfare and Benefits

We aim to enhance employee welfare and provide competitive remuneration packages to our employees. In this regard, we provide paid leaves, caring benefits and work incentives to our employees. Our arrangements on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare are clearly set out in our Employee Handbook, Employee Code of Conduct and other human resource policies.

Paid Leaves

- Marriage leave
- Childcare leave
- Maternity leave
- Paternity leave
- Compassionate leave
- Medical and hospitalisation leave

Caring Benefits

- Medical claims
- Meal and transportation allowance
- Pension and medical insurance
- Injury insurance and hospitalisation and surgical benefits
- Recreational sessions

Work Incentives

- Performance bonuses

During the Reporting Period, we organised various activities aimed at promoting employee health and well-being, supporting family time and work-life balance, and fostering a caring and inclusive workplace.

Promoting Employee Health and Well-being



Mental Wellness Talk

In collaboration with Fullerton Health, we organised mental health workshops on Resilience and Stress Management & Mindfulness, helping employees manage stress more effectively and contribute to a psychologically safe workplace.



Flu Vaccination and Health Screening

We provided complimentary flu vaccinations and health screenings to Kwan Yong employees, safeguarding their ongoing health and well-being through preventive care.

Supporting Family Time and Work-Life Balance



Zoo Visits
Employees were provided with complimentary zoo tickets, with additional tickets available per redemption to encourage them to spend quality time with their families. This initiative reflects the company's efforts to support work-life balance among its workforce.

Fostering a Caring and Inclusive Workplace



Labour Day
During the event, our migrant employees came together and enjoyed free meals. This effort aimed to show appreciation for their contributions, alleviate financial burdens, and foster a more inclusive and caring community.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations[6] relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Occupational Health and Safety

Being part of the construction industry, we put safety at first priority and actively prevent occupational health and safety hazards in our workplace and construction sites. We continuously monitor the implementation of our safety management system and relevant measures. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations[7] relating to providing a safe working environment and protecting employees from occupational hazards.

Construction Safety

To safeguard our workers' safety during the construction process, we have in place an ISO 45001-certified health and safety management system for our building construction activities. During the Reporting Period, we attained the bizSAFE Level Star certified by the Workplace Safety and Health Council and became part of the bizSAFE community as the partner.

[6] Please refer to the "Significant Laws and Regulations" section for the list of laws and regulations significant to the Group's business operations.

[7] Please refer to the "Significant Laws and Regulations" section for the list of laws and regulations significant to the Group's business operations.

Under our health and safety management system, we have implemented a series of safety measures at our construction sites, including but not limited to:

- Enhancing on-site security with digital tools, such as requiring digital face scanning to enter construction sites and use of QR code system for different entry zones at project sites
- Identifying and managing workplace hazards by integrating Permit-to-Work ("**PTW**") systems with the mobile Office application
- Conducting risk assessments to identify hazards and implementing effective risk control measures, including halting work to ensure that risks identified are minimised or mitigated
- Implementing safety measures in the use of any machinery, equipment, plant, article, or process at the workplace, conducting regular inspections and maintaining inspection records, as well as ensuring the proper use of personal protective equipment ("**PPE**") when necessary
- Developing and enhancing emergency response plans such as firefighting and rescue procedures
- Ensuring workers are provided with sufficient instructions, training, and supervision so that they can work safely

The Group continues to seek new construction technologies to enhance work safety, including but not limited to the following:

- Adopt PPVC methods to minimise labour intensive works at height
- Adopt VDC and BIM technology, which could help identify and mitigate safety risks
- Utilise pre-casting facade walls to replace lightweight prefabricated walls and adopt steel frame structure with precast hollow core slab to shorten construction time, and therefore reducing the exposure to safety risks
- Adopt Mass Engineered Timber ("**MET**") that allows workers to handle the components with ease as compared to working with steel and concrete, reducing the workers' exposure to workplace injuries
- Replace the traditional external scaffolding with other equipment and machinery, such as using the mast climber platform, boom lift and the scissor lift to carry out external plastering and painting works, reducing the risks of workers falling from heights

Environmental, Social and Governance Report

We provide our employees with trainings on occupational health and safety on an annual basis. The Group also encourages and incentivises employees to engage in safety practices by presenting safety awards to employees who diligently observe safety measures.

Fire Safety Readiness at Our Facilities

During the Reporting Period, we conducted emergency evacuation fire drills to evaluate our fire safety procedures and ensure readiness in case of an emergency. The drill included our staff and workers at our facilities, helping to reinforce our commitment to workplace safety and emergency preparedness.





During the Reporting Period, there were no reportable work-related accidents (FY2025: nil), resulting in no lost days due to work injury (FY2025: nil). There were no work-related fatalities in the past three years including the Reporting Period.

Heat Stress Management

Recognising heat stress as an important occupational health and safety consideration for outdoor construction work in Singapore, the Group has established a Heat Stress Management Plan across its worksites. Key measures include:

- **Heat stress risk assessment:** Conducting heat stress risk assessments to identify heat-related hazards and determine appropriate control measures
- **Heat monitoring and rest:** Monitoring WBGT hourly and adjusting work and rest arrangements based on prevailing WBGT levels, including mandatory rest breaks for heavy physical work at higher WBGT levels and regular rehydration
- **Cooling and recovery:** Providing shaded and well-ventilated rest areas equipped with fans, together with cool drinking water and cooling supplies, including cold packs, to support recovery from heat exposure
- **Enhanced hydration:** Conducting additional water parades during hotter periods to encourage regular hydration among workers
- **Worker protection and monitoring:** Providing loose-fitting, light-coloured clothing where appropriate and implementing a buddy system for workers to look out for early signs of heat-related illness







- **Acclimatisation:** Gradually acclimatising workers who are new to Singapore or returning from more than one week of leave to outdoor heat exposure over at least seven days

- **Emergency preparedness:** Maintaining emergency cooling supplies and conducting heat stress emergency drills to strengthen response preparedness

- **Awareness and training:** Providing regular heat stress awareness training to workers and supervisors on heat-related risks, symptoms, preventive measures and emergency response

Hazardous Materials Management

At our construction sites, we ensure that hazardous materials are properly handled to prevent safety hazards by the adoption of various measures and policies, including but not limited to the following:

Aspect	Measures
Hazardous material control	• Maintain records of registered hazardous substances and chemicals • Properly store combustible or flammable substances in cylinders • Prohibit welding, gas cutting, spray-painting and smoking in areas of storage of flammable substances • Segregate and separately store drums or cans containing hazardous substances • Properly label containers with hazardous materials
Spillage management	• Promptly clear the surrounding area and notify nearby workers in the event of any chemical spills • Provide proper PPE to workers when handling spills • Provide spill kits with absorbent materials, chemicals for neutralising spills, containers and equipment
Training and education	• Provide spillage treatment training to workers

Enhancing Employees' Health

To prioritise and enhance the well-being of our employees, we conduct on-site health screenings to address and proactively detect any potential medical conditions or diseases. We arranged health and safety training programmes focusing on key topics such as working at heights, safe lifting, fire and hot works, vehicular safety, and the use of PPE during the Reporting Period. Our commitment to workplace health and safety is clearly communicated through our Employee Code of Conduct. This includes fostering a culture of safety by encouraging our employees to report any concerns related to safety or well-being, ensuring the use of necessary safety equipment, and conducting thorough risk assessments before commencing any tasks.

Development and Training

As part of our unwavering commitment to our corporate mission of remaining at the forefront of the industry, the Group consistently invests in our employees' education and upskills. We provide ample education and training opportunities to nurture their growth and career development. Apart from our internal training programmes, we also provide sponsorship for our employees to participate in external training courses and continuous education and training schemes. During the Reporting Period, our employees received training on topics such as sustainability, service innovation and excellence, construction health and safety, with a total of 4,910 (FY2025: 3,536) training hours.

The Group continually reviews, monitors, and enhances our training and development curriculum to ensure the effectiveness of our programmes in cultivating diverse skillsets among the employees, thereby leading to improved job performance and productivity.

We perform regular employee development reviews to provide our workforce with growth and advancement opportunities, and decisions on promotion and salary increments will be based on the review results. In FY2026, we performed performance appraisals, reflecting our commitment to their professional development.

Equal Opportunities and Human Rights Protection

The Group strives to provide a fair and inclusive workplace to our employees, where their rights are fully respected and protected. In this regard, we have established comprehensive employment policies.

We adopt a zero-tolerance approach towards any form of discrimination, including but not limited to gender, ethnicity, nationality, age, religious belief, disability, or marital status. Our Employee Code of Conduct prohibits our employees from any form of discrimination, workplace harassment and bullying, and we will investigate relevant complaints and incidents in a fair and timely manner. We hire employees based on their work experience and professional qualifications, ensuring a discrimination-free hiring process.

We strictly prohibit the use of child or forced labour throughout the entire recruitment process. Our Human Resources Department continually reviews our employment and recruitment process to ensure that effective practices are implemented to avoid child and forced labour. Once child or forced labour is identified, we will terminate the illegal employment immediately and adopt necessary procedures according to relevant laws and regulations. To prevent child labour, we verify candidates' identity documents during our recruitment process, and we do not employ minors or offer apprenticeship. Working hours and holidays are clearly stated in our employment contract and Employee Handbook to prevent forced labour. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations[8] related to child labour and forced labour.

To prevent any illegal labour, we ensure that all our employees have the necessary visas, work permits, specific registrations, licences, and qualifications before commencement of work. We also implement face recognition digital access at our sites to prevent illegal workers from entering or working at our premises and conduct random checks on site.

We will strengthen gender diversity within our workforce, recognising that a diverse team fosters varied perspectives, innovation, and a more inclusive workplace culture.

[8] Please refer to the "Significant Laws and Regulations" section for the list of laws and regulations significant to the Group's business operations.

Environmental, Social and Governance Report

BUILDING EXCELLENCE FOR THE COMMUNITY

Cultivating a caring culture for communities

Goal:
To be a force for positive change by giving back and empowering local communities to thrive

Material topics covered:
N/A

Relevant UNSDGs in this chapter:



We, as a socially responsible corporate, are in continuous pursuit of building excellence for the community where we operate. Through ongoing community engagement and investment in diverse initiatives, we endeavour to harness our strengths and resources to foster inclusive and sustainable communities where individuals can thrive.

During the Reporting Period, we introduced a new Community Engagement Policy to guide our engagement with local communities, stakeholders, residents and businesses in areas where our operations and projects are located. The policy aims to promote open communication, mutual respect and proactive engagement to minimise potential disruptions and enhance community well-being.

In addition, our Community Investment Policy continues to encourage employees to engage in community activities. During the Reporting Period, we extended our support in 5 focus areas: improving accessibility and connectivity; supporting families and children in need; caring for diverse communities; climate action and environmental protection; and supporting youth talent. The Group contributed 397 volunteering hours through employee participation and made donations of SGD65,000 during the Reporting Period.

Improving Accessibility and Connectivity

With our commitment in building resilient communities, we are dedicated to creating an environment that resonates with safety, convenience, and inclusivity. Our construction projects, spanning the public, commercial and private sectors, enrich lives and elevate the overall well-being of our local communities.

Support for Families and Children in Need

During the Reporting Period, we made donations to various charitable organisations, including the Children's Cancer Foundation, Care Corner Seniors Services, and Jurong Central Citizens' Consultative Committee (CCC) Fund, demonstrating our care for families and individuals in need, including low-income residents, the elderly, and children affected by cancer.

Caring for Diverse Communities

During the Reporting Period, we participated in the SCAL Community Day for Migrant Workers 2025 by donating clothes, food and daily necessities to migrant workers. Through this initiative, we aimed to uplift the well-being of migrant workers and foster stronger bonds across the construction industry.



During the Reporting Period, we supported the Association for Persons with Special Needs ("**APSN**"), contributing to its efforts to empower persons with mild intellectual disabilities and support their journey towards independent, fulfilling and meaningful lives.



Environmental, Social and Governance Report

Climate Action and Environmental Protection

Embracing our dedication to energy conservation and addressing global warming, we invited our employees to join the universal call of Earth Hour 2026 during the Reporting Period, a global initiative that brought together participants from 188 countries and territories. United in purpose, our directors and employees had enthusiastically switched off lighting in their homes for an hour. This simple yet impactful gesture reflects our commitment to contributing to carbon reduction and reinforcing sustainable energy practices within the wider community.



承諾支持世界自然基金會地球一小時
IS COMMITTED TO WWF'S EARTH HOUR

Supporting Youth Talent

The Group provides internship opportunities to support young talent and help students gain practical workplace experience. These opportunities contribute to building practical skills and industry knowledge, while providing young talent with valuable workplace experience to better prepare them for their future careers in the industry.

Environmental, Social and Governance Report

ENVIRONMENTAL DATA SUMMARY[9,10,11]

	Unit	FY2026	FY2025
Emissions			
Nitrogen oxides (NO_x)	kg	**1,075.58**	3,084.24
Sulphur oxides (SO_x)	kg	**2.46**	2.45
Particulate matter (PM)	kg	**95.99**	247.13
GHG Emissions[12,13]			
Total GHG emissions (Scopes 1 and 2)	tCO_2e	**3,416.98**	3,499.27
Total GHG emissions (Scopes 1,2 and 3)	tCO_2e	**3,555.62**	–
Direct emissions (Scope 1)	tCO_2e	**3,260.10**	3,279.46
Energy indirect emissions (Scope 2)	tCO_2e		
– Location-based		**156.89**	219.81
Other indirect emissions (Scope 3)[14]	tCO_2e	**138.64**	–
Intensity of total GHG emissions (Scopes 1 and 2)	kg CO_2e/m^2	**13.28**	13.28
Intensity of total GHG emissions (Scopes 1,2 and 3)	kg CO_2e/m^2	**13.82**	–
Waste[15]			
Total non-hazardous waste generated	tonnes	**30,534.91**	25,162.63[16]
Intensity of total non-hazardous waste generated	kg/m^2	**118.65**	95.52[16]
Energy			
Total energy consumption	MWh	**12,820.16**	13,042.97
Non-renewable electricity purchased	MWh	**380.78**	533.52
On-site renewable energy generated	MWh	**11.09**	8.18
Diesel	MWh	**12,105.49**	12,180.13
Unleaded petrol	MWh	**315.63**	321.15
Purchased towngas	MWh	**7.17**	–
Intensity of total energy consumption	kWh/m^2	**49.82**	49.51
Water			
Total water consumption	m^3	**72,639.61**	80,493.75
Intensity of total water consumption	m^3/m^2	**0.28**	0.31

9 Unless otherwise specified, the environmental data for FY2026 covered 7 (FY2025: 7) construction projects on hand (including projects that are yet to commence) in Singapore, during the Reporting Period.

10 The intensity metric was calculated using the gross floor area of the number of construction projects on hand (including projects that are yet to commence) in Singapore during the respective reporting period.

11 Totals may not be the exact sum of numbers shown here due to rounding.

12 In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, Scope 2 energy indirect emissions are resulted from the generation of purchased or acquired electricity, heating, cooling, and steam consumed within the Group, while Scope 3 (other indirect) emissions occur within the Group's value chain.

13 CO_2, CH_4 and N_2O have been included in the GHG calculation.

14 Scope 3 emissions include available data from applicable categories, namely Category 6: business travel and Category 7: employee commuting.

15 There was no significant generation of hazardous waste during the Reporting Period.

16 The figure has been adjusted to reflect the actual situation.

Environmental, Social and Governance Report

SOCIAL DATA SUMMARY[17]

		Unit	FY2026	FY2025
Workforce				
Total Workforce		No. of people	**457**	504
By gender	Male	No. of people	**396**	445
	Female	No. of people	**61**	59
By employment type	Full-time	No. of people	**457**	504
	Part-time	No. of people	**–**	–
By employee category	Senior management	No. of people	**17**	17
	Middle management	No. of people	**23**	29
	General and technical staff	No. of people	**417**	458
By age group	30 or below	No. of people	**137**	205
	31-50	No. of people	**257**	246
	51 or above	No. of people	**63**	53
By geographical region	Singapore	No. of people	**457**	504
Employee Turnover Rate				
By gender	Male	%	**37**	28
	Female	%	**23**	27
By age group	30 or below	%	**55**	31
	31-50	%	**28**	24
	51 or above	%	**24**	34
By geographical region	Singapore	%	**35**	28
Development and Training				
Percentage of Employees Trained				
By gender	Male	%	**89**	92
	Female	%	**11**	8
By employee category	Senior management	%	**6**	6
	Middle management	%	**6**	5
	General and technical staff	%	**88**	89
Average Training Hours per Employee				
By gender	Male	Hours	**7.99**	5.68
	Female	Hours	**7.51**	4.05
By employee category	Senior management	Hours	**13.24**	12.97
	Middle management	Hours	**11.17**	4.78
	General and technical staff	Hours	**7.65**	5.32

[17] The employee overview (including turnover) data has covered the whole Group.

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SIGNIFICANT LAWS AND REGULATIONS

Aspect	Significant Laws and Regulations
Aspect A: Environmental	• Sewerage and Drainage Act • Control of Vectors and Pesticides Act • Environmental Protection and Management Act • Environmental Public Health Act • Infectious Diseases Act 1976 • National Environment Agency Act • Environmental Protection and Management (Control of Noise at Construction Sites) Regulations
Aspect B1: Employment Aspect B4: Labour Standards	• Employment Act • Central Provident Fund Act • Immigration Act • Employment of Foreign Manpower Act
Aspect B2: Health and Safety	• Workplace Safety and Health Act • Work Injury Compensation Act • Environmental Public Health Act
Aspect B6: Product Responsibility	• Building Control Act • Building and Construction Industry Security of Payment Act • Personal Data Protection Act
Aspect B7: Anti-corruption	• Prevention of Corruption Act

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HKEX ESG REPORTING CODE CONTENT INDEX

Mandatory Disclosure Requirements	Section
Governance Structure	
A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Sustainability Governance and Board's Oversight
Reporting Principles	
A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report.	Reporting Principles Stakeholder Engagement
Reporting Boundary	
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Scope and Period

Subject Areas, Aspects, General Disclosure and KPIs		Chapter/Disclosure
A. Environmental		
Aspect A1: Emissions		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Building Excellence for the Environment Significant Laws and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Environmental Data Summary
KPI A1.2	Repealed 1 January 2025	N/A
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	There was no significant generation of hazardous waste during the Reporting Period.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Building Excellence for the Environment Energy, Air and GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Building Excellence for the Environment Waste Management and Resource Conservation

Subject Areas, Aspects, General Disclosure and KPIs		Chapter/Disclosure
Aspect A2: Use of Resources		
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Energy, Air and GHG Emissions Water Resource Conservation and Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Building Excellence for the Environment Energy, Air and GHG Emissions
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Building Excellence for the Environment Water Resource Conservation and Management
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced.	Due to our business nature, use of packaging materials for finished products is not applicable.
Aspect A3: The Environment and Natural Resources		
General Disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources.		Building Excellence for the Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Building Excellence for the Environment

Subject Areas, Aspects, General Disclosure and KPIs		Chapter/Disclosure
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Building Excellence for People Significant Laws and Regulations
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Data Summary
Aspect B2: Health and Safety		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Building Excellence for People Significant Laws and Regulations
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety

Subject Areas, Aspects, General Disclosure and KPIs		Chapter/Disclosure
Aspect B3: Development and Training		
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.		Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Data Summary
Aspect B4: Labour Standards		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Building Excellence for People Significant Laws and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Equal Opportunities and Human Rights Protection
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Equal Opportunities and Human Rights Protection

Subject Areas, Aspects, General Disclosure and KPIs		Chapter/Disclosure
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure Policies on managing environmental and social risks of the supply chain.		Sustainable Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Sustainable Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Sustainable Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain Management Green Procurement
Aspect B6: Product Responsibility		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Building Excellence in Operations Significant Laws and Regulations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to our business nature, the Group does not involve product recalls for safety and health reasons.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Data Privacy, Cybersecurity and Intellectual Property Rights

Subject Areas, Aspects, General Disclosure and KPIs		Chapter/Disclosure
KPI B6.4	Description of quality assurance process and recall procedures.	Project Quality and Customer Safety Due to our business nature, the Group does not involve product recalls.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Privacy, Cybersecurity and Intellectual Property Rights
Aspect B7: Anti-corruption		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Building Excellence in Operations Significant Laws and Regulations
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Building Excellence for the Community
KPI B8.1	Focus areas of contribution.	Building Excellence for the Community
KPI B8.2	Resources contributed to the focus area.	Building Excellence for the Community

Climate-related Disclosures		Chapter/Disclosure
Governance		
19.	An issuer shall disclose information about:	
(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	Sustainability Governance and Board's Oversight Climate Resilience and Management – Governance The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of enhancing our remuneration policies.
(i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	
(ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	
(iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	
(iv)	how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35);	
(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
(i)	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee;	
(ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	

Climate-related risks and opportunities		
20.	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate Resilience and Management – Strategy
(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur;	
(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
Business model and value chain		
21.	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain;	Climate Resilience and Management – Strategy Since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain.
(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

Strategy and decision-making		
22.	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	Climate Resilience and Management – Strategy Climate Resilience and Management – Metrics and Targets
(i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	
(ii)	current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
(iii)	any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;	
(iv)	how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40;	
(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Climate Resilience and Management – Strategy Climate Resilience and Management – Metrics and Targets

Current financial effect		
24.	An issuer shall disclose qualitative and quantitative information about:	
(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	Climate Resilience and Management – Strategy We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve. No significant risk of a material adjustment within the next annual reporting period.
(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
Anticipated financial effect		
25.	The issuer shall provide qualitative and quantitative disclosures about:	
(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	Climate Resilience and Management – Strategy We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.
(i)	its investment and disposal plans; and	
(ii)	its planned sources of funding to implement its strategy; and	
(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

Climate resilience		
26.	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. Specifically, the issuer shall disclose:	
(a)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	Climate Resilience and Management – Strategy
(i)	the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
(ii)	the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
(iii)	the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
(b)	how and when the climate-related scenario analysis was carried out, including:	
(i)	information about the inputs used, including:	
(1)	which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
(2)	whether the analysis included a diverse range of climate-related scenarios;	
(3)	whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
(4)	whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
(5)	why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	

(6)	time horizons the issuer used in the analysis; and	
(7)	what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
(ii)	the key assumptions the issuer made in the analysis; and	
(iii)	the reporting period in which the climate-related scenario analysis was carried out.	
Risk management		
27.	An issuer shall disclose information about:	
(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	ESG-related Risk and Opportunity Management Climate Resilience and Management – Risk Management
(i)	the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
(ii)	whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
(iii)	how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
(iv)	whether and how the issuer prioritises climate-related risks relative to other types of risks;	
(v)	how the issuer monitors climate-related risks; and	
(vi)	whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	

Greenhouse gas emissions		
28.	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:	
(a)	Scope 1 greenhouse gas emissions;	Climate Resilience and Management – Metrics and Targets Environmental Data Summary
(b)	Scope 2 greenhouse gas emissions; and	
(c)	Scope 3 greenhouse gas emissions.	
29.	An issuer shall:	
(a)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Climate Resilience and Management – Metrics and Targets Environmental Data Summary We will explore the feasibility of purchasing quality carbon credits to offset GHG emissions in our operations.
(b)	disclose the approach it uses to measure its greenhouse gas emissions including:	
(i)	the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
(ii)	the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
(iii)	any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
(c)	for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	
(d)	for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	

Climate-related transition risks		
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Climate-related physical risks		
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Climate-related opportunities		
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Capital deployment		
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	We will explore the feasibility of commencing a comprehensive assessment to identify and quantify capital deployment towards climate-related risks and opportunities.

Internal carbon prices		
34.	An issuer shall disclose:	
(a)	an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	Internal carbon pricing is currently not a part of our decision-making. We will explore the use of internal carbon pricing in the future.
(b)	the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
Remuneration		
35.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of enhancing our remuneration policies.
Industry-based metrics		
36.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	N/A
Climate-related targets		
37.	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
(a)	the metric used to set the target;	Climate Resilience and Management – Metrics and Targets
(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	

(d)	the period over which the target applies;	
(e)	the base period from which progress is measured;	
(f)	milestones or interim targets (if any);	
(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	
(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a)	whether the target and the methodology for setting the target has been validated by a third party;	Climate Resilience and Management – Metrics and Targets We will explore the feasibility of having our targets validated by a third party. No revisions have been made during the Reporting Period.
(b)	the issuer's processes for reviewing the target;	
(c)	the metrics used to monitor progress towards reaching the target; and	
(d)	any revisions to the target and an explanation for those revisions.	
39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Climate Resilience and Management – Metrics and Targets
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a)	which greenhouse gases are covered by the target;	Climate Resilience and Management – Metrics and Targets At present, the targets are not derived using a sectoral decarbonisation approach for target setting.
(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
(c)	whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	

(d)	whether the target was derived using a sectoral decarbonisation approach; and	
(e)	the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
(i)	the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
(ii)	which third-party scheme(s) will verify or certify the carbon credits;	
(iii)	the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv)	any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
41.	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Climate Resilience and Management – Metrics and Targets Environmental Data Summary

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GRI CONTENT INDEX

Statement of use	Kwan Yong has reported the information cited in this GRI content index for the period from 1 July 2025 to 30 June 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Chapter
General Disclosures 2021		
The Organization and its reporting practices		
2-1	Organizational details	About Kwan Yong
2-3	Reporting period, frequency and contact point	About the Report
2-4	Restatements of information	Environmental Data Summary
Activities and workers		
2-6	Activities, value chain and other business relationships	About Kwan Yong
2-7	Employees	Social Data Summary
Governance		
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance and Board's Oversight
2-13	Delegation of responsibility for managing impacts	Sustainability Governance and Board's Oversight
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance and Board's Oversight

GRI Standard	Disclosure	Chapter
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Sustainability Strategy
2-26	Mechanisms for seeking advice and raising concerns	Anti-corruption
2-27	Compliance with laws and regulations	Building Excellence in Operations Building Excellence for People Building Excellence for the Environment
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Stakeholder Engagement
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Materiality Assessment
3-2	List of material topics	Materiality Assessment
3-3	Management of material topics	Building Excellence in Operations Building Excellence for People Building Excellence for the Environment Building Excellence for the Community
Economic topics		
GRI 205: Anti-corruption 2016		
Topic management disclosures		Anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption

GRI Standard	Disclosure	Chapter
Environmental topics		
GRI 302: Energy 2016		
Topic management disclosures		Energy, Air and GHG Emissions
302-1	Energy consumption within the organization	Environmental Data Summary
302-3	Energy intensity	Environmental Data Summary
GRI 303: Water and Effluents 2018		
Topic management disclosures		Water Resource Conservation and Management
303-2	Management of water discharge-related impacts	Water Resource Conservation and Management
303-5	Water consumption	Environmental Data Summary
GRI 305: Emissions 2016		
Topic management disclosures		Energy, Air and GHG Emissions
305-1	Direct (Scope 1) GHG emissions	Environmental Data Summary
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Data Summary
305-4	GHG emissions intensity	Environmental Data Summary
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Data Summary
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Waste Management and Resource Conservation
306-2	Management of significant waste-related impacts	Waste Management and Resource Conservation
306-3	Waste generated	Waste Management and Resource Conservation

GRI Standard	Disclosure	Chapter
GRI 308: Supplier Environmental Assessment 2016		
Topic management disclosures		Sustainable Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain Management
Social topics		
GRI 401: Employment 2016		
Topic management disclosures		Building Excellence for People
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
403-3	Occupational health services	Occupational Health and Safety
403-5	Worker training on occupational health and safety	Occupational Health and Safety
403-6	Promotion of worker health	Employee Welfare and Benefits
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
403-9	Work-related injuries	Occupational Health and Safety
GRI 404: Training and Education 2016		
Topic management disclosures		Development and Training
404-1	Average hours of training per year per employee	Social Data Summary
404-2	Programs for upgrading employee skills and transition assistance programs	Development and Training
404-3	Percentage of employees receiving regular performance and career development reviews	Development and Training

GRI Standard	Disclosure	Chapter
GRI 405: Diversity and Equal Opportunity 2016		
Topic management disclosures		Equal Opportunities and Human Rights Protection
405-1	Diversity of governance bodies and employees	Equal Opportunities and Human Rights Protection
GRI 406: Non-discrimination 2016		
Topic management disclosures		Equal Opportunities and Human Rights Protection
GRI 408: Child Labor 2016		
Topic management disclosures		Equal Opportunities and Human Rights Protection
GRI 409: Forced or Compulsory Labor 2016		
Topic management disclosures		Equal Opportunities and Human Rights Protection
GRI 413: Local Communities 2016		
Topic management disclosures		Building Excellence for the Community
GRI 414: Supplier Social Assessment 2016		
Topic management disclosures		Sustainable Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain Management
GRI 416: Customer Health and Safety 2016		
Topic management disclosures		Project Quality and Customer Safety

GRI Standard	Disclosure	Chapter
GRI 417: Marketing and Labeling 2016		
417-2	Incidents of non-compliance concerning product and service information and labelling	Customer Satisfaction
417-3	Incidents of non-compliance concerning marketing communications	Customer Satisfaction
GRI 418: Customer Privacy 2016		
Topic management disclosures		Data Privacy, Cybersecurity and Intellectual Property Rights

Independent Auditor's Report

For the financial year ended 30 June 2026
Independent auditor's report to the shareholders of Kwan Yong Holdings Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Kwan Yong Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the consolidated statement of financial position of the Group as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements of the Group give a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of the consolidated financial performance, the consolidated changes in equity and the consolidated cash flows of the Group for the financial year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (the "**ISAs**") issued by the International Auditing and Assurance Standards Board (the "**IAASB**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters (Continued)

Accounting for construction contracts

The Group is involved in construction projects for which it recognises revenue over time using the input method by reference to the proportion of contract cost incurred to-date to the total budgeted costs for each project. If the estimated unavoidable cost of meeting the obligation under the contract exceeds the economic benefit expected to be received under it, a provision for onerous contract is recognised. The uncertainty and subjectivity involved in determining the expected revenue and budgeted cost and progress towards completion will significantly affect the amount of revenue to be recognised and results of the Group, including the provision for onerous contracts. As such, we determined that the estimation of total contract revenue and total budgeted cost to satisfy contracts to be a key audit matter.

As part of our audit procedures, we:

- Performed walkthrough of the revenue recognition and budgeting process and tested the effectiveness of the controls over these processes;
- Reviewed terms and conditions of contracts with customers, including the contractual sums, variation orders and verified costs incurred against underlying supporting documents;
- Assessed the reasonableness of management's assumptions in estimating the total estimated revenue and budgeted cost for projects considering the historical accuracy of such estimates;
- Reviewed the appropriateness of inputs, amongst others, materials, subcontractors and labour costs used by management in their estimation of the total costs to complete and checked to the relevant supporting documents and subsequent events;
- Analysed changes in estimates of costs from prior periods and assessed the consistency of these changes with progress of the projects during the year;
- Checked the arithmetic accuracy of the computation of revenue recognised during the year for individually significant projects; and
- Reviewed project files and discussed with management on the progress of significant projects to determine if there are signs of potential disputes, variation order claims, known technical issues, delays, penalties and overruns. If the budgeted cost of a contract exceeds the expected contract revenue, assessed whether adequate provision for onerous contracts has been recognised.

We also evaluated the adequacy of the disclosures relating to construction contracts and provision for onerous contracts in Notes 5, 20 and 25 to the consolidated financial statements.

Other information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Low Bek Teng.

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore

24 September 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial year ended 30 June 2026

	Note	**2026 SGD'000**	2025 SGD'000
Revenue	5	**222,494**	239,918
Cost of sales		**(188,596)**	(215,293)
Gross profit		**33,898**	24,625
Other income and gain	6	**2,325**	2,513
Administrative expenses		**(11,916)**	(11,750)
Finance costs	7	**(139)**	(176)
Profit before tax	8	**24,168**	15,212
Income tax expense	11	**(4,368)**	(2,440)
Profit for the year attributable to shareholders of the Company		**19,800**	12,772
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Fair value gain on equity investments at fair value through other comprehensive income		**6**	182
Other comprehensive income for the year, net of tax		**6**	182
Total comprehensive income for the year attributable to shareholders of the Company		**19,806**	12,954
Basic and diluted earnings per share (cents)	13	**2.48**	1.60

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

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 SGD'000	2025 SGD'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	**17,009**	17,597
Investment properties	15	**1,717**	1,748
Equity investments at fair value through other comprehensive income	17	**40**	34
Structured deposits	18	**20,000**	–
Deferred tax assets	19	**288**	436
Total non-current assets		**39,054**	19,815
Current assets			
Contract assets	20	**3,392**	2,227
Trade receivables	21	**32,263**	51,007
Prepayments, deposits and other receivables	22	**1,469**	1,342
Pledged deposits	23	**7,000**	7,000
Cash and cash equivalents	23	**132,216**	93,710
Total current assets		**176,340**	155,286
Total assets		**215,394**	175,101
Current liabilities			
Contract liabilities	20	**63,573**	51,848
Trade and other payables	24	**74,509**	66,109
Provisions	25	**1,602**	1,004
Lease liabilities	16	**803**	928
Tax payable		**4,213**	1,321
Total current liabilities		**144,700**	121,210
Net current assets		**31,640**	34,076

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 SGD'000	2025 SGD'000
Non-current liabilities			
Lease liabilities	16	**1,581**	1,924
Total non-current liabilities		**1,581**	1,924
Total liabilities		**146,281**	123,134
Net assets		**69,113**	51,967
Equity attributable to shareholders of the Company			
Issued capital	26	**1,389**	1,389
Share premium		**30,318**	32,978
Reserves	27	**37,406**	17,600
Total equity		**69,113**	51,967

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

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 (Note 27(ii))	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 12)	–	**(2,660)**	–	–	**(2,660)**
At 30 June 2026	**1,389**	**30,318**	**2***	**37,404***	**69,113**

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 (Note 27(ii))	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.

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

Consolidated Statement of Cash Flows

For the Financial year ended 30 June 2026

	Note	2026 SGD'000	2025 SGD'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**24,168**	15,212
Adjustments for:			
Bank interest income	6	**(1,611)**	(1,751)
Gain on disposal of property, plant and equipment, net	6	**(50)**	(79)
Dividend income from equity investments	6	**(1)**	(10)
Finance costs	7	**139**	176
Depreciation of property, plant and equipment	14	**2,187**	2,423
Depreciation of investment properties	15	**31**	31
Provision for defect liabilities, net	8	**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

Consolidated Statement of Cash Flows

For the Financial year ended 30 June 2026

	Note	2026 SGD'000	2025 SGD'000
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	23	**132,216**	93,710

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

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.

As at the date of this report, in the opinion of the directors of the Company, Ideal Smart Ventures Limited, a company incorporated in the British Virgin Islands, is the immediate and ultimate holding company of the Company.

The Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies having substantially similar characteristics to a private company incorporated in Hong Kong, the particulars of which are set out below:

Company name	Place of incorporation and operations	Nominal value of issued share capital	2026 %	2025 %	Principal activities
Held by the Company					
Forever Brilliant International Limited ("**Forever Brilliant**") (Note (a))	British Virgin Islands	USD2	**100**	100	Investment holding
Kwan Yong Investments Pte. Ltd. (Note (b))	Singapore	SGD1	**100**	100	Dormant
Held by the subsidiary					
Kwan Yong Construction Pte Ltd ("**Kwan Yong**") (Note (c))	Singapore	SGD25,000,000	**100**	100	Provision of general building and construction services
Kwan Yong Project Private Limited (Note (c))	Singapore	SGD50,000	**100**	100	Provision of accommodation and general contractor

Notes:

(a) No audited financial statements have been prepared for this entity as it is not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdiction of its incorporation.

(b) No audited financial statements have been prepared for this entity as it is dormant and not subject to any statutory audit requirement.

(c) The statutory financial statements of these entities for the year ended 30 June 2026 prepared under Financial Reporting Standards in Singapore ("**FRSs**") have been audited by Ernst & Yong LLP, Singapore.

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 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.2 Basis of consolidation (Continued)

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 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. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.4 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. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.5 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 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures:* Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures:* Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency*	1 January 2027
IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 20 *Regulatory Assets and Regulatory Liabilities*	1 January 2029
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures:* 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.5 Standards issued but not yet effective (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The directors are currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.6 Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of a subsidiary are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investment in a subsidiary is stated at cost less any impairment losses.

2.7 Foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.7 Foreign currency (Continued)

(a) Transactions and balances (Continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss.

2.8 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit ("**CGU**") to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset or CGU exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.8 Impairment of non-financial assets (Continued)

An assessment is made as at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of different categories of property, plant and equipment are as follows:

Building and dormitory	Over the lease period ranging from 2 to 39 years
Office renovation	5 years
Plant and machinery	5 years
Computers	1 year
Motor vehicles	5 to 10 years
Signboard	10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted prospectively, if appropriate.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.9 Property, plant and equipment (Continued)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.10 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 72 to 85 years. The residual values, useful lives and the depreciation method of investment properties are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are included in profit or loss when the changes arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit and loss in the period of retirement or disposal.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.11 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

- Leasehold land – Over the lease period ranging from 3 to 35 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.8 Impairment of non-financial assets.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.11 Leases (Continued)

***Group as a lessee** (Continued)*

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment, warehouse premises and workers' quarters (i.e those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies to the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases where the Group retains substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental receivable under operating leases are credited to profit or loss on the straight-line basis over the lease terms. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.12 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost or fair value through other comprehensive income ("**OCI**").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition – Revenue from contracts with customers" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("**SPPI**")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.12 Financial instruments (Continued)

(a) Financial assets (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.12 Financial instruments (Continued)

(a) Financial assets (Continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.12 Financial instruments (Continued)

(a) Financial assets (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months ("**12-month ECL**"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("**lifetime ECL**").

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.12 Financial instruments (Continued)

(a) Financial assets (Continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest amortisation is included in finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.12 Financial instruments (Continued)

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are payable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash which are not restricted as to use.

2.14 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that a future outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision will be reversed. If the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.14 Provisions (Continued)

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

2.15 Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

(i) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.15 Income tax (Continued)

(ii) Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences as at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed as at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed as at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow the deferred tax asset to be recovered.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.15 Income tax (Continued)

***(ii) Deferred tax** (Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.16 Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statements of financial position.

2.17 Revenue recognition

Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.17 Revenue recognition (Continued)

***Revenue from contracts with customers** (Continued)*

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time.

The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Group provides general building and construction services, which involves general building, air-conditioning and mechanical ventilation system, electrical system as well as sanitary and plumbing system.

At contract inception, the Group assesses whether the transfer of service was satisfied at a point in time or over time by determining if (a) its performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and (b) the Group has an enforceable right to payment for performance completed to date. The Group recognises revenue from the provision of general building and construction services over time as the Group's performance creates or enhances asset that the customer controls as the asset is created or enhanced.

Contract revenue is recognised over time by reference to the Group's progress towards completing the performance obligation in the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs (input method).

For costs incurred in fulfilling the contract which are within the scope of another IFRS Accounting Standards (e.g. Inventories), these shall be accounted for in accordance with those other IFRS Accounting Standards. If these are not within the scope of another IFRS Accounting Standards, the Group will recognise these as contract assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Significant financing components

In determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money for contracts with customers that include a significant financing component. In adjusting for the significant financing component, the Group uses a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.17 Revenue recognition (Continued)

Revenue from other sources

(a) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(b) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(c) Rental income

Rental income arising on operating leases of investment properties is recognised on the straight-line basis over the lease terms. The aggregate costs of incentives provided to the lessees are recognised as a reduction of rental income over the lease term on the straight-line basis.

Contract modifications

The Group accounts for contract modifications arising from change orders to modify the scope or price of the contract as separate contracts if the modification adds distinct goods or services at their standalone selling prices. For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.17 Revenue recognition (Continued)

Contract assets and liabilities

(a) Contract assets

A contract asset is the right to consideration in exchange for goods and services transferred to the customer. If the Group performs by transferring goods and services to a customer before the customer pays for consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(b) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If the customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.18 Employee benefits

(a) Defined contribution plans

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period.

2.19 Dividends

Final dividends are recognised as a liability when they are approved by the shareholders of relevant entities comprising the Group in a general meeting.

Interim dividends are recognised immediately as a liability when they are proposed and declared by directors of relevant entities comprising the Group, as the memorandum and articles of association of these entities grant their directors the authority to declare interim dividends.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.20 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred capital grant on the consolidated statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

2.21 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred.

2.22 Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company. Directors and certain senior managerial personnel are considered key management personnel.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements made in applying accounting policies

In the process of applying the accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements made in applying accounting policies (Continued)

Recognition of construction revenue

Contract revenue is recognised over time by reference to the Group's progress towards completing the performance obligations in the construction contract, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The measure of progress should be determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("**input method**") or based on actual progress of the construction ("**output method**"). Management uses judgement to determine which method for these services provide a faithful depiction of the Group's performance in transferring control of goods and services promised to the customers.

Determining the total contract revenue

The Group seeks to collect (i) variations (net of any omissions) from customers as reimbursement of costs and margins for changes in scope of works in the construction contracts and (ii) incentive payments, which give rise to variable consideration. The Group determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for variations and incentive payments in construction services, given there is a wide range of possible outcomes which are subject to negotiations between contractual parties.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, current negotiations with customers and the current economic conditions.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on the straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 1 to 39 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of the property, plant and equipment as at the end of each financial year is disclosed in Note 14.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

Estimating the contract revenue and contract costs for the construction works

The management of the Group reviews and revises the estimate of (i) contract revenue (including variations in contract works and incentive payments) yet to be certified by surveyors appointed by the customers and (ii) contract costs for each construction contract on a regular basis.

Recognised amounts of contract revenue and contract costs reflect management's best estimate of each contract's outcome, which are determined on the basis of a number of assumptions. In making these estimates, management takes into consideration the past experience in conducting similar construction works, as well as the current market conditions.

The actual outcomes in terms of the contract revenue and contract costs may be higher or lower than the amounts estimated at the end of the reporting period, which would affect the revenue and profit or loss recognised in the future years as an adjustment to the amounts recorded to date. During the year, the Group has recognised revenue of SGD113,000 (2025: SGD779,000) in relation to variable consideration upon the receipt of final accounts and reversal of accrued subcontractors cost of SGD2,083,000 (2025: SGD871,000) for projects completed in the previous financial years. The revenue recognised is as disclosed in Note 5.

Provision for defect liabilities

Determining the provision for defect liabilities in respect of cost of work required to be carried out for the rectification of construction defects requires an assessment of the potential defects that could arise. The estimation of the timing and amount of such incoming costs and of the future costs of carrying out such rectification works are subjected to significant uncertainties. Significant estimate is required in determining if the Group has to make provision for any potential costs. The carrying amount of the provision for defect liabilities as at the end of each financial year is disclosed in Note 25.

Provision for onerous contracts

The Group records provision for onerous contracts for its construction contracts when it is inevitable that the unavoidable costs of meeting the obligation under the contracts exceeds the estimated economic benefits expected to be received under the contracts. The provision is measured according to management's best estimate of the expected revenue and costs to be earned or incurred. The estimates include an assessment of current market conditions, historical trends, as well as future expectation and is therefore subject to significant uncertainties. The carrying amount of the provision for onerous contracts as at the end of each financial year is disclosed in Note 25.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

Provision for expected credit losses of trade receivables and contract assets

The Group applies the simplified approach to provide for expected credit loss ("**ECLs**") as prescribed by IFRS 9 *Financial Instruments*, which permits the use of lifetime expected credit loss provisions for all trade receivables and contract assets. The Group assesses the impairment of its trade receivables and contract assets on an individual basis based on internal credit rating and ageing of these balances. ECLs for trade receivables and contract assets are estimated based on the Group's historical observed default rates over the expected life of debtors and are adjusted for forward-looking factors specific to the debtors and the economic environment. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 33.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset exceeds its recoverable amount. The recoverable amount of an asset is determined based on the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation requires the Company to estimate the future cash flow expected from the asset and an appropriate discount rate in order to calculate the present value of the future cash flow. Management has evaluated the recoverability of the asset based on such estimates.

The carrying amounts of the non-financial assets are disclosed in Notes 14, 15 and 16 respectively.

Fair value of investment properties

The Group engages independent professional qualified surveyor to assess fair value of investment properties as at 30 June 2026. The fair value of investment properties are determined by independent professional qualified surveyor using the market comparable. The key assumptions used to determine the fair value of these investment properties are disclosed in Note 15.

4. 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	**221,164**	**1,330**	**–**	**222,494**
Segment results	**23,588**	**1,263**	**(683)**	**24,168**
Segment assets	**213,932**	**560**	**902**	**215,394**
Segment liabilities	**145,768**	**165**	**348**	**146,281**
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	**4,365**	**3**	**–**	**4,368**

4. SEGMENT INFORMATION (Continued)

Operating segment information (Continued)

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.

4. SEGMENT INFORMATION (Continued)

Operating segment information (Continued)

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
Revenue from construction segment:		
Customer A	**102,990**	90,371
Customer B	**57,785**	39,680
Customer C	**60,302**	106,216

5. 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
	221,164	238,674	**1,330**	1,244	**222,494**	239,918

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

5. REVENUE (Continued)

(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.

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

(d) Contract balances

	2026 SGD'000	2025 SGD'000
Trade receivables (Note 21)	**32,263**	51,007
Contract assets (Note 20)	**3,392**	2,227
Contract liabilities (Note 20)	**63,573**	51,848

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	**113**	779

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

6. 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		**1**	10
		2,275	2,434
Gain			
Gain on disposal of property, plant and equipment		**50**	79
		2,325	2,513

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.

7. 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 (Note 16(b))	**139**	166
	139	176

8. PROFIT BEFORE TAX

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

	Note	**2026 SGD'000**	2025 SGD'000
Cost of construction work		**188,596**	215,293
Depreciation of property, plant and equipment	14	**2,187**	2,423
Less: Amount included in cost of construction work		**(1,721)**	(1,869)
		466	554
Depreciation of investment properties	15	**31**	31
Expenses relating to short-term leases and leases of low value assets	16(c)	**16**	8
Less: Amount included in cost of construction work		**–**	–
		16	8
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties		**48**	71
Employee benefit expense (excluding directors' remuneration (Note 9)):			
Salaries, allowances and benefits in kind		**13,753**	13,635
Wages		**4,460**	4,402
Pension scheme contributions		**881**	839
		19,094	18,876
Less: Amount included in cost of construction work		**(13,525)**	(13,030)
		5,569	5,846
Provision for defect liabilities – net	25	**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.

9. DIRECTORS' REMUNERATION

Certain directors of the Company received remuneration from a subsidiary now comprising the Group in their capacity as being directors and/or employees of that subsidiary. The remuneration of these directors as recorded in the consolidated financial statements of that subsidiary during the years ended 30 June 2026 and 2025 is set out below:

	2026 SGD'000	2025 SGD'000
Fees	**310**	310
Other emoluments:		
Salaries, allowances and benefits in kind	**2,808**	2,487
Pension scheme contributions	**57**	65
	3,175	2,862

An analysis of these directors' remuneration, on a named basis, is as follows:

	Fees SGD'000	**Salaries, allowances and benefits SGD'000**	**Pension scheme contributions SGD'000**	**Total SGD'000**
Year ended 30 June 2026				
Executive directors				
Mr. Kwan Mei Kam	**50**	**994**	**7**	**1,051**
Ms. Tay Yen Hua	**40**	**994**	**8**	**1,042**
Mr. Jacob Wong San Ta	**40**	**588**	**16**	**644**
Ms. Kwan Shu Ming	**40**	**232**	**26**	**298**
Non-executive director				
Mr. Chou Sean Yu *(re-designated on 19 December 2025)*	**35**	**–**	**–**	**35**
Independent non-executive directors				
Dr. Wu Dongqing	**35**	**–**	**–**	**35**
Mr. Fong Heng Boo	**35**	**–**	**–**	**35**
Mr. Lim Ah Lay	**35**	**–**	**–**	**35**
	310	**2,808**	**57**	**3,175**

9. DIRECTORS' REMUNERATION (Continued)

An analysis of these directors' remuneration, on a named basis, is as follows:

	Fees SGD'000	Salaries, allowances and benefits SGD'000	Pension scheme contributions SGD'000	Total SGD'000
Year ended 30 June 2025				
Executive directors				
Mr. Kwan Mei Kam	50	959	12	1,021
Ms. Tay Yen Hua	40	959	12	1,011
Mr. Jacob Wong San Ta	40	353	18	411
Ms. Kwan Shu Ming	40	216	23	279
Independent non-executive directors				
Dr. Wu Dongqing	35	–	–	35
Mr. Chou Sean Yu	35	–	–	35
Mr. Fong Heng Boo	35	–	–	35
Mr. Lim Ah Lay	35	–	–	35
	310	2,487	65	2,862

There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 30 June 2026 and 2025.

10. FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of the five highest paid employees of the Group during each of the reporting period are as follows:

	2026 SGD'000	2025 SGD'000
Salaries, allowances and benefits in kind	**3,082**	2,839
Pension scheme contributions	**70**	77
	3,152	2,916

10. FIVE HIGHEST PAID EMPLOYEES (Continued)

The number of the highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2026	2025
HKD1,500,001 to HKD2,000,000	**2**	2
HKD2,000,001 to HKD3,000,000	**–**	1
HKD3,000,001 and above	**3**	2
	5	5

11. 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	2025
	SGD'000	SGD'000
Current income tax – Singapore:		
Charge for the year	**4,220**	1,321
Over-provision in prior years	**–**	(7)
	4,220	1,314
Deferred income tax – Singapore:		
Reversal of temporary differences	**148**	1,520
Prior year temporary differences	**–**	(394)
	148	1,126
Income tax expense recognised in profit or loss	**4,368**	2,440

11. INCOME TAX EXPENSE (Continued)

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	2025
	SGD'000	SGD'000
Profit before tax	**24,168**	15,212
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	**4,368**	2,440

12. 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.

13. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

	2026	2025
Profit attributable to the shareholders of the Company (SGD)	**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 (Singapore cents)	**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.

14. PROPERTY, PLANT AND EQUIPMENT

	Building and dormitory SGD'000 (Note (a))	Office renovation SGD'000	Plant and machinery SGD'000	Computers SGD'000	Motor vehicles SGD'000 (Note (a))	Signboard SGD'000	Total SGD'000
30 June 2026							
At 1 July 2025:							
Cost	**20,079**	**1,379**	**6,432**	**418**	**5,765**	**20**	**34,093**
Accumulated depreciation	**(7,564)**	**(1,371)**	**(4,951)**	**(375)**	**(2,215)**	**(20)**	**(16,496)**
Net carrying amount	**12,515**	**8**	**1,481**	**43**	**3,550**	**–**	**17,597**
Net carrying amount:							
1 July 2025	**12,515**	**8**	**1,481**	**43**	**3,550**	**–**	**17,597**
Additions	**338**	**–**	**314**	**22**	**1,078**	**–**	**1,752**
Depreciation provided	**(1,094)**	**(8)**	**(467)**	**(51)**	**(567)**	**–**	**(2,187)**
Disposals (Note (b))	**–**	**–**	**(12)**	**–**	**(141)**	**–**	**(153)**
At 30 June 2026	**11,759**	**–**	**1,316**	**14**	**3,920**	**–**	**17,009**
At 30 June 2026:							
Cost	**20,417**	**239**	**6,124**	**192**	**6,358**	**–**	**33,330**
Accumulated depreciation	**(8,658)**	**(239)**	**(4,808)**	**(178)**	**(2,438)**	**–**	**(16,321)**
Net carrying amount	**11,759**	**–**	**1,316**	**14**	**3,920**	**–**	**17,009**

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Building and dormitory SGD'000 (Note (a))	Office renovation SGD'000	Plant and machinery SGD'000	Computers SGD'000	Motor vehicles SGD'000 (Note (a))	Signboard SGD'000	Total SGD'000
30 June 2025							
At 1 July 2024:							
Cost	20,079	1,379	6,993	309	5,304	20	34,084
Accumulated depreciation	(6,540)	(1,341)	(5,445)	(295)	(1,914)	(18)	(15,553)
Net carrying amount	13,539	38	1,548	14	3,390	2	18,531
Net carrying amount:							
1 July 2024	13,539	38	1,548	14	3,390	2	18,531
Additions	–	–	661	109	798	–	1,568
Depreciation provided	(1,024)	(30)	(728)	(80)	(559)	(2)	(2,423)
Disposals (Note (b))	–	–	–	–	(79)	–	(79)
At 30 June 2025	12,515	8	1,481	43	3,550	–	17,597
At 30 June 2025:							
Cost	20,079	1,379	6,432	418	5,765	20	34,093
Accumulated depreciation	(7,564)	(1,371)	(4,951)	(375)	(2,215)	(20)	(16,496)
Net carrying amount	12,515	8	1,481	43	3,550	–	17,597

Notes:

(a) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of the leased assets are disclosed in Note 16.

(b) During the financial years ended 30 June 2025 and 2026, certain classes of plant and equipment with nil net carrying amounts were disposed of or written off.

15. INVESTMENT PROPERTIES

	2026 SGD'000	2025 SGD'000
At 1 July:		
Cost	**2,365**	2,365
Accumulated depreciation	**(617)**	(586)
Net carrying amount	**1,748**	1,779
Net carrying amount:		
At 1 July	**1,748**	1,779
Depreciation provided during the year	**(31)**	(31)
At 30 June	**1,717**	1,748
At 30 June:		
Cost	**2,365**	2,365
Accumulated depreciation	**(648)**	(617)
Net carrying amount	**1,717**	1,748

The Group's investment properties are commercial properties in Singapore which are leased to third parties, further summary details of which are included in Note 30.

The Group's investment properties are initially carried at cost, and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

The fair value of the investment properties as at 30 June 2026 was SGD6,200,000 (2025: SGD6,000,000) and has been arrived at on a market value basis of a valuation carried out as at the end of the financial year by an independent professional qualified surveyor. The valuation was arrived at by reference to comparable market transactions for similar properties by direct comparison approach, assuming sale of the properties in their existing states with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market. The valuation involves the use of certain significant unobservable inputs which include adjusted transaction price of comparable properties. The fair value measurement of the investment properties falls into Level 3 of the fair value hierarchy as defined in IFRS 13 *Fair Value Measurement*.

16. LEASES

Leases comprise of land leases and finance leases.

The Group is required to pay annual land rent to Jurong Town Corporation ("**JTC**") for its building and dormitory. The annual rent is based on market rent for the relevant year. The land lease has a remaining tenure between 1 to 28 (2025: 1 to 29) years. The Group's obligations under these leases are secured by the lessor's title to the leased asset. The Group is restricted from assigning and subleasing the leased asset unless approved by JTC.

The Group also acquires motor vehicles under hire purchase arrangements, which are classified as finance lease payables.

The Group also has certain of its warehouse premises, workers' quarters and machinery with lease terms of 12 months or less and leases of office equipment with low values. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemption for these leases.

(a) Right-of-use assets

The right-of-use assets arising from leases are presented together with the owned assets of the same class under property, plant and equipment in Note 14. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Leased land	Motor vehicles
	SGD'000	SGD'000
At 1 July 2024	2,664	1,219
Additions	–	710
Depreciation	(661)	(178)
At 30 June 2025 and 1 July 2025	**2,003**	**1,751**
Additions	**338**	**711**
Depreciation	**(731)**	**(241)**
At 30 June 2026	**1,610**	**2,221**

16. LEASES (Continued)

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2026 SGD'000	2025 SGD'000
At 1 July	**2,852**	3,411
Additions	**578**	300
Accretion of interest (Note 7)	**139**	166
Payments	**(1,185)**	(1,025)
At 30 June	**2,384**	2,852
Current	**803**	928
Non-current	**1,581**	1,924
Analysed into amounts repayable:		
Within one year	**803**	928
In the second year	**293**	554
In the third to fifth year, inclusive	**163**	226
After fifth year	**1,125**	1,144
	2,384	2,852

16. LEASES (Continued)

(c) Amounts recognised in profit or loss

	2026 SGD'000	2025 SGD'000
Depreciation of right-of-use assets	**972**	839
Interest expense on lease liabilities	**139**	166
Lease expense not capitalised in lease liabilities:		
– Expenses relating to short-term leases and leases of low-value assets (Included in administrative expenses)	**16**	8
Total (Note 8)	**16**	8
Total amount recognised in profit or loss	**1,127**	1,013

(d) Total cash outflows

The Group had total cash outflows for leases of SGD1,201,000 (2025: SGD1,033,000) for the year ended 30 June 2026.

17. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2026 SGD'000	2025 SGD'000
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.

17. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

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

	2026 SGD'000	2025 SGD'000
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.

18. 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.

19. DEFERRED TAX ASSETS

	2026 SGD'000	2025 SGD'000
Balance as at 1 July	**436**	1,562
Expensed to profit or loss	**(148)**	(1,126)
Balance as at 30 June	**288**	436
This is represented by:		
Deferred tax assets on unutilised tax losses and capital allowances	**16**	265
Deferred tax assets on provision	**272**	171
Balance as at 30 June	**288**	436

20. 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)	**3,392**	2,227
Trade receivables	21	**32,263**	51,007
Contract liabilities	(b)	**(63,573)**	(51,848)

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	**(2,227)**	(6,277)
Total contract assets at end of the year	**3,392**	2,227

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	**3,392**	2,227

20. CONTRACT BALANCES (Continued)

Notes: (Continued)

(a) (Continued)

The Group applies the simplified approach to provide for 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	2025
	SGD'000	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.

21. 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 expected credit losses 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	2025
	SGD'000	SGD'000
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.

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2026 SGD'000	2025 SGD'000
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.

23. CASH AND CASH EQUIVALENTS

		2026 SGD'000	2025 SGD'000
Cash and bank balances		**58,377**	28,710
Time deposits		**80,839**	72,000
Total cash and bank balances	(a)	**139,216**	100,710
Less: Pledged deposits	(b)	**(7,000)**	(7,000)
Cash and cash equivalents		**132,216**	93,710

At the end of the reporting period, the cash and bank balances of the Group denominated in Hong Kong Dollars and United States Dollars amounted to SGD434,000 (2025: SGD380,000) and SGD356,000 (2025: SGD373,000).

Notes:

(a) Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between three months and twelve months, depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

(b) Time deposits of SGD7,000,000 (2025: SGD7,000,000) as at 30 June 2026 were pledged to bank as securities for the Group's bank facilities.

(c) During the financial year, the Group has obtained a letter of credit of SGD932,000 from a financial institution. The letter of credit was issued in favour of a subsidiary's subcontractor for ongoing construction activities. Subsequent to financial year ended 30 June 2026, the letter of credit was drawn by the subcontractor and was settled by the Group.

24. TRADE AND OTHER PAYABLES

		2026 SGD'000	2025 SGD'000
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
	10,415	5,360

(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
	18,049	14,897

25. 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	(39)	(415)	(454)
At 30 June 2025 and 1 July 2025	**1,004**	**–**	**1,004**
Additional provision made during the year	**715**	**–**	**715**
Utilised during the year	**(117)**	**–**	**(117)**
As at 30 June 2026	**1,602**	**–**	**1,602**

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.

26. ISSUED CAPITAL

	2026 HKD'000	2025 HKD'000
Authorised:		
15,000,000,000 (2025: 15,000,000,000) ordinary shares of HKD0.01 each	**150,000**	150,000

	2026 SGD'000	2025 SGD'000
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.

27. RESERVES

(i) The amounts of the Group's reserves and the movements therein for the years ended 30 June 2026 and 2025 are presented in the consolidated statement of changes in equity.

(ii) Fair value reserves

Fair value reserves represent the cumulative fair value changes, net of tax, arising from equity investments until they are derecognised.

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Non-cash transactions

During the year ended 30 June 2026, the Group purchased motor vehicles with a total capital value of SGD711,000 (2025: SGD710,000) under hire-purchase financing arrangements. Of these amounts, SGD471,000 (2025: SGD410,000) was paid as down payments and the remaining balances of SGD240,000 (2025: SGD300,000) was financed by entering into finance lease arrangements.

(b) Changes in liabilities arising from financing activities during the years ended 30 June 2026 and 2025 are as follows:

	1 July 2025 SGD'000	**Changes from financing activities SGD'000**	**Non-cash transactions SGD'000**	**Finance cost SGD'000**	**30 June 2026 SGD'000**
Lease liabilities	**2,852**	**(1,185)**	**578**	**139**	**2,384**

	1 July 2024 SGD'000	Changes from financing activities SGD'000	Non-cash transactions SGD'000	Finance cost SGD'000	30 June 2025 SGD'000
Bank borrowing	1,041	(1,051)	–	10	–
Lease liabilities	3,411	(1,025)	300	166	2,852
	4,452	(2,076)	300	176	2,852

29. CAPITAL COMMITMENTS

As at 30 June 2026 and 2025, the Group had no capital commitments, which were not recognised in the consolidated financial statements.

30. OPERATING LEASE ARRANGEMENTS – AS LESSOR

The Group leases its investment properties under operating lease arrangements. These non-cancellable leases have remaining lease terms of between 5 and 9 (2025: 17 and 20) months. The Group also sub-leases part of its building under property, plant and equipment to an external party with remaining non-cancellable lease term of 13 (2025: 1) months. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at the end of the reporting period are as follows:

	2026	2025
	SGD'000	SGD'000
Within one year	**405**	383
In the second to fifth years, inclusive	**19**	170
	424	553

31. RELATED PARTY DISCLOSURES

(a) Other than those disclosed elsewhere in the financial statements, the Group had no other outstanding balances with related parties as at the end of each financial year.

(b) During the years ended 30 June 2026 and 2025, certain performance bonds of the Group were guaranteed by either two directors of the Company or corporate guarantee, as set out in Note 20(c).

(c) The compensation of the key management personnel of the Group is set out below:

	2026	2025
	SGD'000	SGD'000
Directors' fees	**310**	310
Salaries, allowances and benefits in kind	**3,499**	3,222
Pension scheme contributions	**100**	119
	3,909	3,651
Comprising amounts paid to:		
Directors of the Company	**3,175**	2,862
Other key management personnel	**734**	789
	3,909	3,651

32. FINANCIAL INSTRUMENTS BY CATEGORIES

Set out below is a comparison by category of carrying amounts of all the Group's financial assets and liabilities that are carried in the financial statements.

	2026 SGD'000	2025 SGD'000
Financial assets at fair value through other comprehensive income		
Listed equity investments	**40**	34
Financial assets at amortised cost		
Trade receivables	**32,263**	51,007
Deposits and other receivables	**1,457**	1,329
Pledged deposits	**7,000**	7,000
Structured deposits	**20,000**	–
Cash and cash equivalents	**132,216**	93,710
Total financial assets measured at amortised cost	**192,936**	153,046
Financial liabilities at amortised cost		
Trade and other payables	**72,822**	62,718
Lease liabilities	**2,384**	2,852
Total financial liabilities measured at amortised cost	**75,206**	65,570

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market risk. The board of directors of the Company reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the financial years, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and process for the management of these risks.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables, structured deposits, pledged deposits and cash and bank balances. No other financial asset carries a significant exposure to credit risk.

The Group applies (i) the simplified approach to provide for ECLs on trade receivables and contract assets that do not contain a significant financing component and (ii) the general approach to provide for ECLs on deposits and other receivables, which are estimated by reference to past default experience of the debtor and the current market condition in relation to each other's exposure. The ECLs also incorporated forward-looking information with reference to general macroeconomics conditions that may affect the ability of the debtors to settle receivables. Based on the management's analysis, loss on collection is not material and hence no provision is provided. The credit risk on structured deposits, pledged deposits, cash and bank balances are minimal as they are placed with reputable financial institutions with high credit ratings and no history of default.

Excessive risk concentration of trade receivables

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Identified concentrations of credit risks are controlled and managed accordingly. As at 30 June 2026, 80% (2025: 72%) of the Group's trade receivables were due from a major customer.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding to finance its working capital needs as well as capital expenditure in respect of its development projects, and flexibility through the use of stand-by credit facilities.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk (Continued)

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations.

	Weighted average effective interest rate %	Carrying amounts SGD'000	1 year or less SGD'000	2 to 5 years SGD'000	Over 5 years SGD'000	Total SGD'000
As at 30 June 2026						
Trade and other payables		**72,822**	**72,822**	**–**	**–**	**72,822**
Lease liabilities	**2.65-5.25**	**2,384**	**904**	**730**	**1,993**	**3,627**
		75,206	**73,726**	**730**	**1,993**	**76,449**
As at 30 June 2025						
Trade and other payables		62,718	62,718	–	–	62,718
Lease liabilities	2.64-5.25	2,852	1,053	1,053	2,077	4,183
		65,570	63,771	1,053	2,077	66,901

(c) Market risk

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to market risk arising from its investment in listed equity instruments. These investments are quoted on stock exchanges and are classified as equity investments at fair value through OCI.

Sensitivity analysis for market risk

At the end of the reporting period, if the market price of the quoted equity investment had been 10% higher/lower with all other variables held constant, the Group's fair value reserve would have been SGD4,000 (2025: SGD3,000) higher/lower, arising as a result of an increase/decrease in the fair value of the equity investments measured at fair value through OCI.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The Group manages its capital structure by taking into account its current and projected cash flow, expansion and capital expenditure commitments. Where necessary, adjustments to the amount of dividends paid to shareholders or the issuance of new shares may be considered. The Group does not adopt any formal dividend policy. No changes were made in the objectives, policies or processes during the years ended 30 June 2026 and 2025.

	2026 **SGD'000**	2025 SGD'000
Lease liabilities	**2,384**	2,852
Total debt	**2,384**	2,852
Total equity	**69,113**	51,967
Gearing ratio	**3.4%**	5.5%

(e) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

At the end of the reporting period, the fair values of equity investments are based on quoted market prices (as categorised within Level 1 of the fair value hierarchy). The fair values of other financial assets and financial liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments, therefore, no disclosure of the fair values of these financial instruments is made.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Fair value hierarchy (Continued)

The fair values of the structured deposits and lease liabilities (non-current) have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about statement of financial position of the Company as at the end of the reporting period as follows:

	2026 SGD'000	2025 SGD'000
ASSETS AND LIABILITY		
Non-current asset		
Investment in a subsidiary	**25,000**	25,000
Current assets		
Prepayment	**12**	13
Amount due from a subsidiary	**1,149**	4,548
Cash and cash equivalents	**890**	839
Total current assets	**2,051**	5,400
Total assets	**27,051**	30,400
Current liability		
Other payables and accruals	**348**	353
Total liability	**348**	353
Net current assets	**1,703**	5,047
Net assets	**26,703**	30,047
EQUITY		
Share capital	**1,389**	1,389
Share premium	**30,318**	32,978
Reserve (Note)	**(5,004)**	(4,320)
	26,703	30,047

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserve is as follows:

	Accumulated loss SGD'000
At 1 July 2025	**(4,320)**
Loss for the year, representing total comprehensive loss for the year	**(684)**
At 30 June 2026	**(5,004)**
At 1 July 2024	(3,558)
Loss for the year, representing total comprehensive loss for the year	(762)
At 30 June 2025	(4,320)

35. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements for the year ended 30 June 2026 were authorised for issue by the board of directors of the Company on 24 September 2026.

Financial Summary

RESULTS

A summary of the results and of the assets, equity and liabilities of the Group for the last five financial years is as follows:

	For the year ended 30 June				
	2026	2025	2024	2023	2022
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Revenue	**222,494**	239,918	133,829	111,435	77,766
Cost of sales	**(188,596)**	(215,293)	(126,093)	(102,828)	(74,008)
Gross profit/(loss)	**33,898**	24,625	7,736	8,607	3,758
Profit/(loss) before tax	**24,168**	15,212	11	2,390	(382)
Income tax (expense)/credit	**(4,368)**	(2,440)	1,560	(65)	(9)
Profit/(loss) for the year	**19,800**	12,772	1,571	2,325	(391)
Other comprehensive income/ (loss) for the year	**6**	182	20	82	(20)
Total comprehensive income/ (loss) for the year	**19,806**	12,954	1,591	2,407	(411)

ASSETS AND LIABILITIES

	As at 30 June				
	2026	2025	2024	2023	2022
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Total assets	**215,394**	175,101	98,916	85,293	71,840
Total liabilities	**(146,281)**	(123,134)	(59,903)	(47,871)	(36,825)
	69,113	51,967	39,013	37,422	35,015
Total equity	**69,113**	51,967	39,013	37,422	35,015