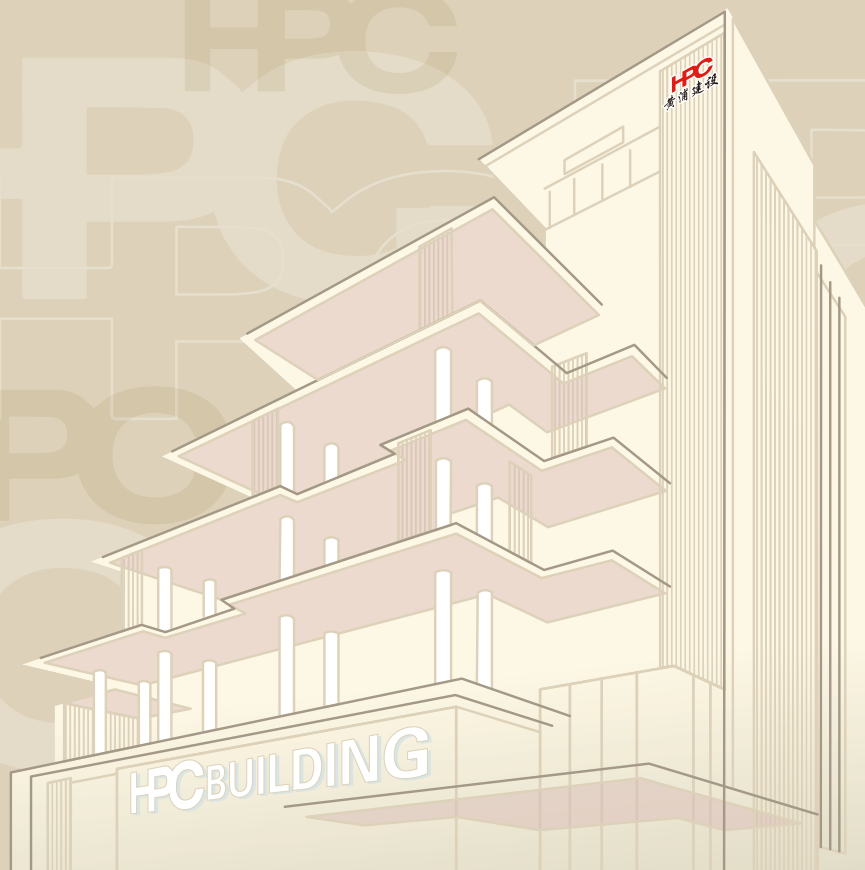




HPC HOLDINGS LIMITED

HKEX 1742 (Incorporated in the Cayman Islands with limited liability)



INTERIM REPORT 2024/2025

CONTENTS

Corporate Information	2
Management Discussion and Analysis	4
Corporate Governance and Other Information	13
Report on Review of Interim Condensed Consolidated Financial Statements	19
Interim Condensed Consolidated Statement of Comprehensive Income	21
Interim Condensed Consolidated Balance Sheet	22
Interim Condensed Consolidated Statement of Changes in Equity	24
Interim Condensed Consolidated Statements of Cash Flows	25
Notes to the Interim Condensed Consolidated Financial Statements	27

CORPORATE INFORMATION

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters and Principal Place of Business in Singapore

7 Kung Chong Road,
HPC Building,
Level 6
Singapore 159144

Principal Place of Business in Hong Kong

31/F., 148 Electric Road,
North Point, Hong Kong

List of Directors and Their Roles & Functions

Executive Directors
Mr. Wang Yingde
(*Chairman & Chief Executive Officer*)
Mr. Shi Jianhua (*Chief Operations Officer*)

Independent Non-executive Directors

Mr. Leung Wai Yip
Mr. Gng Hoon Liang
Ms. Chen Liping

Audit Committee

Mr. Leung Wai Yip (*Chairman*)
Mr. Gng Hoon Liang
Ms. Chen Liping

Remuneration Committee

Mr. Gng Hoon Liang (*Chairman*)
Mr. Wang Yingde
Ms. Chen Liping

Nomination Committee

Mr. Wang Yingde (*Chairman*)
Mr. Gng Hoon Liang
Ms. Chen Liping

Joint Company Secretaries

Ms. Tung Wing Yee Winnie
Mr. Zhang Jie

Authorised Representatives

Mr. Wang Yingde
Mr. Zhang Jie

Auditor

McMillan Woods (Hong Kong) CPA Limited

CORPORATE INFORMATION

Principal Banks

United Overseas Bank Limited
80 Raffles Place, UOB Plaza
Singapore 048624

DBS Bank Ltd.
12 Marina Boulevard,
Marina Bay, Financial Center Tower 3,
Singapore 018982

Maybank Singapore Limited
Maybank Tower #16-01
2 Battery Road
Singapore 049907

Hong Kong Branch Share Register and Transfer Office

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

Company's Website

www.hpc.sg

Stock Code

1742

MANAGEMENT DISCUSSION AND ANALYSIS

The board of directors (the “**Directors**”) of HPC Holdings Limited (the “**Company**”) announces its unaudited consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 April 2025 (the “**Interim Period**”) together with the comparative figures for the corresponding period in 2024 (the “**Previous Period**”).

BUSINESS REVIEW

During the first half of 2025, Singapore’s construction cost trends indicated that construction prices remained elevated due to persistent manpower constraints as reliance on foreign workers, fluctuating material costs of steel, concrete and mechanical/ electrical components and bid competitiveness intensified, leading to tighter profit margins.

Given the current market headwinds and intense price competition, the Group has adopted a more cautious approach in its tender procedures and pricing strategy. Despite these challenges, the Group demonstrated resilience and secured four significant projects in the first half of 2025, reinforcing its strong industry positioning and diversified capabilities: (1) Mega Depot Warehouse Project awarded in February 2025; (2) Design & Build for A&A Works @NanoSpace (Process and Clean Rooms Building) awarded in February 2025; (3) Design & Build of Civil, Structural, Architectural & Site Management for STA Pharmaceutical Buildings (STA) awarded in March 2025; and (4) A&A Works & New Construction of a 3-Storey Building for T-Prep awarded in April 2025. These bring the Group’s total value of new project awards for the financial year 2025 to S\$481.81 million. Notably, the latest contract with JTC underscores the ongoing partnership, building on the successful completion of previous projects in 2018 and 2020. Despite a highly competitive bidding environment, the Group has maintained a strong order book, which stood at S\$1,071 million as of 30 April 2025.

The Group has achieved significant milestones in project execution during the first half of 2025. There were three completed projects: (1) Pilot Mechanical Biological Treatment Plant achieved Temporary Occupation Permit (TOP) on 27 January 2025; (2) Tiong Nam Warehouse successfully obtained BCA TOP on 2 May 2025; and (3) Chasen Warehouse is currently in final stages with TOP expected in July 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Current project portfolio consists of eleven ongoing projects, the Group maintains a robust pipeline of projects across multiple sectors: (1) 27IBP Commercial Office Building; (2) Loyang North Substation; (3) XDC Pharmaceutical Buildings; (4) MDIS College A&A Works; (5) Integrated Construction & Prefabrication Hub (Jurong Port); (6) Project Savour Food Factory; (7) Tampines Gain City Hub; (8) Mega Depot Warehouse; (9) Design & Build for A&A Works @NanoSpace; (10) Civil, Structural & Architectural Works for STA Pharmaceutical Buildings; and (11) A&A Works & New Construction of 3-Storey T-Prep Building.

The Group anticipates successful completion of three major projects: (1) XDC Pharmaceutical Buildings (XDC) by Q3 2025; (2) Loyang North Substation (JTC) by Q4 2025; and (3) 27IBP Commercial Office Building by Q4 2025.

FINANCIAL REVIEW

The Group's construction activities have recovered strongly during this Interim Period, mainly due to most of the new projects starting at the end of 2024, and most of the projects awarded before Covid-19 pandemic were completed in last year, therefore, the gross margin was gradually improved. Completion of one acquisition resulted in a gain on bargaining purchase as expected.

Revenue and Gross Profit

The Group's revenue increased by 35.43% from approximately S\$86.86 million for the Previous Period to approximately S\$117.63 million for the Interim Period. Revenue rebounded as certain major ongoing projects were started during the Interim Period, therefore, more construction activities were carried out during the Interim Period compared with the Previous Period.

As a result, the gross profit of the Group also increased from approximately S\$3.22 million for the Previous Period to S\$6.99 million for the Interim Period, representing an approximately 117.24% surge of profit. Meanwhile, due to completion of the Pre-Covid-19 projects as compared to the Previous Period, the gross profit margin of the Group's construction business whereby raised to 5.94% for the Interim Period compared with 3.70% for the Previous Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Operating Income

Other income of the Group for the Interim Period was approximately S\$1.69 million, which was slightly higher than the Previous Period by approximately S\$240 thousand.

Other Gain/Loss

The Group completed an acquisition during the Interim Period, detail reference can be made to the announcement of the Company dated 31 May 2024. Upon completion of the acquisition, the Group engaged an independent professional valuer to appraise the fair value of its asset, the fair value is approximately at its book value. Hence, the Group recorded an one-off gain through this acquisition.

Administrative Expenses

The administrative expenses of the Group recorded an increase of approximately S\$869 thousand, mainly due to the depreciation from asset acquired.

Income Tax Expense

The Group's income tax expense was approximately S\$410 thousand for this Interim Period, the effective interest rate is lower than the statutory rate due to utilization of deferred tax.

Profit after Tax

As a result of the combined effects mentioned above, the Group recorded a net profit after tax at approximately S\$31.34 million for the Interim Period.

Dividends

The Company did not declare any dividend during the Interim Period and the Company does not recommend an interim dividend for the Interim Period.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

Liquidity

The Group's business operations depend on the sufficiency of working capital and effective cost management, in particular, competitive prices from subcontractors and suppliers as well as effective management of foreign workforce. The Group's primary uses of cash are payments to subcontractors, suppliers and manpower cost. The Group had been depending on its internally generated funds to fund its working capital needs in the past, however, with consistently lower interest rate in the current economy, the Group has started to gradually introduce low risk loan financing to the capital structure in order to achieve the optimum cost of capital. With proven track record in costs management coupled with the local regulation on construction works settlements, the Group is not expected to face any liquidity issues.

The current ratios (defined as total current assets divided by total current liabilities) of the Group were 1.63 and 1.66 as at 30 April 2025 and 31 October 2024, respectively.

Borrowings and Gearing

The Group's borrowings relate to term loans for land purchase and redevelopment of an industrial building on the land purchased on 7 Kung Chong Road of Singapore.

The gearing ratios (defined as total borrowings divided by total equity) of the Group were 12.32% and 20.91% as at 30 April 2025 and 31 October 2024 respectively and the decrease in gearing ratio was mainly due to the progressive repayment of the loan to finance the redevelopment project at 7 Kung Chong Road of Singapore.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Exchange Exposure

Most of the Group's income and expenditures are denominated in Singapore Dollars ("S\$"), being the functional currency of the Group, hence, the Group does not have any material foreign exchange exposures except a few listing compliance transactions which are denominated in Hong Kong Dollars.

As the Group's normal operations' foreign exchange exposure is minimal, the Group does not use any hedging facilities. All foreign transactions are entered into at spot rate.

Mortgage or Charges on the Group's Assets

As at 30 April 2025, the acquired land was mortgaged to secure the Group's bank loan. Besides, one of the subsidiaries of the Company, HPC Builders Pte Ltd., was also charged to the same bank for the same project as additional security.

Contingent Liabilities and Financial Guarantees

The Group was involved in a few litigation cases related to workplace injuries which was normally insured with insurance. Therefore, the Group does not expect any material contingent liabilities in the foreseeable future.

As at 30 April 2025, saved as disclosed in the paragraph headed "Mortgage or Charges on the Group's Assets", there was no financial guarantee granted in favor of third party of the Group.

Capital Expenditure and Capital Commitments

For the Interim Period, the Group's incurred capital expenditures were mainly on the acquisition of some construction equipment and fixtures, and some addition and alteration works on the existing properties.

MANAGEMENT DISCUSSION AND ANALYSIS

EVENT OCCURRING AFTER THE REPORTING PERIOD

There were no material subsequent events undertaken by the Group after the Reporting Period and up to the date of this interim report.

EMPLOYEE INFORMATION

As at 30 April 2025, the Group had 788 employees including foreign workers.

The employees of the Group are remunerated according to their job scope and responsibilities. The local employees are also entitled to discretionary bonus depending on their respective performance. The foreign workers are typically employed on an one-year basis depending on the period of their work permits and subject to renewal based on their performance and are remunerated according to their work skill levels.

Total staff costs including Directors' emoluments amounted to approximately S\$14.1 million for the Interim Period (Previous Period: S\$15.1 million).

Employees of the Group receive training depending on their department and the scope of works. Typically, the human resources department arranges for employees to attend trainings from time to time, especially relating to workplace health and safety.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

The Building and Construction Authority (BCA) forecasts total construction demand to reach between S\$47 billion and S\$53 billion in nominal terms for 2025. When adjusted for inflation, the projected demand ranges from S\$35 billion to S\$39 billion in real terms, reflecting an increase of 0.3% to 11.7% as compared to pre-pandemic (2019) levels. This robust demand is driven by several large-scale developments, including Changi Airport Terminal 5 (T5) and the expansion of Marina Bay Sands Integrated Resort, as well as ongoing public housing projects and upgrading works. Additional key contributors include high-specification industrial buildings, educational and healthcare facility developments, mechanical and engineering (M&E) contracts for the Thomson-East Coast Line Extension (TEL) and Cross Island Line (CRL), infrastructure projects such as the Woodlands Checkpoint extension and Tuas Port development. (Refer to BCA| Construction Demand to Remain Strong For 2025| Thursday, 23 January 2025)

The sustained strength of Singapore's construction sector is supported by an impressive pipeline of large-scale developments across both public and private domains. Major projects expected to be awarded in 2025 will serve as key catalysts for industry growth like Changi Airport Terminal 5 (T5), Marina Bay Sands Expansion, Public Housing & Estate Upgrading, High-Specification Industrial Facilities, Educational & Healthcare Infrastructure, Mass Rapid Transit (MRT) Expansions, Woodlands Checkpoint Expansion and Tuas Port Development.

This diverse project pipeline ensures resilient demand across multiple construction segments, from civil engineering to specialized building works. The public sector remains the primary driver, while the private investments in hospitality, industrial and commercial developments provide balanced growth. Singapore's construction outlook for 2025 remains strong and well-diversified, supported by landmark projects that enhance infrastructure, economic competitiveness, and liveability. Contractors and consultants with expertise in large-scale civil works, smart buildings, and sustainable construction will find significant opportunities in the year ahead.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is poised to achieve another significant milestone with the upcoming completion of three major projects in 2025, in order to reinforce our reputation as a trusted partner in process systems, cleanroom facilities, and pharmaceutical construction. These successes have positioned us favourably to secure future opportunities in these high-value sectors. To be deliver projects for XDC and STA, enhancing our credentials in pharmaceutical construction and new @NanoSpace process and cleanroom project for JTC, establishing a strong track record in precision engineering environments. These accomplishments unlock new tender opportunities and expand our presence in specialized construction segments across Singapore.

Strategically venturing into land optimization and development, collaborating with marketing agencies and maximizing location advantages. This initiative allows the Group to broaden our business model while capitalizing on Singapore's evolving real estate demands. Partnering with leading logistics property developers to deliver green-field warehouses with cold-room facilities. Rising demand for high-specification logistics space with now nearing full occupancy has created spillover demand, presenting further growth potential.

Despite a healthy order book, the Group continues to navigate margin pressures from elevated material costs, labour expenses, and intense industry competition. A disciplined tender strategy, prioritizing sustainable growth over aggressive bidding to maintain profitability. The management remains committed to selective project acquisition, focusing on higher-margin opportunities, operational excellence and ensuring resilience in volatile market conditions.

With a proven track record, diversified portfolio, and prudent financial management, the Group is well-positioned to thrive in Singapore's competitive construction landscape while exploring new avenues for long-term growth.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE OPTION SCHEME

The Group has adopted a share option scheme pursuant to which the Company may grant options to eligible persons. The maximum number of shares which may be issued upon exercise of all options to be granted under the scheme and any other schemes of the Group shall not in aggregate exceed 160,000,000 shares, being 10% of the Company's shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**SEHK**") on 11 May 2018.

No share options were granted, exercised, cancelled, lapsed or outstanding for the Interim Period.

As at 1 October 2024 and up to the date of this interim report, the total number of shares available for issue under the share option scheme was 160,000,000 shares, which represent approximately 10% of the Company's issued share capital.

CORPORATE GOVERNANCE AND OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in the Appendix C3 of the Rules Governing the Listing of Securities on the SEHK (the “**Listing Rules**”) as code of conduct regarding directors’ securities transactions. Having made specific enquiry, all Directors have confirmed that they have complied with the Model Code throughout the Interim Period.

CORPORATE GOVERNANCE

The Company is committed to fulfilling its responsibilities to the shareholders of the Company (“**Shareholders**”) and protecting and enhancing the Shareholders’ value through good corporate governance. The Directors recognize the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

The Company has adopted and complied with all the mandatory disclosure requirements and the applicable code provisions as set out in the section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules during the Interim Period with the exception of code provision C.2.1.

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive shall be separated and shall not be performed by the same individual. Mr. Wang Yingde currently holds both positions. Throughout the business history, Mr. Wang Yingde has held the key leadership position of the Group and has been deeply involved in the formulation of corporate strategies and management of business and operations of the Group. Taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Directors (including independent non-executive Directors) consider that Mr. Wang Yingde is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and the Shareholders as a whole.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 19 April 2018 with written terms of reference in compliance with the CG Code. The written terms of reference of the Audit Committee was further updated on 15 December 2023 and are published on the respective websites of the SEHK and the Company. Currently, it comprised of three independent non-executive Directors, namely, Mr. Leung Wai Yip (Chairman), Mr. Gng Hoon Liang and Ms. Chen Liping.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control procedures and financial reporting matters including the review of the Group's unaudited interim condensed consolidated financial statements for the Interim Period. The Audit Committee is of the view that the unaudited interim consolidated financial statements for the Interim Period have been prepared in accordance with the applicable standards, the Listing Rules and the statutory provisions and sufficient disclosures have been made.

The Company's auditor, McMillan Woods (Hong Kong) CPA limited, has reviewed the unaudited interim financial information of the Group for the Interim Period in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 April 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) which would have to be notified to the Company and the SEHK under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or which would be required pursuant to section 352 of the SFO to be entered in the register as referred to therein, or otherwise required to be notified to the Company and the SEHK pursuant to Model Code, are as follows:

Interests in the Company

Name of Director	Capacity/ nature of interest	Number of shares held	Long position/ short position	Approximately percentage of shares in issue (Note (iii))
Mr. Wang Yingde	Interest in controlled operation (Note (i))	660,000,000	Long position	41.25%
Mr. Shi Jianhua	Interest in controlled operation (Note (iii))	540,000,000	Long position	33.75%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (i) The 660,000,000 shares are held by Tower Point Global Limited ("**Tower Point**"), which is wholly and beneficially owned by Mr. Wang Yingde. By virtue of the SFO, Mr. Wang Yingde is deemed to be interested in all the shares held by Tower Point.
- (ii) The 540,000,000 shares are held by Creative Value Investments Limited ("**Creative Value**"), which is wholly and beneficially owned by Mr. Shi Jianhua. By virtue of the SFO, Mr. Shi Jianhua is deemed to be interested in all the shares held by Creative Value.
- (iii) Based on a total of 1,600,000,000 shares of the Company as at 30 April 2025.

Save as disclosed above, as at 30 April 2025, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which was required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which was required, pursuant to the Model Code, to be notified to the Company and the SEHK.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 April 2025, so far as is known to any Director or chief executive of the Company, the persons (other than Director or chief executive of the Company) or corporations who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

CORPORATE GOVERNANCE AND OTHER INFORMATION

Interests in the Company

Name of Shareholder	Capacity/ nature of interest	Number of shares held	Long position/ short position	Approximately percentage of shares in issue (Note (iii))
Tower Point	Beneficial owner (Note (i))	660,000,000	Long position	41.25%
Creative Value	Beneficial owner (Note (ii))	540,000,000	Long position	33.75%

Notes:

- (i) The 660,000,000 shares are held by Tower Point, which is wholly and beneficially owned by Mr. Wang Yingde, the executive Director.
- (ii) The 540,000,000 shares are held by Creative Value, which is wholly and beneficially owned by Mr. Shi Jianhua, the executive Director.
- (iii) Based on a total of 1,600,000,000 shares of the Company as at 30 April 2025.

Save as disclosed above, as at 30 April 2025, the Directors and the chief executive of the Company are not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

During the Interim Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any).

As at 30 April 2025, the Company did not hold any treasury shares.

CHANGE OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

There is no change in the Director's information required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules subsequent to the date of the annual report of the Company for the year ended 31 October 2024 and up to the date of this interim report.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 April 2025

To the Members of HPC Holdings Limited

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of HPC Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) which comprise the interim condensed consolidated statement of financial position as at 30 April 2025 and the interim condensed consolidated statements of comprehensive income, changes in equity, and cash flows for the six months then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”). The directors of the Company are responsible for the preparation and presentation of these interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on these interim financial statements based on our review. 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.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 April 2025

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

Wong Ka Bo, Jimmy

Audit Engagement Director

Practicing Certificate Number P07560

24/F., Siu On Centre, 188 Lockhart Road,
Wanchai, Hong Kong

30 June 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Ended 30 April 2025

Six months ended 30 April			
	Notes	2025 \$'000 (Unaudited)	2024 \$'000 (Unaudited)
Revenue	4	117,632	86,859
Cost of sales		(110,646)	(83,643)
Gross profit		6,986	3,216
Other operating income	4	1,696	1,459
Administrative expenses		(4,449)	(3,580)
Other income, net		–	187
Other gain/loss	4	27,351	–
Finance income		451	449
Finance costs		(283)	(376)
Profit before tax	5	31,752	1,355
Income tax (expense)/credit	6	(410)	(711)
Profit for the period, representing total comprehensive income for the period		31,342	644
Total comprehensive income attributable to:			
Owners of the Company		31,380	644
Non-controlling interests		(38)	–
		31,342	644
Earnings per share for profit attributable to owners of the Company			
– Basic (expressed in Singapore cents per share)	7	1.96	0.04
– Diluted (expressed in Singapore cents per share)	7	1.96	0.04

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

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 April 2025

		Group	
		30 April 2025	31 October 2024
	<i>Notes</i>	\$'000 (Unaudited)	\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	76,704	34,028
Deferred tax assets	3	5,931	5,979
Retention receivables	10	–	5,836
		82,635	45,843
Current assets			
Trade receivables	10	25,782	27,540
Other receivables, deposits and prepayments	11	8,384	6,796
Contract assets	12	50,676	31,411
Investment in marketable securities	13	956	975
Bank deposit		–	2,126
Cash and cash equivalents	14	51,902	43,711
		137,700	112,559
Total assets		220,335	158,402
EQUITY AND LIABILITIES			
Current liabilities			
Trade and retention payables	15	59,391	44,060
Other payables and accruals	15	5,055	6,675
Provisions	17	5,679	6,551
Contract liabilities	12	11,974	8,499
Lease liabilities	16	–	91
Borrowings	18	1,334	1,334
Current income tax payable		914	689
		84,347	67,899
Net current assets		53,353	44,660

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 30 April 2025

		Group	
		30 April 2025	31 October 2024
		\$'000	\$'000
		(Unaudited)	(Audited)
		<i>Notes</i>	
Non-current liabilities			
Retention payables	15	2,182	1,590
Other payables		1,120	–
Lease liabilities	16	–	60
Borrowings	18	12,372	13,040
		15,674	14,690
Total liabilities		100,021	82,589
Equity attributable to owners of the Company			
Share capital	19	2,725	2,725
Share premium	19	69,777	69,777
Capital reserves	20	(30,614)	(30,624)
Retained profits		65,315	33,935
		107,203	75,813
Non-controlling interests		13,111	–
Total equity		120,314	75,813
Total equity and liabilities		220,335	158,402

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 30 April 2025

Attributable to owners of the Company							
	Share capital	Share premium	Capital reserves	Retained profits	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
At 1 November 2023 (audited)	2,725	69,777	(26,972)	42,420	87,950	(436)	87,514
Profit for the period, representing total comprehensive income for the period	-	-	-	644	644	-	644
Acquisition of non-controlling interests	-	-	(3,216)	(436)	(3,652)	436	(3,216)
At 30 April 2024 (unaudited)	2,725	69,777	(30,188)	42,628	84,942	-	84,942
At 1 November 2024 (audited)	2,725	69,777	(30,624)	33,935	75,813	-	75,813
Profit for the period, representing total comprehensive income for the period	-	-	-	31,380	31,380	(38)	31,342
Reclassification:	-	-	10	-	10	-	10
Acquisition of subsidiary:	-	-	-	-	-	13,149	13,149
At 30 April 2025 (unaudited)	2,725	69,777	(30,614)	65,315	107,203	13,111	120,314

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Six Months Ended 30 April 2025

	Six months ended 30 April	
	2025	2024
	\$'000	\$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit/(loss) before tax	31,752	1,355
Adjustments for:		
Depreciation of property, plant and equipment	1,818	936
Depreciation of investment properties	–	–
Gain on disposal of property, plant and equipment	–	(102)
Fair value (gain)/loss on investment in marketable securities	18	(88)
Gain/loss on other investments	(27,381)	–
Net unrealised foreign exchange loss	8	1
Interest expense	283	376
Interest income	(452)	(449)
Government grant	(45)	(33)
Provision for onerous contracts	(872)	(3,489)
Impairment loss on financial assets	–	–
Operating cash flows before changes in working capital	5,129	(1,493)
Changes in working capital:		
– Net decrease/(increase) in contract balances	(16,452)	398
– (Increase)/decrease in trade receivables	(11,842)	12,028
– Increase in other receivables, deposits and prepayments	(8,826)	333
– Increase/(decrease) in trade and retention payable	43,964	(7,477)
– Decrease in other payables and accruals	(2,400)	(3,739)
Cash generated from operations	9,573	50
Interest paid	(283)	(376)
Interest received	452	449
Income tax paid	(136)	(1,183)
Government grants	45	33

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

For the Six Months Ended 30 April 2025

	Six months ended 30 April	
	2025	2024
	\$'000	\$'000
	(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities	9,651	(1,027)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	–	102
Purchase of property, plant and equipment	(394)	(6)
Investment in marketable securities	–	–
Acquisition of equity interest	(3,485)	(3,216)
Net cash used in investing activities	(3,879)	(3,120)
Cash flows from financing activities		
Net (repayment of)/proceeds from bank borrowings	(667)	(667)
Net Borrowing	1,119	–
Repayment of lease liabilities	(151)	(48)
Net cash generated from/(used in) financing activities	301	(715)
Net increase/(decrease) in cash and cash equivalents	6,073	(4,862)
Effect of exchange rate changes on cash and cash equivalents	(8)	(9)
Cash and cash equivalents at beginning of the period	45,837	47,330
Cash and cash equivalents at end of the period	51,902	42,467

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 April 2025

1. Corporate information

HPC Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 October 2016 as an exempted company with limited liability under the Companies Law of the Cayman Islands and is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at 7 Kung Chong Road, HPC BUILDING, Level 6, Singapore 159144.

The principal activity of the Company is investment holding. During the financial period, the Company’s subsidiaries were principally engaged in the following principal activities:

- (i) General contractors;
- (ii) Engineering design and consultancy services; and
- (iii) Investment holding.

2. Summary of significant accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group for the six months ended 30 April 2025 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“**IAS 34**”).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 October 2024.

The interim condensed consolidated financial statements are presented in Singapore dollars (\$) and all values are rounded to the nearest thousand (\$’000) except when otherwise indicated.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

2. Summary of significant accounting policies (continued)

2.2 New standards, interpretations and amendment adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 October 2024, except for the adoption of new standards effective as of 1 November 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

For the current period, the Group has applied all the new and revised International Financial Reporting Standard (“IFRSs”) as well as amendments to and interpretation of IFRSs that are relevant to its operations and effective for the financial periods beginning on or after 1 November 2024. These applications do not have a material impact on the interim condensed consolidated financial statements of the Group.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IAS 21: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to IFRS 10 and IAS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Available for optional adoption/effective date deferred indefinitely

The directors expect that the adoption of the standards above will have no material impact on the condensed consolidated financial statements in the year of initial application.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

3. Segment information

The executive directors are the Group's chief operating decision-makers. Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions, allocate resources and assess performance. The executive directors consider the business from business segment perspective.

The Group is organised into two reportable segments, namely:

- (a) General building construction: Relates to the design and build projects of warehouses and other industrial or commercial buildings; and
- (b) Civil engineering: Relates to the construction of public infrastructures such as train stations, tunnel, railway and express way.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the Group's executive directors. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of segments relative to other entities that operate within these industries.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

3. Segment information (continued)

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. There are no transfers between operating segments included in segment revenue, expenses and results.

Capital expenditure comprises additions to property, plant and equipment. Group financing (including finance costs), income taxes and investment properties are managed on a group basis and are not allocated to operating segments.

The segment information provided to the Group's executive directors for the reportable segments for the six months ended 30 April 2025 and 30 April 2024 are as follows:

	General building construction \$'000	Civil engineering \$'000	Total \$'000
Six months ended			
30 April 2025 (Unaudited)			
Total segment revenue to external customers	113,193	4,439	117,632
Gross profit	6,817	169	6,986
Segment assets	71,854	4,604	76,458
Segment liabilities	75,471	3,755	79,226

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

3. Segment information (continued)

Allocation basis and transfer pricing (continued)

	General building construction \$'000	Civil engineering \$'000	Total \$'000
Six months ended 30 April 2024 (Unaudited)			
Total segment revenue to external customers	79,907	6,592	86,859
Gross profit	2,904	312	3,216
Segment assets	69,034	5,666	74,700
Segment liabilities	46,972	3,482	50,454

Reconciliations

(i) Segment profits

A reconciliation of gross profit to profit before income tax is as follows:

	Six months ended 30 April	
	2025 \$'000 (Unaudited)	2024 \$'000 (Unaudited)
Gross profit for reportable segments	6,986	3,216
Other operating income	1,696	1,459
Other gain/loss	27,351	187
Administrative expenses	(4,449)	(3,580)
Finance income	451	449
Finance costs	(283)	(376)
Profit before tax	31,752	1,355

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

3. Segment information (continued)

Reconciliations (continued)

(ii) Segment assets

The amounts reported to the executive directors with respect to total assets are measured in a manner consistent with that of the consolidated financial statements as at 31 October 2024. Segment assets exclude unallocated head office assets and non-construction assets as these assets are managed on a group basis.

Segment assets are reconciled to total assets as follows:

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Segment assets for reportable segments	76,458	64,787
Unallocated:		
Property, plant and equipment	76,704	34,028
Deferred tax assets	5,931	5,979
Other receivables, deposits and prepayments	8,384	6,796
Cash and cash equivalents	51,902	45,837
Investment in marketable securities	956	975
	220,335	158,402

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

3. Segment information (continued)

Reconciliations (continued)

(iii) Segment liabilities

The amounts reported to the executive directors with respect to total liabilities are measured in a manner consistent with that of the consolidated financial statements as at 31 October 2024. Segment liabilities exclude unallocated head office liabilities as these liabilities are managed on a group basis.

Segment liabilities are reconciled to total liabilities as follows:

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Segment liabilities for reportable segments	79,226	60,700
Unallocated:		
Lease liabilities	–	151
Other payables and accruals	6,175	6,675
Borrowings	13,706	14,374
Current income tax payable	914	689
	100,021	82,589

All of the Group's activities are carried out in Singapore and all of the Group's assets are located in Singapore. Accordingly, no analysis by geographical basis is presented.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

4. Revenue, other operating income and other gain/loss

	Six months ended 30 April	
	2025	2024
	\$'000	\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Construction contract revenue	117,632	86,859

Revenue from contracts with customers are derived from Singapore and are recognised over time.

Disaggregation of revenue

	Six months ended 30 April	
	2025	2024
	\$'000	\$'000
	(Unaudited)	(Unaudited)
By project sector		
Public sector	16,213	31,280
Private sector	101,419	55,579
	117,632	86,859

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

4. Revenue, other operating income and other gain/loss (continued)

Disaggregation of revenue (continued)

	Six months ended 30 April	
	2025	2024
	\$'000	\$'000
	(Unaudited)	(Unaudited)
Government grants*	45	33
Sales of scrap materials	63	214
Others	1,588	1,212
Other operating income	1,696	1,459

* Government grants were received by certain subsidiaries in connection with employment of Singaporean employee under Wages Credit Scheme (WCS) & some leave benefits. There were no unfulfilled conditions or contingencies relating to these grants.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

4. Revenue, other operating income and other gain/loss (continued)

Gain through acquisition of subsidiary

Recognised amounts of identifiable assets acquired and liabilities assumed	At Fair Value
Property, plant and equipment	44,100
Total Assets:	44,100
Trade and other Payable	272
Total Liabilities:	272
Total Identifiable Net Asset	43,828
Consideration Transferred for the business	(3,298)
Gain on Bargain Purchase -100%	40,530
NCI	13,149
Gain on Bargain Purchase (P&L)	27,381
Other operating gain/loss	(30)
Total Gain/Loss	27,351

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

5. Profit before tax

The following items have been included in arriving at profit before tax:

	Six months ended 30 April	
	2025	2024
	\$'000	\$'000
	(Unaudited)	(Unaudited)
Auditors' remuneration:		
– auditor of the Company	–	85
Materials, sub-contractors and other		
construction costs	98,656	70,834
Depreciation of property, plant and equipment	1,818	936
Employee compensation	14,090	15,134
Operating lease rentals*	(109)	(88)
Entertainment and transportation	121	137
Professional fees	184	185
Impairment losses on financial assets	–	–
Fair value loss/(gain) on investment		
on marketable securities	18	(88)
Fair value loss/(gain) on investment		
on private equity	(27,381)	–

* Operating lease rentals relate to rental income arising from short-term lease entered into by the Group for its office premise.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

6. Income tax expense/(credit)

Major components of income tax expense/(credit)

The major components of income tax expense/(credit) for the six months ended 30 April 2025 and 30 April 2024 are:

	Six months ended 30 April	
	2025	2024
	\$'000	\$'000
	(Unaudited)	(Unaudited)
Current income tax	362	167
Deferred income tax	48	547
Over provision in respect of previous years	–	(3)
Income tax expense/(credit) recognised in profit or loss	410	711

Singapore profits tax has been provided on the estimated assessable profits arising in Singapore at a rate of 17% in 2025. No provision for profits tax has been made in other countries/jurisdictions in which the Group operates as the Group did not generate any assessable profits arising in other countries/jurisdictions during the six months ended 30 April 2025 and 30 April 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

7. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The diluted earnings per share are the same as the basic earnings per share as there are no dilutive potential ordinary share.

	Six months ended 30 April	
	2025	2024
	\$'000	\$'000
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	31,380	644

	No. of shares	
	30 April 2025	30 April 2024
Weighted average number of ordinary shares on issue applicable to basic and diluted earnings per share (in thousands)	1,600,000	1,600,000
Basic and diluted earnings per share (cents)	1.96	0.04

8. Dividends

No dividends were declared during the six months ended 30 April 2025 and 30 April 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

9. Property, plant and equipment

	Computers \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Leasehold land and building under construction \$'000	Leasehold land and building \$'000	Total \$'000
(Audited)								
Cost:								
At 1 November 2024	1,422	2,284	2,178	2,545	62	513	34,363	43,367
Additions	93	19	–	151	–	131	–	394
Disposals	–	–	–	–	–	–	–	–
Addition through acquisition of subsidiary	–	–	–	–	–	–	44,100	44,100
At 30 April 2025	1,515	2,303	2,178	2,696	62	644	78,463	87,861
Accumulated depreciation:								
At 1 November 2024	1,291	1,459	1,497	2,317	61	–	2,714	9,339
Depreciation for the period	40	223	80	59	–	22	1,394	1,818
Disposals	–	–	–	–	–	–	–	–
Transfer	–	–	–	–	–	–	–	–
At 30 April 2025	1,331	1,682	1,577	2,376	61	22	4,108	11,157
Net carrying amount:								
At 30 April 2025	184	621	601	320	1	622	74,355	76,704

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

9. Property, plant and equipment (continued)

	Computers \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Leasehold land and building under construction \$'000	Leasehold land and building \$'000	Total \$'000
(Unaudited)								
Cost:								
At 1 November 2023	1,284	1,440	2,179	2,288	60	5,852	28,566	41,669
Additions	107	277	117	55	–	78	(628)	6
Disposals	–	–	–	–	–	–	–	–
Transfer	–	490	–	–	–	–	(490)	–
At 30 April 2024	1,391	2,207	2,296	2,343	60	5,930	27,448	41,675
Accumulated depreciation:								
At 1 November 2023	1,214	990	1,460	2,253	60	48	1,545	7,570
Depreciation for the period	44	238	75	24	–	148	407	936
Disposals	–	–	–	–	–	–	–	–
Transfer	–	–	–	–	–	–	–	–
At 30 April 2024	1,258	1,228	1,535	2,277	60	196	1,952	8,506
Net carrying amount:								
At 30 April 2024	133	979	761	66	–	5,734	25,496	33,169

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

9. Property, plant and equipment (continued)

Capitalisation of borrowing costs

The Group's leasehold land and building include borrowing costs arising from bank loan borrowed specifically for the purpose of the construction of the leasehold building. During the six months ended 30 April 2025, no borrowing costs capitalised as the building was completed on January 2023. The rate used to determine the amount of borrowing costs eligible for capitalisation was 4.6% to 5.6% per annum, which is the effective interest rate of the specific borrowing (Note 18).

Assets pledged as security

The Group's leasehold land and building with a carrying amount of \$23,984,000 (31 October 2024: \$24,395,000) are mortgaged to secure the Group's bank loan.

10. Trade receivables

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Current		
– Trade receivables	45,207	52,801
Bad debt	(19,425)	(19,425)
	25,782	33,376

* Included in trade receivables is retention receivables of \$729,480 and \$8,820,800 as at 30 April 2025 and 31 October 2024 respectively. Retention receivables will be settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion, the expiry of the defect liability period or a pre-agreed time period.

The carrying amounts of current trade receivables approximate their fair values.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

10. Trade receivables (continued)

Trade receivables

Trade receivables are non-interest bearing and are generally on 35 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
– Less than 3 months	17,937	18,647
– 3 to 6 months	2,320	3,764
– Over 6 months to 1 year	3,246	595
– More than 1 year	1,549	1,549
	25,052	24,555

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Except for the bad debt of \$19,425,000 (31 October 2024: \$19,425,000), which was previously classified as provision and turned into bad debt eventually, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable. The Group did not hold any collateral over these balances.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

10. Trade receivables (continued)

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to \$13,889,000 (31 October 2024: \$11,068,000) as at 30 April 2024 that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period are as follows:

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Trade receivables past due but not impaired:		
– Past due less than 3 months	6,838	2,966
– Past due 3 to 6 months	2,467	2,995
– Past due more than 6 months to 1 year	2,500	595
– Past due more than 1 year	2,084	4,512
	13,889	11,068

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

11. Other receivables, deposits and prepayments

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Deposits	4,990	4,775
Prepayments	273	280
Other receivables		
– Related parties	346	91
– Non-related parties	2,775	1,650
	8,384	6,796

Deposits include deposits paid in respect of office leases and tenders as well as those in connection with professional services and construction projects. Prepayments mostly relate to workers accommodation.

Other receivables mainly due to a short-term loan receivable, and relate to employee loans, our employee loans which are interest free are approved by directors. The loans are only granted to employees (excluding directors and senior management) who have worked for more than 5 years, have good performance record and are willing to maintain a long working relationship with the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

12. Contract assets/liabilities

Information about contract assets and contract liabilities from contracts with customers are disclosed as follows:

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)	1 November 2023 \$'000 (Audited)
<i>Construction contracts:</i>			
Trade receivables	25,782	33,376	40,525
Contract assets	50,676	31,411	50,607
Contract liabilities	11,974	8,499	4,914

Contract assets primarily relates to the Group's right to consideration for work completed but not yet billed at reporting date arising from construction contracts. Contract assets are transferred to receivables when the rights become unconditional.

Included within contract assets and contract liabilities is an amount of \$34,047,000 (31 October 2024: \$26,234,000) which relate to amounts withheld (up to 5% of the contract sum) under contractual terms from amount receivables from customers as the construction work progresses. The monies are generally released from the customers upon the certification of completion of work and/or finalisation of contract accounts, which is typically 12 to 18 months after the physical completion of the project. As these amounts are expected to be realised in the normal operating cycle, they are classified as current asset.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers from construction contracts. Contract liabilities are recognised as revenue as the Group performs under the contract.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

12. Contract assets/liabilities (continued)

- (i) Significant changes in contract assets are explained as follows:

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Contract asset reclassified to receivables	(13,601)	(33,537)
Right to consideration for work completed but not yet billed	32,866	(14,341)

- (ii) Significant changes in contract liabilities are explained as follows:

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Revenue recognised that was included in the contract liability balance at the beginning of the period/year	2,185	2,303
Advance received from customers	(5,660)	(5,888)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

12. Contract assets/liabilities (continued)

(iii) Unsatisfied performance obligations

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
<i>Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 30 April 2025 and 31 October 2024</i>		
Construction contracts		
Within one year	221,655	247,449
More than one year	849,502	448,300
	1,071,157	695,749

The amount disclosed above does not include variable consideration which is subject to significant risk of reversal.

13. Investment in marketable securities

The investment in marketable securities, which are made up of investments in listed equity shares, is measured at fair value through profit or loss. Fair values of these equity shares are determined by reference to published price quotations in an active market.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

14. Cash and cash equivalents

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Cash at banks	21,123	23,016
Short-term bank deposits	30,779	20,695
Cash and cash equivalents in the consolidated statement of cash flows	51,902	43,711
Bank deposit	–	2,126
	51,902	45,837

The carrying amounts of cash and cash equivalents denominated in United States Dollars and Hong Kong Dollars amounted to \$344,000 (31 October 2024: \$380,000) and \$278,000 (31 October 2024: \$144,000), respectively. The remaining balances are denominated in Singapore Dollars.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of not more than three months depending on the immediate cash requirement of the Group and earn interests at respective short-term deposit rates.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

15. Trade and retention payables and other payables

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Current		
Trade payables	37,006	15,514
Retention payables	18,612	18,726
Accrued construction costs	3,773	9,820
	59,391	44,060
Deposits	211	207
Accrued expenses	350	2,205
Goods and services tax payables	1,049	1,121
Other payables	3,445	3,142
Total other payables and accruals	5,055	6,675
Non-current		
Retention payables	2,182	1,590
Total other payables	7,237	8,265

The carrying amounts of current trade, retention and other payables approximate their fair values.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

15. Trade and retention payables and other payables (continued)

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

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
– Less than 3 months	36,040	15,095
– 3 to 6 months	641	161
– Over 6 months to 1 year	163	193
– More than 1 year	162	65
	37,006	15,514

The average credit period granted by the contractors and suppliers approximate 35 days.

Retention payables were not yet past due as at 30 April 2025 and 31 October 2024 and will be settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion, the expiry of the defect liability period or a pre-agreed time period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

16. Leases

Before 30 April 2025, the Group has lease contracts relating to land and motor vehicles, but all lease contracts relating to motor vehicles were completed during the year. The Group also has certain leases of office premise with lease term of 12 months or less. The Group applies the “short-term lease” recognition exemptions for these leases.

Carrying amount of right-of-use assets classified within property, plant and equipment

	Motor vehicles \$'000	Leasehold land \$'000	Total \$'000
(Unaudited)			
As at 1 November 2024	490	18,715	19,205
Lease completion	(490)	–	(490)
Depreciation	–	(387)	(387)
As at 30 April 2024	–	18,328	18,328
(Audited)			
As at 1 November 2023	597	19,472	20,069
Depreciation	(107)	(757)	(864)
As at 31 October 2024	490	18,715	19,205

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

16. Leases (continued)

Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 18.

Amounts recognised in statement of comprehensive income

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Depreciation of right-of-use assets	387	864
Interest expense on lease liabilities	3	15
Expenses relating to short term leases (included in other expenses)	–	3
	390	882

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

17. Provisions

Provision for onerous contracts

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Balance at beginning	6,551	5,884
(Utilised) during the period/year	(872)	667
	5,679	6,551

During the period, the Group utilised \$872,000 (31 October 2024: provided \$667,000) for the unavoidable costs of fulfilling certain fixed price construction contracts with customers that were in excess of the economic benefits expected to be received under the contracts. The provision for the onerous contracts is expected to be utilised by the end of the contract terms.

The above provision has not been discounted as the effect of discounting is not significant.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

18. Borrowings

		30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
	Maturity		
Current			
SGD bank loan	2035	1,334	1,334
Non-current			
SGD bank loan	2035	12,372	13,040

SGD bank loan

The loan which matures on 2035 is repayable over 180 monthly instalments commencing on 10 June 2019 and the effective interest rates for the loans ranged from 3.37% to 4.45% (31 October 2024: 4.26% to 5.35%).

The loan is secured by first mortgage over certain property (Note 9) of the Group, corporate guarantee provided by a wholly-owned subsidiary of the Group, HPC Builders Pte. Ltd. and personal guarantees provided by the executive directors of the Group.

The loan includes a financial covenant which requires the Group to maintain a security margin, defined as a percentage of outstanding borrowings over gross development value of the secured property, of less than 80% upon the Group obtaining Temporary Occupation Permit on the secured property.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

18. Borrowings (continued)

Changes in liabilities arising from financing activities

	1 November 2023 \$'000	Cash inflows \$'000	Cash outflows \$'000	Others* \$'000	30 April 2024 \$'000
(Unaudited)					
Borrowings					
– Current	1,334	–	(667)	667	1,334
– Non-current	14,374	–	–	(667)	13,707
Lease liabilities					
– Current	93	–	(48)	46	91
– Non-current	151	–	–	(46)	105
Amount owing to shareholders (non-current)	2,524	–	–	–	2,524
	18,476	–	(715)	–	17,761

* Others pertains to reclassification between current and non-current during the period

	1 November 2024 \$'000	Cash inflows \$'000	Cash outflows \$'000	Others* \$'000	30 April 2025 \$'000
(Unaudited)					
Borrowings					
– Current	1,334	–	(667)	667	1,334
– Non-current	13,040	–	–	(667)	12,373
Lease liabilities					
– Current	91	–	(91)	–	–
– Non-current	60	–	(60)	–	–
Amount owing to non-controlling	–	–	–	–	–
	14,525	–	(818)	–	13,707

* Others pertains to reclassification between current and non-current and termination of leases during the period

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

19. Share capital and share premium

Authorised ordinary shares

	Number of shares '000	Share capital HK\$'000
As at 31 October 2024 and 30 April 2025	10,000,000	100,000

Ordinary shares

	Number of shares issued and fully paid '000	Share capital \$'000	Share premium \$'000
As at 31 October 2024 and 30 April 2025	1,600,000	2,725	69,777

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (except treasury shares, if any) carry one vote per share without restrictions. According to the constitutional document of the Company, the par value of each share is HK\$0.01.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

20. Capital reserves

Capital reserves of the Group includes:

- Capital contribution by a shareholder arising from the acquisition of a subsidiary, DHC Construction Pte. Ltd. during the financial year ended 31 October 2017;
- The difference between the consideration paid for the acquisition of HPC Builders Pte. Ltd. ("**HPCB**") and the share capital of HPCB arising from the reorganisation exercise undertaken by the Group during the financial year ended 31 October 2017; and
- Additional investment to acquire the remaining 49% equity interest of a subsidiary.

21. Related party disclosures

There are no material related party transactions apart from those disclosed elsewhere in the condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

22. Fair value of assets and liabilities

Trade receivables (Note 10), other receivables and deposits (Note 11), investment in marketable securities (Note 13), cash and cash equivalents (Note 14), trade and retentions payable (current) (Note 15), and other payables and accruals (current) (Note 15)

The carrying amounts of the above financial assets and liabilities are reasonable approximation of their fair values due to their short maturities.

Borrowings (Note 18)

The carrying amounts of the above financial assets and liabilities are reasonable approximation of their fair values as the interest rate approximates the market interest rate prevailing at the financial period end.

Trade payables (non-current) (Note 15), and other payables (non-current) (Note 15)

The carrying amounts of these financial liabilities are reasonable approximations of their fair values as the present value differential is not significant.

Financial instruments by category

The aggregate carrying amounts of financial assets and financial liabilities at amortised cost are as follows:

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Financial assets at amortised cost	86,068	85,729
Financial liabilities at amortised cost	81,454	65,578

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 30 April 2025

22. Fair value of assets and liabilities (continued)

Financial instruments by category (continued)

The following table provides the fair value measurement hierarchy of the Group’s financial asset as at 30 April 2025 and 31 October 2024:

	30 April 2025 \$'000 (Unaudited)	31 October 2024 \$'000 (Audited)
Financial assets measured at fair value		
<i>Quoted equity investments</i>		
Investment in marketable securities (Level 1 – quoted prices in active markets)	956	975

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities. Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

23. Authorisation of interim condensed consolidated financial statements for issue

The condensed consolidated financial statements for the six months ended 30 April 2025 were authorised for issue by the Board of Directors on 30 June 2025.