

# 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

# 2025

## INTERIM REPORT



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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)*  
Mr. Kwan Mei Kam  
Mr. Chou Sean Yu  
Dr. Wu Dongqing  
Mr. Fong Heng Boo

### Nomination Committee

Mr. Kwan Mei Kam *(Chairman)*  
Ms. Kwan Shu Ming  
Dr. Wu Dongqing  
Mr. Lim Ah Lay  
Mr. Fong Heng Boo  
*(appointed 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





# CORPORATE INFORMATION

## 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

## 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 BANKS

Overseas-Chinese Banking Corporation Limited

## COMPANY'S WEBSITE

[www.kwanyong.com.sg](http://www.kwanyong.com.sg)

## STOCK CODE

9998

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

For the six months ended 31 December 2025

		<b>Six months ended 31 December</b>	
		<b>2025</b>	2024
		<b>SGD'000</b>	SGD'000
		<b>(Unaudited)</b>	(Unaudited)
	Note		
<b>Revenue</b>	6	<b>117,947</b>	105,900
Cost of sales		<b>(105,535)</b>	(99,532)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>12,412</b>	6,368
Other income and gain	7	<b>1,161</b>	1,120
Administrative expenses		<b>(5,143)</b>	(5,425)
Finance costs	8	<b>(70)</b>	(94)
		<hr/>	<hr/>
<b>Profit before tax</b>	9	<b>8,360</b>	1,969
Income tax (expense)/credit	10	<b>(1,455)</b>	7
		<hr/>	<hr/>
<b>Profit for the period attributable to shareholders of the Company</b>		<b>6,905</b>	1,976
		<hr/>	<hr/>
<b>Other comprehensive income</b>			
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		<b>3</b>	38
		<hr/>	<hr/>
<b>Other comprehensive income for the period, net of tax</b>		<b>3</b>	38
		<hr/>	<hr/>
<b>Total comprehensive income for the period attributable to shareholders of the Company</b>		<b>6,908</b>	2,014
		<hr/> <hr/>	<hr/> <hr/>
<b>Basic and diluted earnings per share (cents)</b>	12	<b>0.86</b>	0.25
		<hr/> <hr/>	<hr/> <hr/>

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	31 December 2025 SGD'000 (Unaudited)	30 June 2025 SGD'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	17,225	17,597
Investment properties		1,733	1,748
Equity investments at fair value through other comprehensive income	14	37	34
Deferred tax assets		147	436
Total non-current assets		19,142	19,815
<b>Current assets</b>			
Contract assets	16	3,077	2,227
Trade receivables	15	24,498	51,007
Prepayments, deposits and other receivables	15	1,325	1,342
Pledged deposits		7,000	7,000
Cash and cash equivalents		149,105	93,710
Total current assets		185,005	155,286
<b>Total assets</b>		<b>204,147</b>	<b>175,101</b>
<b>Current liabilities</b>			
Contract liabilities	16	65,972	51,848
Trade and other payables	17	76,599	66,109
Provisions		933	1,004
Lease liabilities		971	928
Tax payable		1,804	1,321
Total current liabilities		146,279	121,210
<b>Net current assets</b>		<b>38,726</b>	<b>34,076</b>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	31 December 2025 SGD'000 (Unaudited)	30 June 2025 SGD'000 (Audited)
<b>Non-current liabilities</b>			
Lease liabilities		<u>1,653</u>	<u>1,924</u>
Total non-current liabilities		<u>1,653</u>	<u>1,924</u>
<b>Total liabilities</b>		<u>147,932</u>	<u>123,134</u>
<b>Net assets</b>		<u>56,215</u>	<u>51,967</u>
<b>Equity attributable to shareholders of the Company</b>			
Issued capital	18	1,389	1,389
Share premium		30,318	32,978
Reserves		<u>24,508</u>	<u>17,600</u>
<b>Total equity</b>		<u>56,215</u>	<u>51,967</u>

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 31 December 2025

	Attributable to shareholders of the Company				
	Issued capital SGD'000	Share premium SGD'000	Fair value reserves SGD'000	Retained profits SGD'000	Total equity SGD'000
<b>Group</b>					
<b>At 1 July 2025 (Audited)</b>	<b>1,389</b>	<b>32,978</b>	<b>(4)</b>	<b>17,604</b>	<b>51,967</b>
Profit for the period	–	–	–	6,905	6,905
Other comprehensive income for the period:					
Fair value gain on equity instruments at fair value through other comprehensive income	–	–	3	–	3
Total comprehensive income for the period	–	–	3	6,905	6,908
Dividend (Note 11)	–	(2,660)	–	–	(2,660)
<b>At 31 December 2025 (Unaudited)</b>	<b>1,389</b>	<b>30,318</b>	<b>(1)*</b>	<b>24,509*</b>	<b>56,215</b>

	Attributable to shareholders of the Company				
	Issued capital SGD'000	Share premium SGD'000	Fair value reserves SGD'000	Retained profits SGD'000	Total equity SGD'000
<b>Group</b>					
<b>At 1 July 2024 (Audited)</b>	<b>1,389</b>	<b>32,978</b>	<b>(42)</b>	<b>4,688</b>	<b>39,013</b>
Profit for the period	–	–	–	1,976	1,976
Other comprehensive income for the period:					
Fair value gain on equity instruments at fair value through other comprehensive income	–	–	38	–	38
Total comprehensive income for the period	–	–	38	1,976	2,014
<b>At 31 December 2024 (Unaudited)</b>	<b>1,389</b>	<b>32,978</b>	<b>(4)*</b>	<b>6,664*</b>	<b>41,027</b>

\* These reserves accounts comprise the consolidated reserves of SGD24,508,000 (six months ended 31 December 2024: SGD6,660,000) in the interim condensed consolidated statement of financial position as at 31 December 2025.

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 31 December 2025

	<b>Six months ended 31 December</b>	
	<b>2025</b>	2024
	<b>SGD'000</b>	SGD'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Cash flows from operating activities</b>		
Profit before tax	<b>8,360</b>	1,969
Adjustments for:		
Depreciation of property, plant and equipment	<b>1,055</b>	1,228
Depreciation of investment properties	<b>15</b>	15
Bank interest income	<b>(798)</b>	(520)
Dividend income	–	(9)
Gain on disposal of property, plant and equipment	<b>(58)</b>	(89)
Gain on disposal of equity investments	–	(144)
Finance costs	<b>70</b>	94
Provisions for defect liabilities	–	(4)
Provision for onerous contracts	–	(369)
	<hr/>	<hr/>
<b>Operating cash flows before changes in working capital</b>	<b>8,644</b>	2,171
Changes in working capital:		
(Increase)/decrease in contract assets	<b>(850)</b>	5,258
Increase in contract liabilities	<b>14,124</b>	16,334
Decrease/(increase) in trade and other receivables	<b>26,816</b>	(13,563)
Increase in trade and other payables	<b>7,759</b>	19,708
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>56,493</b>	29,908
Income tax (paid)/refund	<b>(683)</b>	5
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	<b>55,810</b>	29,913
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Increase in pledged deposits	–	(4,000)
Dividend received	–	9
Proceeds from disposal of equity investment	–	846
Interest received	<b>508</b>	520
Purchase of items of property, plant and equipment	<b>(534)</b>	(860)
Proceeds from disposal of property, plant and equipment	<b>149</b>	150
	<hr/>	<hr/>



# INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended 31 December 2025

	Six months ended 31 December	
	2025 SGD'000 (Unaudited)	2024 SGD'000 (Unaudited)
<b>Net cash generated from/(used in) investing activities</b>	<b>123</b>	<b>(3,335)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(70)	(94)
Repayment of loans and borrowings	–	(708)
Payment of lease liabilities for leasehold land	<b>(468)</b>	<b>(310)</b>
<b>Net cash used in financing activities</b>	<b>(538)</b>	<b>(1,112)</b>
<b>Net increase in cash and cash equivalents</b>	<b>55,395</b>	<b>25,466</b>
Cash and cash equivalents at beginning of the period	<b>93,710</b>	<b>41,185</b>
<b>Cash and cash equivalents at end of the period</b>	<b>149,105</b>	<b>66,651</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances other than time deposit	<b>48,666</b>	17,651
Time deposits	<b>93,520</b>	56,000
Credit linked notes	<b>13,919</b>	–
Less: Pledged deposits	<b>(7,000)</b>	<b>(7,000)</b>
<b>Cash and cash equivalents as stated in the consolidated statement of cash flows</b>	<b>149,105</b>	<b>66,651</b>

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 31 December 2025

## 1. CORPORATE INFORMATION

Kwan Yong Holdings Limited (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 Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the provision of general building and construction services in Singapore.

Ideal Smart Ventures Limited (“**Ideal Smart**”), a company incorporated in the British Virgin Islands (the “**BVI**”), is the immediate and ultimate holding company of the Company.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months ended 31 December 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 30 June 2025.

The unaudited interim condensed consolidated financial information is presented in Singapore Dollars (“**SGD**”) and all value are rounded to the nearest thousand (“**SGD’000**”), unless otherwise stated.

### 2.2 New standards, interpretations and amendment adopted by the Group

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 30 June 2025, except for the adoption of new standards effective as of 1 July 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The amendments and interpretations apply for the first time in the financial period ended 31 December 2025 do not have an impact on the unaudited interim condensed consolidated financial statements of the Group.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's unaudited interim condensed 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 of the 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.

In preparing this unaudited interim condensed consolidated financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2025.

## 4. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to credit risk, liquidity risk and market risk.

The unaudited interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 30 June 2025.

There have been no changes in the financial risk management policies of the Group since the financial year ended 30 June 2025.

## 5. 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 comprise the corporate services and investment holding activities of the Group.

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

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 5. SEGMENT INFORMATION *(Continued)*

### Operating segment information *(Continued)*

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 financial statements.

#### Six months ended 31 December 2025

	Construction SGD'000	Property SGD'000	Corporate SGD'000	Total SGD'000
<b>Revenue</b>				
External customers	<u>117,074</u>	<u>873</u>	<u>–</u>	<u>117,947</u>
<b>Segment results</b>	<u>7,704</u>	<u>896</u>	<u>(240)</u>	<u>8,360</u>
<b>Segment assets</b>	<u>201,714</u>	<u>778</u>	<u>1,655</u>	<u>204,147</u>
<b>Segment liabilities</b>	<u>145,127</u>	<u>139</u>	<u>2,666</u>	<u>147,932</u>
<b>Other Segment information</b>				
Interest income	798	–	–	798
Finance cost	70	–	–	70
Depreciation of property, plant and equipment	1,055	–	–	1,055
Depreciation of investment properties	15	–	–	15
Income tax expense	<u>1,455</u>	<u>–</u>	<u>–</u>	<u>1,455</u>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 5. SEGMENT INFORMATION *(Continued)*

### Operating segment information *(Continued)*

Six months ended 31 December 2024

	Construction SGD'000	Property SGD'000	Corporate SGD'000	Total SGD'000
<b>Revenue</b>				
External customers	105,343	557	–	105,900
<b>Segment results</b>	2,048	263	(342)	1,969
<b>Segment assets</b>	134,278	611	990	135,879
<b>Segment liabilities</b>	94,616	138	98	94,852
<b>Other Segment information</b>				
Interest income	520	–	–	520
Finance cost	94	–	–	94
Depreciation of property, plant and equipment	1,228	–	–	1,228
Depreciation of investment properties	15	–	–	15
Income tax credit	–	(7)	–	(7)

### Geographical information

The Group's revenue during the periods 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 periods were all located in Singapore.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 6. REVENUE

Revenue represents an appropriate proportion of contract revenue of construction contracts for the provision of general building and construction services.

### Disaggregated revenue information

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

	Six months ended 31 December	
	2025	2024
	SGD'000	SGD'000
	(Unaudited)	(Unaudited)
<b>By revenue stream</b>		
General building and construction	117,074	105,343
Rental of dormitory	873	557
	<u>117,947</u>	<u>105,900</u>
<b>By timing of revenue recognitions</b>		
Over time	<u>117,947</u>	<u>105,900</u>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 7. OTHER INCOME AND GAIN

	Six months ended 31 December	
	2025 SGD'000 (Unaudited)	2024 SGD'000 (Unaudited)
<b>Other income</b>		
Government grants (Note)	8	66
Bank interest income	798	520
Rental income	297	292
Dividend income from equity investments	–	9
	<hr/>	<hr/>
	1,103	887
<b>Gain</b>		
Gain arising on disposal of property, plant and equipment	58	89
Gain on disposal of equity investments	–	144
	<hr/>	<hr/>
	1,161	1,120
	<hr/> <hr/>	<hr/> <hr/>

Note: Government grants were received by a subsidiary 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.

Included in government grants for the six months ended 31 December 2024 were COVID-19 related grants and claims amounted to SGD 39,000.

## 8. FINANCE COSTS

	Six months ended 31 December	
	2025 SGD'000 (Unaudited)	2024 SGD'000 (Unaudited)
<b>Interest on:</b>		
Bank loans	–	7
Lease liabilities	70	87
	<hr/>	<hr/>
	70	94
	<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 9. PROFIT BEFORE TAX

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

	Six months ended 31 December	
	2025 SGD'000 (Unaudited)	2024 SGD'000 (Unaudited)
Cost of construction work	105,535	99,532
Depreciation (Note (a))	1,055	1,228
Less: Amount included in cost of construction work	(815)	(981)
	<u>240</u>	<u>247</u>
Depreciation of investment properties	15	15
Expenses relating to short-term leases and leases of low-value assets (Note (b))	6	4
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	7	31
Employee benefit expense (excluding Directors' remuneration):		
Salaries, allowances and benefits-in-kind	9,356	8,486
Pension scheme contributions (excluding Directors' pension scheme contributions)	438	380
	<u>9,794</u>	<u>8,866</u>
Less: Amount included in cost of construction work	(7,003)	(5,668)
	<u><u>2,791</u></u>	<u><u>3,198</u></u>

Notes:

- Depreciation for the six months ended 31 December 2025 comprises depreciation of property, plant and equipment of SGD617,000 (six months ended 31 December 2024: SGD817,000) and depreciation of right-of-use assets of SGD438,000 (six months ended 31 December 2024: SGD411,000).
- The Group leases certain of its leasehold properties, warehouse premises and workers' quarters with either lease terms of 12 months or less or with low value. The Group applied the "short-term lease" and "lease of low-value assets" recognition exemption for these leases.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 10. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 31 December	
	2025 SGD'000 (Unaudited)	2024 SGD'000 (Unaudited)
Current income tax – Singapore:		
Charge for the period	(1,166)	–
Over provision in respect of previous years	–	7
	<u>(1,166)</u>	<u>7</u>
Deferred income tax – Singapore:		
Reversal of temporary difference	(289)	–
	<u>(289)</u>	<u>–</u>
Income tax (expense)/credit recognised in profit or loss	<u>(1,455)</u>	<u>7</u>

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.

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong during each of the financial period.

Singapore corporate income tax has been provided at the rate of 17% on the estimated assessable profits arising in Singapore during the six months ended 31 December 2025. No Singapore corporate income tax has been provided during the six months ended 31 December 2024 as the Group did not generate any assessable profits arising in Singapore.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 11. DIVIDENDS

During the six months ended 31 December 2025, 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 approved by the shareholders of the Company.

No dividend was paid or declared by the Company for the six months ended 31 December 2024.

## 12. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 31 December 2025 is based on the unaudited profit for the period attributable to shareholders of the Company of SGD6,905,000 (unaudited profit for the six months ended 31 December 2024: SGD1,976,000), and the weighted average number of ordinary shares in issue of 800,000,000 (six months ended 31 December 2024: 800,000,000) during the reporting period.

No adjustment has been made to the basic earnings per share presented for the six months ended 31 December 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during each these periods.

## 13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2025, the Group acquired assets with a cost of SGD774,000 (six months ended 31 December 2024: SGD1,160,000). This amount includes the purchase of motor vehicles amounted to SGD711,000 (six months ended 31 December 2024: SGD710,000), of which SGD471,000 (six months ended 31 December 2024: SGD410,000) was paid and the remaining balances of SGD240,000 (six months ended 31 December 2024: SGD300,000) was financed by entering into finance lease arrangements.

Assets with net carrying amount of SGD91,000 (six months ended 31 December 2024: SGD61,000) were disposed by the Group during the six months ended 31 December 2025, resulting in a net gain of disposal of SGD58,000 (six months ended 31 December 2024: SGD89,000).

## 14. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group's equity investments at fair value through other comprehensive income are all listed equity investments stated at fair value and are not held for trading.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 15. TRADE AND OTHER RECEIVABLES

	<b>31 December 2025 SGD'000 (Unaudited)</b>	30 June 2025 SGD'000 (Audited)
<b>Trade receivables</b>		
Trade receivables	8,021	18,916
Unbilled receivables	<u>16,477</u>	<u>32,091</u>
	<u><b>24,498</b></u>	<u>51,007</u>
<b>Prepayments, deposits and other receivables</b>		
Prepayments	24	13
Deposits	711	640
Other receivables	<u>590</u>	<u>689</u>
	<u><b>1,325</b></u>	<u>1,342</u>

Unbilled receivables are those accrued revenue which the construction certification is issued by the customers before period-end but no billing has been raised to customers. The Group's rights of the unbilled revenue are unconditional.

Included in other receivables are purchases made on behalf of subcontractors amounted to SGD267,000 (30 June 2025: SGD339,000). The amount is unsecured, interest-free and repayable on demand.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 15. TRADE AND OTHER RECEIVABLES (Continued)

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

	<b>31 December 2025 SGD'000 (Unaudited)</b>	30 June 2025 SGD'000 (Audited)
– Within one month	<b>8,021</b>	18,904
– 1 to 2 months	–	12
– 2 to 3 months	–	–
– Over 3 months	–	–
	<hr/> <b>8,021</b> <hr/>	<hr/> 18,916 <hr/>

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 (“ECL”) prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group has assessed the impairment of its trade receivables on an individual basis based on internal credit rating and ageing of these balances which, in the opinion of the directors of the Company, have no significant increase in credit risk during the periods. 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 31 December 2025 and 30 June 2025.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 16. CONTRACT BALANCES

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

	<b>31 December 2025 SGD'000 (Unaudited)</b>	30 June 2025 SGD'000 (Audited)
Contract assets	<u><u>3,077</u></u>	<u><u>2,227</u></u>
Contract liabilities	<u><u>65,972</u></u>	<u><u>51,848</u></u>

Notes:

- (a) Contract assets primarily relate to the Group's right to consideration for construction work completed but yet to be certified by surveyors appointed by the customers as at the reporting date. Contract assets are transferred to receivables when the rights become unconditional.
- (b) The Group applies the simplified approach to provide for ECLs 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 periods. 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 31 December 2025 and 30 June 2025.
- (c) Contract liabilities are the Group's obligations to transfer goods and services to customers for which the Group has received consideration from customers. Contract liabilities are recognised as revenue when the Group performs under contract.
- (d) As at 31 December 2025 and 30 June 2025, performance bonds amounting to SGD50,917,000 and SGD42,962,000, respectively, were issued by an insurance company 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 company to pay to them the sum or sums stipulated in such demand. The Group will then be liable to compensate the insurance company 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.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 17. TRADE AND OTHER PAYABLES

	<b>31 December 2025 SGD'000 (Unaudited)</b>	30 June 2025 SGD'000 (Audited)
Trade payables	11,710	5,360
Accrued subcontractor costs	38,681	38,812
Accrued operating expenses	3,708	3,427
Retention payables	17,596	14,897
Deposit received	225	222
Deferred income	–	118
Dividend payable	2,660	–
GST payable	2,019	3,273
	<u>76,599</u>	<u>66,109</u>

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

Accrued subcontractor costs are those subcontractor costs incurred but related invoices have not been received as at the end of the reporting period.

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

	<b>31 December 2025 SGD'000 (Unaudited)</b>	30 June 2025 SGD'000 (Audited)
– Within one month	8,971	4,230
– 1 to 2 months	2,247	801
– 2 to 3 months	178	193
– Over 3 months	314	136
	<u>11,710</u>	<u>5,360</u>

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.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 17. TRADE AND OTHER PAYABLES (Continued)

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

	<b>31 December 2025 SGD'000 (Unaudited)</b>	30 June 2025 SGD'000 (Audited)
Due within one year	<b>4,278</b>	5,653
Due after one year	<b>13,318</b>	9,244
	<b>17,596</b>	14,897

## 18. SHARE CAPITAL

	<b>31 December 2025</b>		30 June 2025	
	<b>Number of shares '000</b>	<b>Share capital HKD'000</b>	Number of shares '000	Share capital HKD'000
<i>Authorised:</i> Ordinary shares of HKD0.01 each	<b>15,000,000</b>	<b>150,000</b>	15,000,000	150,000

	<b>31 December 2025</b>		30 June 2025	
	<b>Number of shares '000</b>	<b>Share capital SGD'000</b>	Number of shares '000	Share capital SGD'000
<i>Issued and fully paid:</i> Ordinary shares of HKD0.01 each	<b>800,000</b>	<b>1,389</b>	800,000	1,389

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 19. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

At the end of each 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 liabilities to their carrying amounts largely due to the short term maturities of these instruments. The fair values of the interest-bearing bank loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

During the periods ended 31 December 2025 and 30 June 2025, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for the financial instruments.

## 20. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information for the six-month period ended 31 December 2025 were approved and authorised for issue by the board of Directors (the “Board”) of the Company on 27 February 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 its quality of work, especially in building construction works for the public sector.

As at 31 December 2025, the Group had 5 (30 June 2025: 5) construction projects on hand (including projects in progress and projects that are yet to commence) with a total contract value of approximately SGD715.0 million (30 June 2025: approximately SGD623.9 million).

## OUTLOOK

According to the announcement of the Ministry of Trade and Industry (the “**MTI**”) published on 10 February 2026, Singapore’s economy expanded by 6.9 per cent on a year-on-year basis in the fourth quarter of 2025, faster than the 4.6 per cent growth in the previous quarter. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 2.1 per cent, moderating from the 2.6 per cent expansion in the previous quarter. Growth in the construction sector came in at 4.6 per cent year-on-year, moderating from the 5.6 per cent growth in the third quarter, on account of expansions in both public and private sector construction output. On a quarter-on-quarter seasonally adjusted basis, the sector’s growth eased to 0.2 per cent, from 0.6 per cent in the previous quarter. For the whole year of 2025, the sector expanded by 5.2 per cent, after growing by 5.4 per cent in 2024.

The global economic outlook is subject to both upside and downside risks. On the one hand, a stronger-than-projected upswing in the AI investment cycle could provide a greater boost to electronics demand and drive further gains in equity markets. The former would have positive spillovers on global trade, while the latter could lift global consumption from wealth effects. On the other hand, a renewed escalation in tariff actions or flare-ups in geopolitical tensions could lead to a resurgence in economic uncertainty, which would weigh on the sentiments of businesses and households. This could then dampen business investments and hiring, as well as household spending. Furthermore, an escalation in risk-off sentiments or a sudden pullback in global AI-related capital spending could trigger sharp corrections in global financial markets, with potential spillovers to broader economic activity. Taking into account the latest global and domestic situations, the MTI has upgraded Singapore’s GDP growth forecast for 2026 from “1.0 to 3.0 per cent” to “2.0 to 4.0 per cent”.

# MANAGEMENT DISCUSSION AND ANALYSIS

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

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

## FINANCIAL REVIEW

### Revenue

The Group’s revenue for the six months ended 31 December 2025 was SGD117.9 million, representing an increase of SGD12.0 million or 11.3% as compared to that of SGD105.9 million for the six months ended 31 December 2024. The increase in revenue was mainly driven by more construction projects engaged for the six months ended 31 December 2025 as compared to those for the previous period.

### Cost of sales

Cost of sales for the six months ended 31 December 2025 was SGD105.5 million, representing an increase of SGD6.0 million or 6.0%, from SGD99.5 million for the six months ended 31 December 2024. The increase was mainly driven by more construction activities which is in line with the increase in revenue.

### Gross profit and gross profit margin

Gross profit increased by SGD6.0 million from SGD6.4 million for the six months ended 31 December 2024 to SGD12.4 million for the six months ended 31 December 2025, and the gross profit margin increased to 10.5% for the six months ended 31 December 2025 from gross profit margin of 6.0% for the six months ended 31 December 2024. The increase in gross profit and gross profit margin was mainly due to completion of the projects with higher profit margin as compare to previous period.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Other income and gain

Other income and gain for the six months ended 31 December 2025 was SGD1.2 million which is similar to that of the previous period.

## Finance costs

The Group's finance costs decreased by SGD24,000 from SGD94,000 for the six months ended 31 December 2024 to SGD70,000 for the six months ended 31 December 2025. The decrease was mainly due to the lower average borrowings during the six months ended 31 December 2025.

## Income tax expense

The Group's income tax expense (which includes the reversal of temporary differences of SGD0.3 million recognized as deferred tax assets for the financial year ended 30 June 2025) for the six months ended 31 December 2025 was SGD1.5 million. The increase in income tax expenses was mainly due to the generation of assessable profits for the six months ended 31 December 2025 whereas there was no assessable profit for the six months ended 31 December 2024.

## Profit for the period

As a result of the above factors, the Group recorded a profit of SGD6.9 million for the six months ended 31 December 2025 as compared to a profit of SGD2.0 million for the six months ended 31 December 2024.

## 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 share capital and reserves.

The Group's cash and cash equivalents balances as at 31 December 2025 amounted to SGD149.1 million (30 June 2025: SGD93.7 million) representing an increase of SGD55.4 million as compared to that for previous financial period. Included in cash and bank balances of the Group are balances denominated in Hong Kong dollars and United States dollars amounted to SGD1.2 million (30 June 2025: SGD0.4 million) and SGD 0.4 million (30 June 2025: SGD0.4 million) respectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, the Group's indebtedness comprised lease liabilities denominated in Singapore dollars of SGD2.6 million (30 June 2025: SGD2.9 million).

The Group recorded total current assets of SGD185.0 million as at 31 December 2025 (30 June 2025: SGD155.3 million) and total current liabilities of SGD146.3 million as at 31 December 2025 (30 June 2025: SGD121.2 million). The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was 1.3 as at 31 December 2025 (30 June 2025: 1.3).

The Group's total equity attributable to owners of the Company remained stable at SGD56.2 million as at 31 December 2025 (30 June 2025: SGD52.0 million).

## GEARING RATIO

As at 31 December 2025, the Group's gearing ratio which was calculated by dividing the total debts (being lease liabilities) by total equity was 4.6% (30 June 2025: 5.6%).

## CONTINGENT LIABILITIES

As at 31 December 2025 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 six months ended 31 December 2025, the Group did not have any significant investments held, 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 31 December 2025.

## CAPITAL COMMITMENTS

As at 31 December 2025, the Group had no capital commitment (30 June 2025: Nil).



# MANAGEMENT DISCUSSION AND ANALYSIS

## 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

The Singapore Government has forecast that the economy will expand at a moderate pace in 2026, supported by continued resilience in the trade, manufacturing and services sectors despite prevailing global headwinds. Notwithstanding this positive momentum, downside risks remain. Heightened geopolitical tensions, uncertainty surrounding U.S. trade policies, and broader global economic policy volatility may contribute to rising production costs and dampen global investment and trade flows, thereby moderating overall growth prospects.

The Group remains vigilant in monitoring developments in international trade policies and the resulting global supply chain adjustments. While tariff measures are primarily targeted at specific markets, they may indirectly affect regional material flows, commodity pricing and currency movements. Volatility in the global steel and construction materials markets, as well as potential increases in equipment acquisition costs, could exert pressure on project costs, margins and delivery timelines.

On 27 January 2026, the BCA projected total construction demand to reach up to SGD53.0 billion in nominal terms, broadly comparable to 2025 levels. Sustained construction demand is expected to place continued pressure on industry manpower, supply chains and resource availability.

# MANAGEMENT DISCUSSION AND ANALYSIS

Over the medium term, a steady pipeline of infrastructure developments, stable public housing programmes, institutional building projects and ongoing urban rejuvenation initiatives is expected to underpin sustained activity within the construction sector.

In response to the evolving operating environment, the Group will continue to strengthen value-chain partnerships through collaborative contracting approaches to enhance risk sharing and project integration. At the same time, we are committed to accelerating the adoption of innovation-driven technologies and productivity-enhancing solutions, transitioning from traditional labour-intensive models towards more sustainable, technology-enabled delivery methods. Through this combined strategy of collaborative contracting and technological advancement, the Group aims to strengthen its competitive position and improve long-term operational resilience.

## DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2025 (six months ended 31 December 2024: Nil).

During the six months ended 31 December 2025, a final dividend of HKD0.02 (2024: 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 approved by the shareholders of the Company.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 504 employees (31 December 2024: 504 employees). Total staff costs for the six months ended 31 December 2025 amounted to SGD10.6 million (six months ended 31 December 2024: SGD9.4 million). Salaries and benefits of the Group's employees have been kept at a market level and employees were 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 six months ended 31 December 2025 and up to the date of this interim report.





# MANAGEMENT DISCUSSION AND ANALYSIS

## SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on Note 5 to the interim condensed consolidated financial statements.

## CHARGES ON GROUP ASSETS

The bank facilities as at 31 December 2025 was secured against the pledged time deposits of SGD7.0 million (30 June 2025: SGD7.0 million).



## OTHER INFORMATION

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

As at 31 December 2025, the interests and short positions of each of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 for Securities Transactions by the Directors of Listed Companies (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

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 is 100% owned by Mr. Kwan Mei Kam and Ms. Tay Yen Hua in equal shares. Therefore, Mr. Kwan Mei Kam and Ms. Tay Yen Hua 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 31 December 2025, none of the Directors or chief executive of the Company had any interest 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 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.



## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

So far as is known to the Directors or chief executives of the Company, as at 31 December 2025, 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 members of the Group:

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 31 December 2025, 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 of the Company" 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.

## OTHER INFORMATION

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2025.

### COMPETITION AND CONFLICT OF INTEREST

During the six months ended 31 December 2025, none of the Directors or the controlling shareholders of the Company (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 Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

#### Non-Competition Undertaking

In order to avoid any potential competition arising between the Group and the Controlling Shareholders, Mr. Kwan Mei Kam, Ms. Tay Yen Hua and Ideal Smart (each a "**Covenantor**" and collectively the "**Covenantors**") have entered into the 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.



## OTHER INFORMATION

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.

The Covenantors have confirmed to the Company that from the effective date of the Deed of Non-Competition and up to the date of this interim report, they and their respective associates (as defined in the Listing Rules) have complied with the undertakings contained in the Deed of Non-completion.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regulating 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 six months ended 31 December 2025 and up to the date of this interim 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. 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.

## OTHER INFORMATION

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.



## OTHER INFORMATION

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 at the date of this interim report, the Share Option Scheme had a remaining life of approximately three years and ten months.

As at 1 July 2025 and 31 December 2025, the total number of share options available for grant under the Share Option Scheme was 80,000,000 representing 10% of the ordinary shares of the Company at issue on 7 December 2019, the date of adoption of the Share Option Scheme.

For the six months ended 31 December 2025 and up to the date of this interim report, no share option has been granted, exercised, expired, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme. Therefore, 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) is not available.

## OTHER INFORMATION

### CORPORATE GOVERNANCE PRACTICE

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 obtain and maintain 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. The Company has adopted the principles and code provisions in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules. The Company has fully complied with the CG Code during the six months ended 31 December 2025 up to the date of this interim report with the exception of code provision C.2.1 as explained below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual to avoid power being concentrated in any one individual. Mr. Kwan Mei Kam is the chairman of the Board (the “**Chairman**”) and the chief executive officer of the Company. In view of the fact that Mr. Kwan Mei Kam 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 Mei Kam taking up both roles for effective management and business development. 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.

Ms. Tay Yen Hua is the spouse and Ms. Kwan Shu Ming is the daughter of Mr. Kwan Mei Kam. Save as disclosed above, there is no relationship (including financial, business, family or other material/relevant relationship(s)) between board members and in particular, between the chairman and the chief executives.

The Company engages an external service provider, which assigned Ms. Ng Hoi Ying as the company secretary of the Company. Ms. Ng Hoi Ying possesses the necessary qualification and experience, and is capable of performing the functions of the company secretary of the Company. 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 Mei Kam, the Chairman and the executive Director as its contact point for Ms. Ng Hoi Ying.





## OTHER INFORMATION

### UPDATE ON DIRECTOR'S INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors since the date of the annual report 2025 of the Company are set out below:

On 19 December 2025, Mr. Chou Sean Yu, the then independent non-executive Director, has been re-designated as a non-executive Director and has resigned as the chairman of the remuneration committee of the Company (the "**Remuneration Committee**") and remained as a member of the Remuneration Committee. Mr. Lim Ah Lay, an independent non-executive Director, was appointed as the chairman of the Remuneration Committee with effect from 19 December 2025.

On 7 January 2026, Mr. Fong Heng Boo, an independent non-executive Director, has been appointed as a member of the nomination committee of the Company (the "**Nomination Committee**"); and Mr. Chou Sean Yu, the non-executive Director, ceased to be a member of the Nomination Committee.

Save as disclosed above, there are no other changes in the Director's information required to be disclosed pursuant to Rule 13.51(2)(a) to (e) and (g) of the Listing Rules from the date of the last annual report to the date of this interim report.



## OTHER INFORMATION

### AUDIT COMMITTEE

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

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

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 Group’s interim condensed consolidated financial statements for the six months ended 31 December 2025 have not been audited by the Company’s independent auditors, but have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the interim condensed consolidated financial statements of the Group for the six months ended 31 December 2025 comply with applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

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

Singapore, 27 February 2026

